



2007



HALF-YEARLY



RESULTS

October 1, 2007



S o m m a i r e



The company and its core business



Highlights



2007 half-yearly results



Strategy and outlook



Market


NATUREX



The company
and its core business

Core business



**Extraction and formulation
of plant extracts for the food and flavor,
nutraceutical, pharmaceutical
and cosmetics industries**



**Naturex ranks amongst the very top international
players in its business**





The company and
its core business

Food and flavor ingredients



▣ **29.7% of revenues**



▣ **Extracts:**

- ▣ **Flavoring**
- ▣ **Coloring**
- ▣ **Anti-oxidant**



▣ **Sold to:**

- ▣ **the food industry**
- ▣ **flavorists**
- ▣ **producers of mixes & seasonings**



▣ **A growing market**





The company and
its core business

Nutraceutical ingredients



❑ **57.7% of revenues**



❑ **Extracts containing active principles with medicinal properties for use in capsules, pills and food supplements**



❑ **Sold to nutraceutical companies whose products are distributed by pharmacies, supermarkets and hypermarkets, specialist outlet networks, over the Internet, etc.**



❑ **Major market in the US and Asia
Strong growth in Europe**





The company and
its core business

Pharmaceutical ingredients



❑ **6.6 %of revenues**



❑ **Extracts containing active principles with medicinal properties for use in specialist pharmaceutical products**



❑ **Sold to the pharmaceutical industry**

❑ **A new development axis for Naturex**





The company and
its core business

Cosmetic ingredients



❑ **2.2% of revenues**



❑ **Extracts with cosmetic active principles used in gels, creams, lotions, shampoos, etc.**



❑ **Sold to cosmetics companies**

❑ **A new activity in its early stages**





The company and
its core business

A-Z process management



Procurement

- Reliable purchasing networks around the world
4 extraction sites across 3 continents



R&D

- 21 doctors, engineers and technicians



Production

- 5 industrial sites, one of the world's largest extraction and drying capacities



Quality control

- 27 doctors, engineers and technicians



Sales force

- 25 technical/sales staff spread between New York, Avignon, Singapore, Milan and Oxford



The company and its core business

Strategic locations



▲ South Hackensack
● New Jersey, USA

● Oxford
United Kingdom

▲ Avignon
● France



▲ Milan,
● Italy



▲ Shingle Springs
● California, USA



▲ Casablanca
Morocco

● Singapore



● Commercial site

▲ Industrial site





The company and
its core business



Strong organic growth thanks to :

- ▣ **Specific assets and advantages such as:**
 - ▣ **A strong capacity for innovation**
 - ▣ **Privileged access to raw materials**
 - ▣ **A strong commercial presence**
 - ▣ **An ability to maximize the synergies to be had with the companies it acquires**

- ▣ **A new trend in society: natural products**

S o m m a i r e



The company and its core business



Highlights



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NATUREX



Highlights



Expansion into Italy following 2 acquisitions

2 strategic acquisitions thanks to which Naturex:

- ❑ Has access to a new market: the **pharmaceutical** industry
 - ❑ A strategic operation that is all the more valid given the increasing convergence of the nutraceutical and pharmaceutical sectors
- ❑ Will rank as **a leader on Italy's buoyant nutraceuticals** market
- ❑ Has acquired a **high quality industrial site**:
 - ❑ 2.5 ha pharmaceutical plant in Milan



Highlights

Acquisition of Hammer Pharma January 2007



- Italian company based in Milan with a payroll of **48**
Acquisition of 100% of the company's shares, consolidated as of 01/01/2007
- 2006 financial year:
 - Revenues: **EUR 7.6 million**
 - EBITDA: **EUR 0.9 million**
 - Net income: **EUR -0.3 million**
 - Debt: **EUR 4 million**
(excluding partner current accounts)
- Sale of plant extracts to the pharmaceutical and nutraceutical industries
- Cost of the operation: **EUR 6 million** to cover the price of the shares and **EUR 4 million** to cover the company's debt
- Financed through the use of a **EUR 35 million** credit line set up in October 2006





