



2007



yearly



results

April 1, 2008



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The company and its core business



2007 yearly results



Strategy and outlook



Market





The company and its core business

## Core business



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

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



The company and its core business

## Use in 4 sectors of activity



### ▣ **Food and flavor ingredients (30% of revenues)**

- ▣ **Flavoring, coloring, anti-oxidant extracts**
- ▣ **Sold to the food industry, flavorists, producers of mixes & seasonings**
- ▣ **A growing market**

### ▣ **Nutraceutical ingredients (57.4% 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

## Use in 4 sectors of activity



### Pharmaceutical ingredients (6.2% 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

### Cosmetic ingredients (2.2% of revenues)

- Extracts with cosmetic active principles used in gels, creams, lotions, shampoos, etc.
- Sold to cosmetics companies
- In its initiation phase



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

- 27 doctors, engineers and technicians

### Production

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

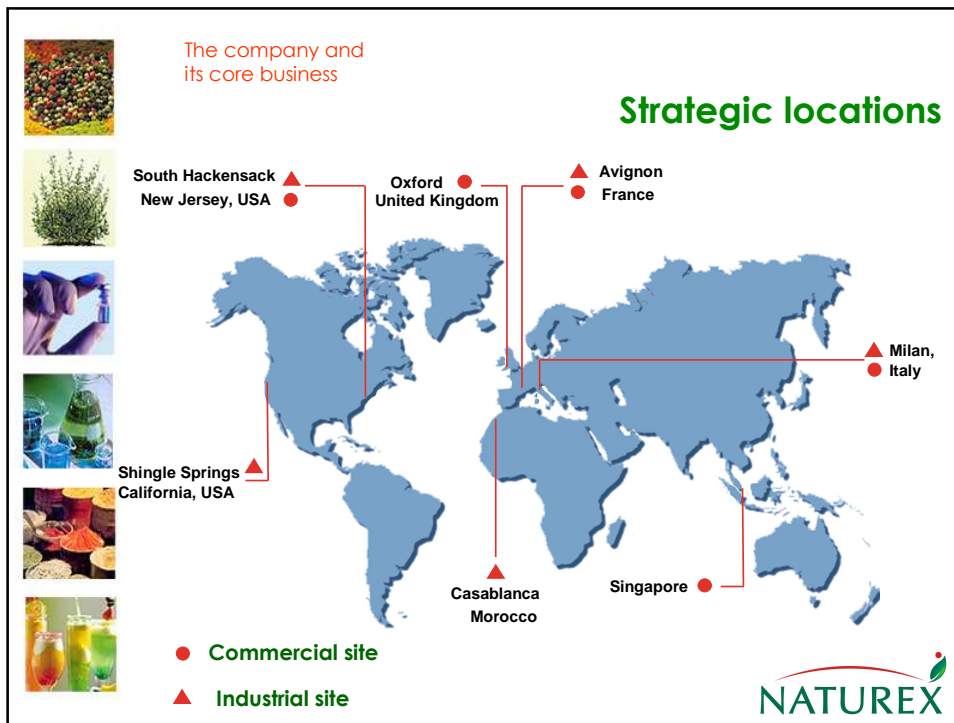
### Quality control

- 38 doctors, engineers and technicians

### Sales force

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





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**NATUREX**



2007 yearly results

## 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 -0.4 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** (price of 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



2007 yearly results

## Acquisition of HP Botanicals April 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





2007 yearly results

## Strategic value



### 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



2007 yearly results

## Integration



### ▣ A year devoted to the integration of Hammer Pharma:

- ▣ Centralization of sales, purchasing, finance and R&D functions
  - ▣ Increase in the occupancy rate of the production site (40 to 65%) and gradual transfer of production
  - ▣ Merger completed at the end of December 2007 through the absorption of HP Botanicals by Hammer Pharma
- Company name changed from Hammer to Naturex SpA

→ End of the integration process during the first half of 2008

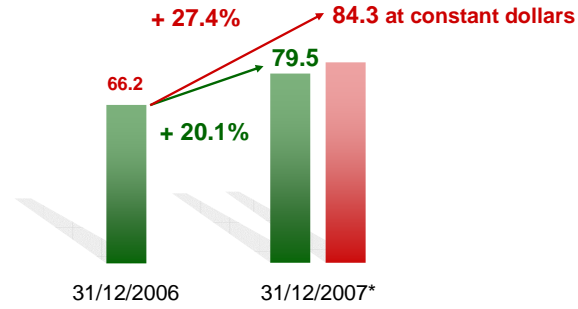




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### Growth of 27.4% at constant dollars

