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Société Anonyme au capital de 4 450 908 €- RCS Avignon B 384 093 563

“NARRATIVE” HALF-YEAR FINANCIAL REPORT FOR THE HALF-YEAR ENDED JUNE 30, 2007

This year, Naturex has decided to release a strictly narrative half-year financial report two months after the end of the period, in accordance with the October 16th, 2006 position of the AMF (French Market Authorities). It should be noted that the figures in this report will be subject to a limited review by the statutory auditors with a view to publishing the half-year results scheduled for October 1, 2007.

This report has been issued in accordance with the provisions of Article 221-3 of the General Regulation of the AMF. It is available on the Company's website www.naturex.com.

1. REVENUES FOR H1 2007

- Quarterly revenues

Historical data

In EUR millions	2006	At current USD rates		At constant USD rates	
		2007	Change	2007	Change
First quarter	18.3	21.2	+ 15.6%	22.5	+ 22.9%
Second quarter	16.4	20.6	+ 26.1%	21.6	+ 32.3%
First half	34.7	41.8	+ 20.5%	44.1	+ 27.3%
<i>Average USD exchange rate</i>	<i>1.2198</i>	<i>1.3312</i>		<i>1.2198</i>	

In Q2 2007, Naturex posted revenues of EUR 20.6 million, up 32.3% at constant USD rates and 26.1% at current USD rates as against the same period the previous year.

Revenues for the first half of the year totaled EUR 41.8 million, up 27.3% at constant USD rates and up 20.5% at current USD rates compared with the first half of 2006.

Historical data

In EUR millions	H1 2006	At current USD rates		At constant USD rates	
		H1 2007	Change	H1 2007	Change
Former scope	34.7	36.9	+ 6.4%	39.2	+ 13.2%
Hammer Pharma	-	4.0		4.0	
HP Botanicals	-	0.9		0.9	
TOTAL	34.7	41.8	+ 20.5%	44.1	+ 27.3%
<i>Average USD exchange rate</i>	<i>1.2198</i>	<i>1.3312</i>		<i>1.2198</i>	

Organic growth for the half-year came out at 13.2% at constant USD rates based on the former scope.

The companies Hammer Pharma and HP Botanicals consolidated since January 1 and April 1, 2007 respectively, contributed EUR 4.9 million to revenues, i.e. 12% of total half-year revenues. Total growth for these two companies stood at 12% compared with the same period in 2006.

- Revenues by activity

Historical data

As a % of revenues	H1 2006	H1 2007
Food – Flavor industries	30.3%	29.7%
Nutraceuticals	62.8%	57.7%
Cosmetics	3.1%	2.2%
Pharmaceuticals	0.1%	6.6%
Miscellaneous	3.8%	3.7%

Following the acquisition of Hammer Pharma, Naturex is now active in the pharmaceutical industry, which accounted for 6.6% of its total revenues.

- Revenues by country

Historical data

As a % of revenues	H1 2006	H1 2007
France	8.6%	8.5%
European Union excluding France	16.9%	26.0%
Asia/Pacific	2.4%	3.6%
USA/Canada	69.0%	58.0%
Rest of the world	3.1%	3.9%

The acquisition of the two Italian companies, Hammer Pharma and HP Botanicals, contributed to the increased percentage of revenues generated in Europe in the breakdown by geographical area. In the first half of 2007, the European Union accounted for 34.5% of total revenues, versus 25.5% over the same period the previous year.

Like-for-like data

As a % of revenues	H1 2006	H1 2007	Change between 2006 and 2007	
			At current USD rates	At constant USD rates
France	8.6%	9.6%	+ 19.2%	+19.2%
European Union excluding France	16.9%	17.2%	+ 8.9%	+9.9%
Asia/Pacific	2.4%	4.2%	+ 87.7%	+101.5%
USA/Canada	69.0%	65.7%	+ 1.2%	+10.2%
Rest of the world	3.1%	3.3%	+ 10.8%	+12.4%
TOTAL	100%	100%	+ 6.4%	+13.2%

Europe is a buoyant market for Naturex. In the first half of 2007, the like-for-like revenues generated in Europe, including France, rose by 13% as against the same period the previous year and represented 26.8% of total revenues versus 25.5% for the first half of 2006.

The Asia/Pacific region, where Naturex set up a sales office in Singapore in April 2005, turned in impressive growth of 101.5% at constant USD rates. This region now accounts for 3.6% of Group revenues (4.2% for the former scope).

2. GENERAL DESCRIPTION OF THE FINANCIAL POSITION AND HALF-YEAR RESULTS

Gross margin is comparable to the proforma figure for H1 2006 (with the 6-month consolidation of Hammer Pharma and 3-month consolidation of HP Botanicals). It should be noted that in 2006 this gross margin was impacted by a significant drop in the dollar, a major source of financial products.

The ongoing development, integration and restructuring efforts have increased operating expenses. As such, operating margin remained stable compared with the proforma figure for H1 2006.

The impact of the integration of Hammer Pharma and HP Botanicals are not yet reflected in terms of development and profitability of these subsidiaries, which are not expected to make a significant contribution to operating income over the full year.