Highlights

Acquisition of HP Botanicals February 2007



- Italian company based in Milan with a payroll of 5
Acquisition of 100% of the company's shares, consolidated as of 01/04/2007



- 2006 financial year:
 - Revenues: **EUR 2.8 million** (half of which comes from the sales of Hammer Pharma plant extracts)
 - EBITDA: **EUR 0.2 million**
 - Net income: **EUR 0.1 million**



- Formulation and distribution of plant extracts for the Italian nutraceutical industry



- Cost of the acquisition: **EUR 2.2 million** (approximately 8 times the company's estimated EBITDA for 2007)



- Financed through the use of a **EUR 35 million credit line** set up in October 2006



Highlights

Strengthening of the Group's commercial presence worldwide



- In Asia, thanks to the ongoing success of the Group's **Singapore** branch



- Opened in April 2005
- Revenues of **EUR 1.6 million** in H1 2007, i.e. growth of **57.1%** at current USD rates and **68.2%** at constant USD rates



→ **Strong development potential: Asia represents around 25% of the global market for natural ingredients**





Highlights

Strengthening of the Group's commercial presence worldwide



- ❑ In the **United Kingdom**, with the opening of a subsidiary in **Oxford**:



- ❑ Established in January 2007
- ❑ In charge of the UK and Irish markets
- ❑ Consumer trends that are similar to the US market
- ❑ Revenues: **EUR 1.2 million** for H1 2007



→ Strong development potential given the scale of the UK market





Highlights

Strengthening of the Group's commercial presence worldwide



- ▣ **In Russia and Ukraine**, via the purchase of a minority stake of **34.8% in the Swiss company, Sanavie** (distributor of Naturex products in Russia and Ukraine)
 - ▣ **Acquisition in February 2007**
(consolidated using the equity method as of 1/1/2007)
 - ▣ **Sale of products for the food and nutraceutical sectors**
 - ▣ **Certification of ingredients with medicinal properties underway in Russia and Ukraine**
 - ▣ **Revenues: EUR 5.5 million in H1 2007**
Naturex sales to Sanavie: EUR 0.3 million

→ **Russia and Ukraine: two emerging markets for natural ingredients**



Highlights

An important milestone in terms of certification



- ❑ **Certification of conformity with NSF/ANS GMP requirements**
 - ❑ For the dietary supplements activity of the New Jersey site



- ❑ **Obtaining of two certifications: standard NF ISO 9001 and NE ISO 14001**
 - ❑ For the Avignon site and its environmental management system