In EUR millions



\*HP Botanicals integrated as of 1/04/07



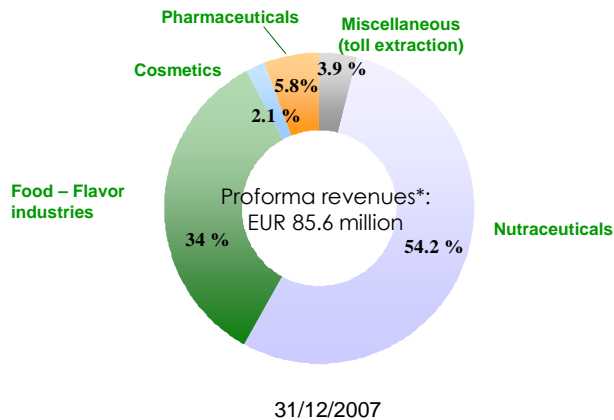
→ Proforma\*\* : + 5.8% at current dollars  
+ 12.1% at constant dollars

\*\*Hammer Pharma and HP Botanicals over 12 months in 2006 and 2007



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### Breakdown of revenues by activity



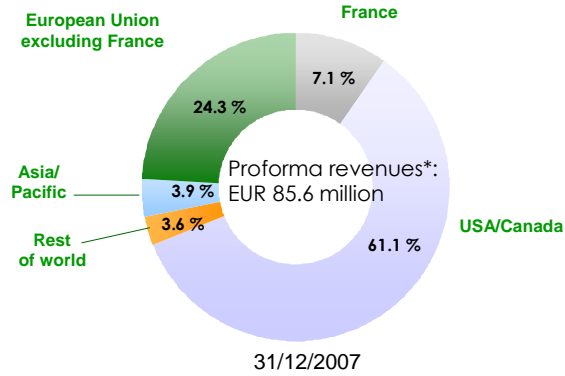
\*With the integration of the companies acquired as of 1/01/2007





2007 yearly results

## Breakdown of revenues by geographical region



\*With the integration of the companies acquired as of 1/01/2007



2007 yearly results

## Simplified income statement



In EUR millions	31/12/2006	31/12/2007	Proforma* 31/12/2007
<b>Revenues</b>	<b>66.2</b>	<b>79.5</b>	<b>85.6</b>
Gross margin	43.3	55.1	58.3
as a % of revenues	66.3%	69.3%	68.1%
<b>Operating income</b>	<b>6.8</b>	<b>6.7</b>	<b>8.6</b>
as a % of revenues	<b>10.3%</b>	<b>8.4%</b>	<b>10.1%</b>
Net financial debt expense	(1.8)	(3.1)	(3.9)
Other financial income and expenses	2.2	1.6	1.6
Tax	(1.6)	(1.2)	(1.6)
<b>Consolidated net income</b>	<b>5.6</b>	<b>4.4</b>	<b>4.9</b>
as a % of revenues	<b>8.5%</b>	<b>5.5%</b>	<b>5.8%</b>
Group net income	5.6	4.4	4.9
as a % of revenues	8.5%	5.5%	5.7%

\*With the integration of HP Botanicals and Chart Corporation from 1/01/2007





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## Simplified balance sheet



<i>In EUR millions</i>	31/12/06	31/12/07	31/12/07 proforma*		31/12/06	31/12/07	31/12/07 proforma*
Net fixed assets	46.4	72.3	72.3	Shareholders' equity	52.6	51.0	50.6
Inventories	29.8	41.9	41.9	Financial debt	38.0	73.2	73.2
Tax assets	1.1	2.2	2.2	Tax liabilities	0.6	1.9	2.3
Clients and other receivables	14.0	15.7	15.7	Other debt	10.6	15.1	14.7
Cash	10.5	9.1	8.7	Provisions	--	--	--
<b>Assets</b>	<b>101.8</b>	<b>141.2</b>	<b>140.8</b>	<b>Liabilities</b>	<b>101.8</b>	<b>141.2</b>	<b>140.8</b>

\*With the integration of HP Botanicals and Chart Corporation from 1/01/2007

<i>In EUR millions</i>	31/12/06	31/12/07
<b>Shareholders' equity</b>	<b>52.6</b>	<b>51.0</b>
<b>Net financial debt</b>	<b>27.1</b>	<b>64.1</b>
<b>Gearing</b>	<b>53.5 %</b>	<b>125.6%</b>

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## Cash flow statement



<i>In EUR millions</i>	31/12/2006	31/12/2007
<b>Cash flow</b>	<b>11.6</b>	<b>13.6</b>
<b>Change in WCR</b>	<b>(6.3)</b>	<b>(6.7)</b>
<b>Operating cash flow</b>	<b>4.5</b>	<b>5.4</b>
<b>Cash flow from investments</b>	<b>(6.2)</b>	<b>(33.9)</b>
<b>Cash flow from financing activities</b>	<b>9.7</b>	<b>21.5</b>
<b>Exchange rate effects</b>	<b>(0.9)</b>	<b>(2.4)</b>
<b>Change in net cash flow</b>	<b>7.1</b>	<b>(9.3)</b>
Opening cash position	0.5	7.6
Closing cash position	7.6	(1.7)