3. DETAILS ON FINANCIAL TRANSACTIONS AND MAJOR EVENTS SEEN IN THE FIRST HALF

The first half of 2007 represents an important new phase in Naturex's development, notably with a foothold in the pharmaceutical industry, the strengthening of both the Group's position in Italy and its sales network in Europe, the Group's ongoing restructuring and, in France, ISO 9001 and ISO 14001 certification.

Acquisition of Hammer Pharma

Naturex acquired a 100% stake in Hammer Pharma, a 48-strong Italian company based in Milan and specialized in the same business as Naturex, the sale of plant extracts to industrial clients. Hammer Pharma was consolidated in the Group's accounts on January 1, 2007.

In 2006, Hammer Pharma generated revenues of EUR 7.6 million for net income of EUR -0.4 million, i.e. EBITDA of EUR 0.8 million and gearing of EUR 4 million (excluding affiliates' current accounts).

This acquisition presents major advantages for Naturex:

- A foothold in the pharmaceutical industry.

This sector, Hammer Pharma's main market, is one of the Group's focuses in terms of strategic development.

- A pharmaceutical site.

Hammer Pharma has about fifteen EDMFs (European Drug Master File) for the use of products by the pharmaceutical industry. Given the changes in the regulations governing the nutraceutical industry, EDMFs will become a requirement for supplying the major industry players in Europe. As such, Naturex has consolidated its position as a nutraceutical industry supplier.

- High-performance industrial facilities

Set up in Milan, in the heart of one of the main industrial areas in Europe on a 2.5-hectare site, Hammer Pharma has a high extraction capacity.

This acquisition totaled EUR 6 million (including affiliates' current accounts) and was financed via a EUR 35 million credit line taken out in October 2006.

Acquisition of HP Botanicals

Naturex acquired a 100% stake in HP Botanicals, an Italian company based in Milan, which was consolidated in the Group's accounts on April 1, 2007.

HP Botanicals, a small structure of 5 staff members, is specialized in the formulation and distribution of plant extracts for the Italian nutraceutical industry.

In 2006, HP Botanicals generated EUR 2.8 million in revenues, half of which was from the sale of Hammer Pharma plant extracts.

This acquisition has reinforced Naturex's leading position on the Italian nutraceutical market.

The acquisition totaled EUR 2.2 million, including affiliates' current accounts, representing 8 times estimated EBITDA for 2007. As for the acquisition of Hammer Pharma, Naturex used the EUR 35 million credit line taken out in October 2006 to finance this transaction.

Consolidation of Naturex's commercial presence in Europe

In the first quarter of 2007, Naturex set up a subsidiary in Oxford in the United Kingdom. The Group's commercial presence on this market, amongst the largest in Europe – notably the nutraceutical sector with a consumption model similar to that in the US, needed to be consolidated in order to improve proximity to its clientele and step up prospective sales drives. The subsidiary will oversee the UK and Irish markets.

At the end of February, Naturex purchased a 34.8% minority stake in the Swiss company, Sanavie, which distributes Naturex products in Russia and Ukraine. With this investment, Naturex has strengthened its position on these young, fast-growing markets for high-quality products.

Ongoing restructuring

Naturex underwent further major changes in 2007 with the current integration of the Italian subsidiaries and the development of its commercial network.

Against this backdrop, along with the ambitious certification program, Naturex continued its efforts to strengthen its human structure, which is now a good size to maintain its high-quality standing.

Certification

Naturex has recently received two certifications:

- NF ISO 9001:2000 at its Avignon site whose activities include the development, production and commercialization of natural ingredients for use in the food, nutraceutical, pharmaceutical and cosmetic industries. This certification boosts Naturex's international image and represents the recognition for the maturity and efficiency of its quality management system. It also demonstrates the Group's efforts to adapt in order to better meet its clients' needs.

- NE ISO 14001:2004 for the environmental management system at its Avignon site. This certification confirms Naturex's focus on protecting the environment. Naturex joined the Global Pact in May 2003. Upon signing this pact (a United Nations' initiative), signatory companies adhere to, amongst other things, a set of 9 principles on human rights, labor and the environment.

Moreover, the New Jersey site of its US subsidiary, Naturex Inc., is also NSF-certified as complying with GMP requirements as listed in Section 8 of NSF/ANSI Standard 173 for its dietary supplement business.

A new standard certification process (BRC) is underway for Naturex's two main industrial sites in Avignon and south Hackensack, NJ.

Increased investment in Naturex Maroc

In April 2007, Naturex increased its investment in Naturex Maroc from 89.29% to 96.35% through the purchase of the stake owned by Proparco (investment of EUR 1.2 million).

About Naturex

Naturex manufactures and sells 100% natural ingredients for the food, flavor and nutraceutical and cosmetic industries. Based in Avignon, France, the Group has an international reach, with over 90% of its sales realized in 30 different countries outside France, nearly 60% of which are generated on the US market. Naturex has facilities in France, Morocco, the United States and Italy, a subsidiary in the United Kingdom and a representative office in Singapore.

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