- ❑ **BRC certification for the Avignon and New Jersey sites underway**



→ **Enhancement of the Group's global image**

S o m m a i r e



The company and its core business



Highlights



2007 half-yearly results



Strategy and outlook



Market


NATUREX

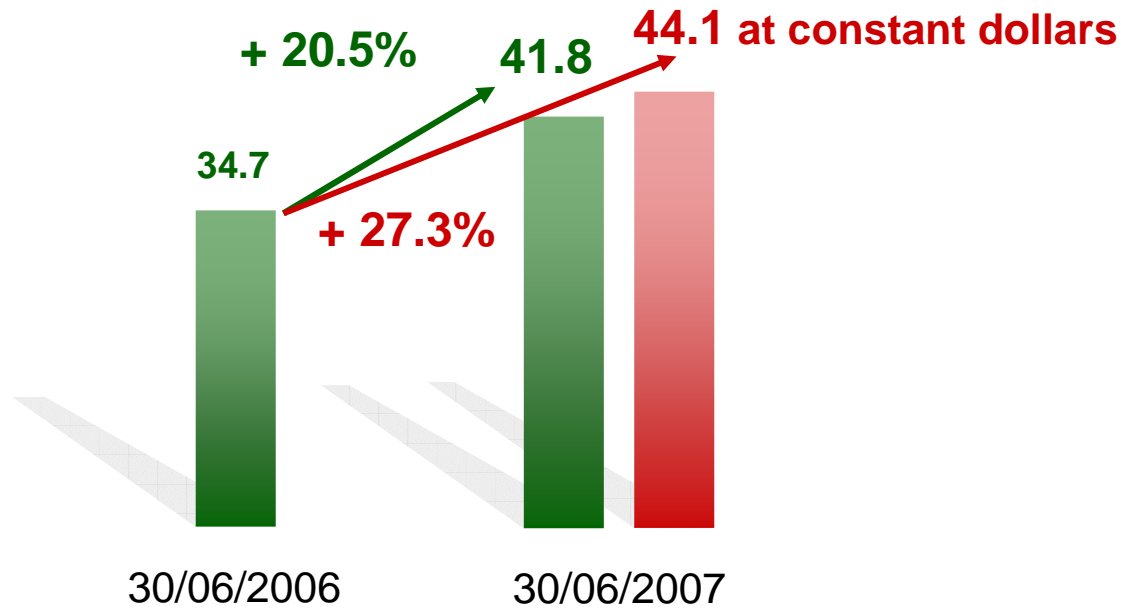


H1 results

Sustained growth



In EUR millions



→ **Proforma*: + 7.8% at current dollars**
+ 13.9% at constant dollars

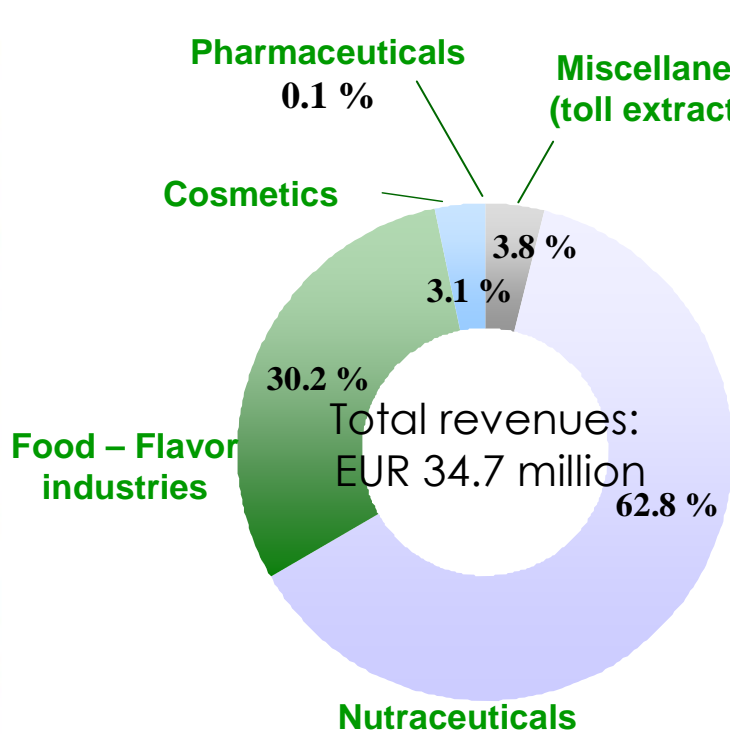
* Integration of Hammer Pharma from 1/01/2006 and of HP Botanicals from 1/04/2006