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# S o m m a i r e



The company and its core business



2007 yearly results



Strategy and outlook



Market



Strategy and outlook

## Ongoing global development



- ▼ **Strong development of new business:**
  - ▼ in the **United Kingdom** with the opening of a subsidiary in Oxford
  - ▼ in **Russia and Ukraine** following the purchase of a minority stake of 34.8% in the Swiss company, Sanavie
  - ▼ in **Asia** thanks to the ongoing success of the Group's Singapore branch (+74.5% at constant dollars in 2007)
- ▼ **Setting up of a subsidiary in China** underway:
  - ▼ for the procurement of raw materials
  - ▼ to penetrate the Chinese market
- ▼ **New subsidiaries scheduled in 2008:**
  - ▼ **Germany and Benelux:** first half
  - ▼ **Japan:** second half





Strategy and outlook

## Acquisition of Chart Corporation December 20, 2007

- ▣ Acquisition of **100%** of US company, Chart Corporation, based in Paterson (New Jersey)
- ▣ Chart Corporation in figures:
  - ▣ Yearly revenues: **USD 7.7 million**
  - ▣ EBITDA margin: **33%**
  - ▣ **35 employees**
- ▣ Price of the acquisition: **USD 17 million (6.8 times EBITDA)**  
Cash free/debt free
- ▣ Financing: cash financing using the credit line of EUR 35 million set up in November 2006

→ Profitable acquisition



Strategy and outlook

## Chart Corporation: Strategic new addition

- ▣ **Reinforcement of Naturex's food and flavoring business:**  
Extraction and formulation of plant extracts with flavoring properties for the food and flavor industries
- ▣ **Complementary product offering:**  
Chart Corporation's line of concentrated and liquid extracts with flavoring properties perfectly completes Naturex's range of oleoresins, essential oils and flavoring extracts
- ▣ **Strong sales synergies:**  
Broadening of client base

→ Value of the acquisition: numerous opportunities in terms of cross-selling

→ Naturex consolidates its position amongst the world's leading companies specializing in natural flavoring ingredients





Strategy and outlook

Chart Corporation:  
**Integration**

- ▣ **Integration** of Chart Corporation's **sales** and **administrative** functions in Naturex's offices in New Jersey  
Estimated yearly savings: USD 200,000
- ▣ **Similar techniques** to those used by Naturex Inc
- ▣ **Technical integration** underway



Strategy and outlook

**Acquisition of the "actifs innovants"  
business of French company, Berkem**

January 7, 2008

- ▣ Purchase of the "actifs innovants" (innovative active ingredients) business of French company, Berkem, based in Bergerac
- ▣ Berkem's innovative active ingredients business in figures:
  - ▣ Revenues: **EUR 3.8 million**
  - ▣ EBITDA margin: **34%**
  - ▣ Growth of approximately 15% in revenues in 2007
  - ▣ **6 employees**
- ▣ Price of the acquisition: **EUR 9.5 million (7.3 times EBITDA)** + maximum earn-out of **EUR 1 million** for revenues of EUR 4.5 million in 2008
- ▣ Financing: cash financing using the credit line of EUR 35 million set up in November 2006

→ Acquisition with an immediate accretive effect





Strategy and outlook

Innovative active ingredients business of Berkem:  
**Innovative active ingredients, a strong development axis**

- ▣ Innovative active ingredients:
  - ▣ plant extracts that enhance the little known or little exploited properties of medicinal plants
  - ▣ commercial trademarks
  - ▣ clinical trials
  
- ▣ An acquisition that is part of Naturex's focus on **innovation** which has intensified over the last year (patents on maca and fraxinus ash plants, etc.)

→ Development of products with a high value added



Strategy and outlook

Innovative active ingredients business of Berkem:  
**Strategic new addition**

- ▣ Acquisition of innovative extract **brands**:
  - ▣ Svetol: green coffee extract
  - ▣ Cyracos: lemon balm extract
  - ▣ Lifenol: hop extract
  
- ▣ Broadening of **client base**
  
- ▣ Consolidation of Naturex's "**health**" business
  - ▣ uses in nutraceuticals
  - ▣ uses in food and flavoring

→ The expertise of an experienced team





#### Strategy and outlook

### Innovative active ingredients business of Berkem: **Very fast integration**

- ▣ **Transfer of Berkem's production** to Naturex's sites in Italy and France
- ▣ **Integration of Berkem's innovative active ingredients 6-man team** within a new innovative active ingredients division at Naturex
  - ▣ **Setting up of the team** at the Naturex site in Libourne
- ▣ **Use of Naturex's sales teams** to promote the range