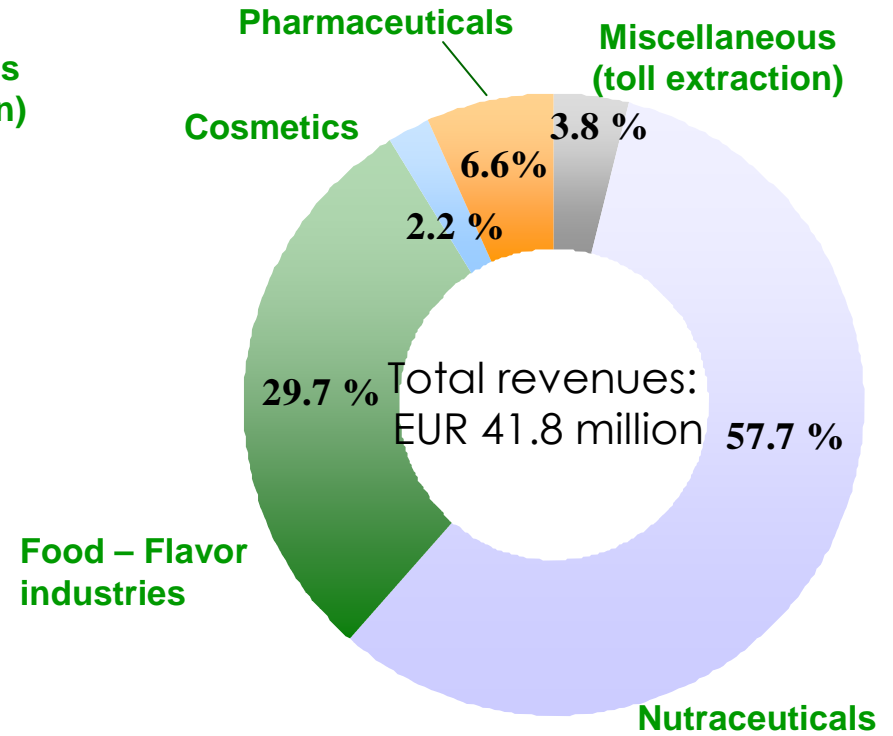


H1 results

Breakdown of revenues by activity



30/06/2006

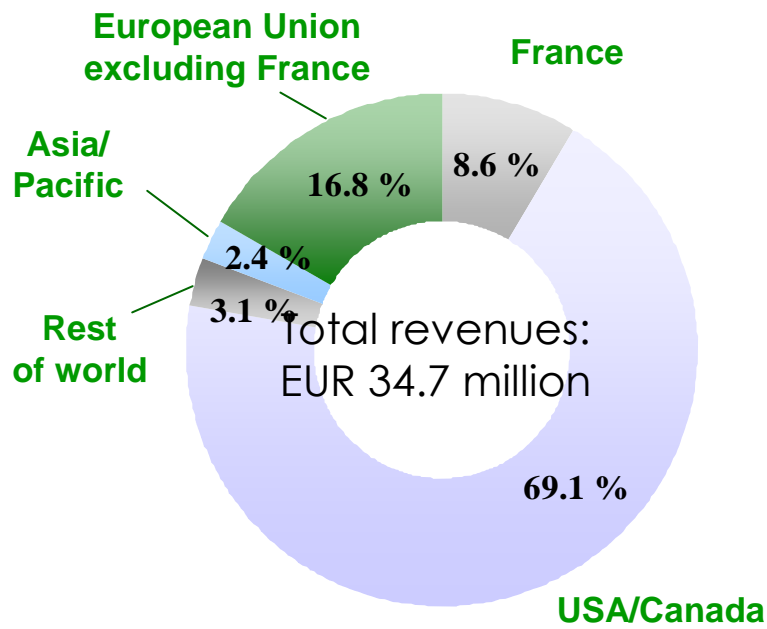


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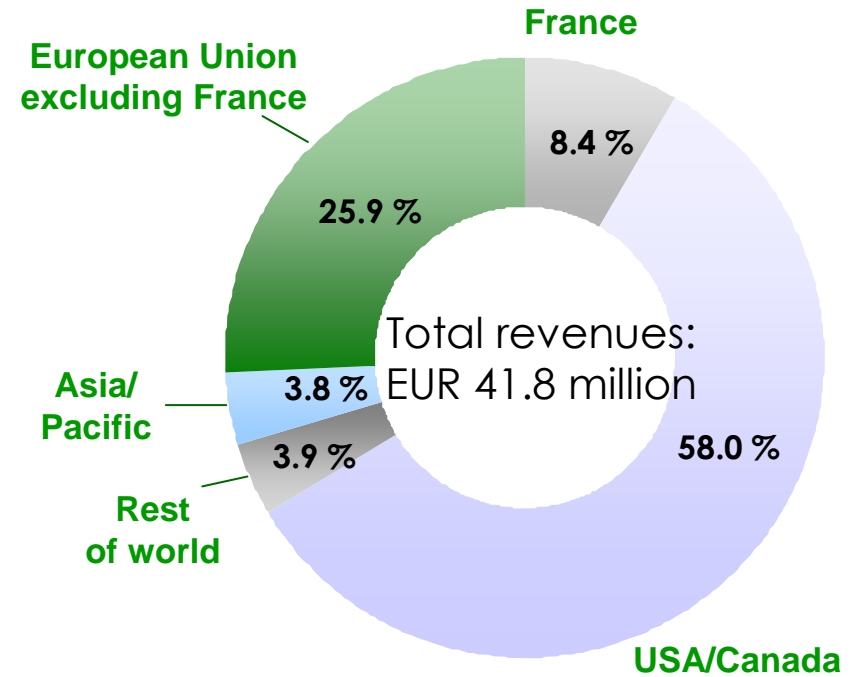


H1 results

91.6% of revenues realized overseas



30/06/2006



30/06/2007



H1 results

Simplified income statement



<i>In EUR millions</i>	H1 2006	Proforma H1 2006*	H1 2007	Change 07/pro forma 06
Revenues	34.7	38.8	41.8	+ 7.8 %
Gross margin	21.5	23.7	28.1	+ 18.4 %
<i>as a % of revenues</i>	63.8 %	61.1 %	67.1 %	
Operating income	3.9	3.6	4.1	+ 13.2 %
<i>as a % of revenues</i>	11.3 %	9.4 %	9.8 %	
Net financial debt expense	(1.0)	(1.2)	(1.3)	+ 5.2 %
Tax	(0.8)	(0.7)	(1.2)	+ 71.2 %
Consolidated net income	2.8	2.3	2.1	- 9.6 %
<i>as a % of revenues</i>	8.0 %	6.0 %	5.0 %	
Group net income	2.8	2.3	2.1	- 9.4 %
<i>as a % of revenues</i>	8.0 %	5.9 %	5.0 %	

* With the integration of Hammer Pharma from 1/01/2006 and of HP Botanicals from 1/04/2006



H1 results

Simplified balance sheet



<i>In EUR millions</i>	31/12/06	30/06/07	<i>In EUR millions</i>	31/12/06	30/06/07
Net fixed assets	46.4	59.4	Shareholders' equity	52.5	52.8
Inventories	29.8	38.7	Financial debt	38.1	59.8
Tax assets	0.3	1.5	Tax liabilities	0.6	1.3
Clients and other receivables	14.8	16.8	Other debt	10.6	16.5
Cash	10.5	13.9	Provisions	---	---
Assets	101.8	130.3	Liabilities	101.8	130.3

<i>In EUR millions</i>	31/12/06	30/06/07
Shareholders' equity	52.5	52.8
Net financial debt	27.5	46.0
Gearing	52.3%	87.1%



H1 results

Cash flow statement



<i>In EUR millions</i>	31/12/2006	30/06/2007
Cash flow	11.6	7.0
Change in WCR	(6.3)	(5.5)
Operating cash flow	4.5	1.4
Cash flow from investments	(6.2)	(16.2)
Cash flow from financing activities	9.7	10.6
Exchange rate effects	(0.9)	(0.3)
Net cash flow	7.1	(4.5)
Opening cash position	0.5	7.6
Closing cash position	7.6	3.1

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Strategy and outlook



Market

**NATUREX**



Strategy and Outlook

Strengthening of the Group's sales network



- ❑ Launch of sales drives targeting the **Latin American** market from the Group's New Jersey site as of the second half of 2007



- ❑ Opening of a sales office in **Germany**:
 - ❑ In H1 2008
 - ❑ To cover Germany and the Benelux countries





Strategy and Outlook

Strengthening of the Group's sales network



- ❑ **Setting up of subsidiary in China:**
 - ❑ **Before the end of 2007**
 - ❑ **Three-fold objective:**
 - Reinforce quality control
 - Reduce procurement costs
 - Penetrate the Chinese market





Strategy and Outlook

Optimization of industrial processes and resources



- ▣ Program launched in 2007:
 - ▣ Following the integration of Hammer Pharma
 - ▣ And in order to improve productivity across all Group sites





Strategy and Outlook

New impetus for R&D



- ❑ **Food – flavor industry:** close collaboration with a laboratory in investigating the replacement of **addictive substances** with Naturex products



- ❑ **Nutraceuticals:** development of **innovative products** through the use of new plants



- ❑ Planned filing of **patents** for some of these products





Strategy and Outlook



Creation of the Naturex Foundation

- ❑ **Aim: to assist the populations of those countries where Naturex purchases its raw materials**
- ❑ **Geographical regions concerned : Latin America, Morocco and Asia**
- ❑ **Annual budget: EUR 30,000**

→ **Part of the Group's global ethics policy**



Strategy and Outlook



Acquisitions

- ❑ Acquisition of a **US** company which produces natural extracts and generates revenues of approximately **USD 10 million** scheduled for completion **before the end of the year**
- ❑ Other projects currently under evaluation

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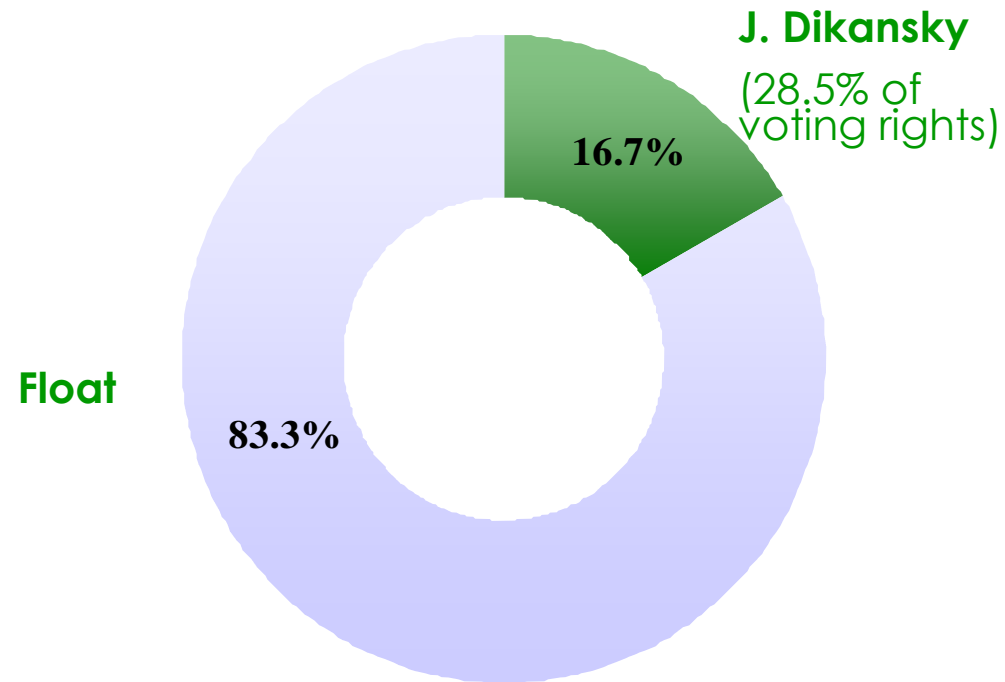
**NATUREX**



Market



Shareholder structure



- Number of shares: **2,968,788** with a par value of EUR 1.50
- Stock market capitalization at 25.09.2007: **EUR 133.8 million**



Market

Conversion of stock warrants



❑ **341,043 warrants outstanding at 31/08/2007**

❑ **Conversion: 2 warrants for one share with a par value of EUR 34, i.e. 170,521 shares to be created (EUR 5.8 million)**



❑ **Maturity: January 27, 2008**





Timetable for the communication of revenues and financial results



❑ **Q3 2007 revenues** October 22, 2007

❑ **2007 revenues** January 29, 2008



❑ **2007 results and Q1 2008 revenues** start of April 2008



❑ **AGM** end of June 2008



❑ **H1 2008 revenues** mid-July 2008

❑ **H1 2008 results** end of August 2008



❑ **Q3 2008 revenues** October 2008



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