—————→ **High growth potential**



#### Strategy and outlook

### **2008 targets in figures**

- ▣ **Continued target of 2-digit organic growth** for the Group's former consolidation scope and for its innovative active ingredients division (in constant dollars)  
Integration of Chart Corporation over the year: stable revenues
- ▣ **Target operating margin of 11%**  
Integration of profitable companies  
Improvement of margins
- ▣ **Gradual downsizing of inventories** (from 50% to 40% of revenues over 3 years)



# S o m m a i r e



The company and its core business



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Strategy and outlook



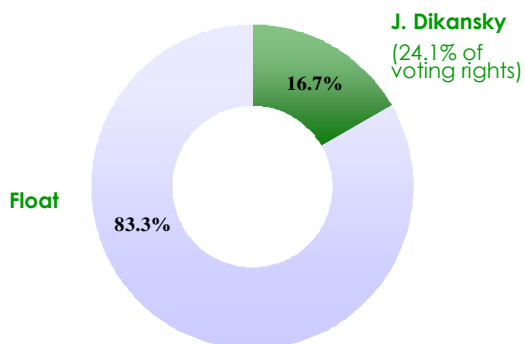
Market



Market



## Shareholder structure



- Number of shares: **2,995,594** with a par value of EUR 1.50 on 31/03/2008
- Stock market capitalization at 26/03/2008: **EUR 61.57 million**





Market

## 4th dividend payment

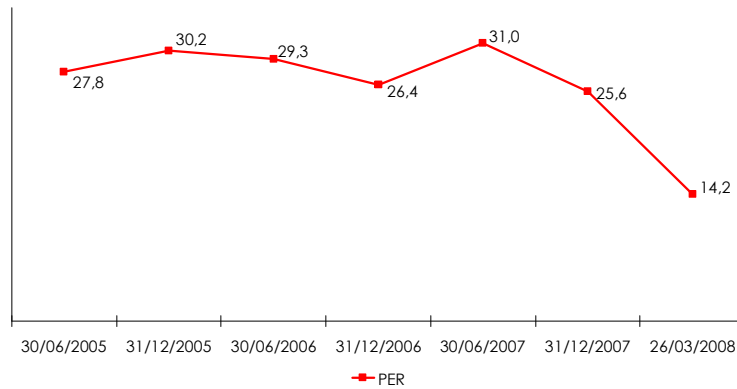


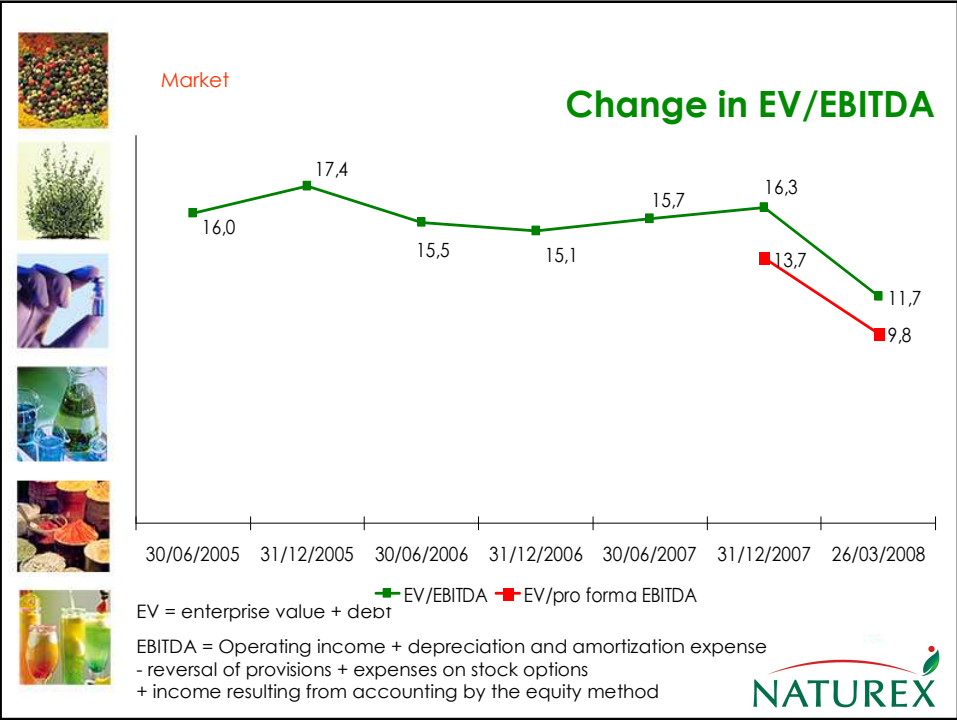
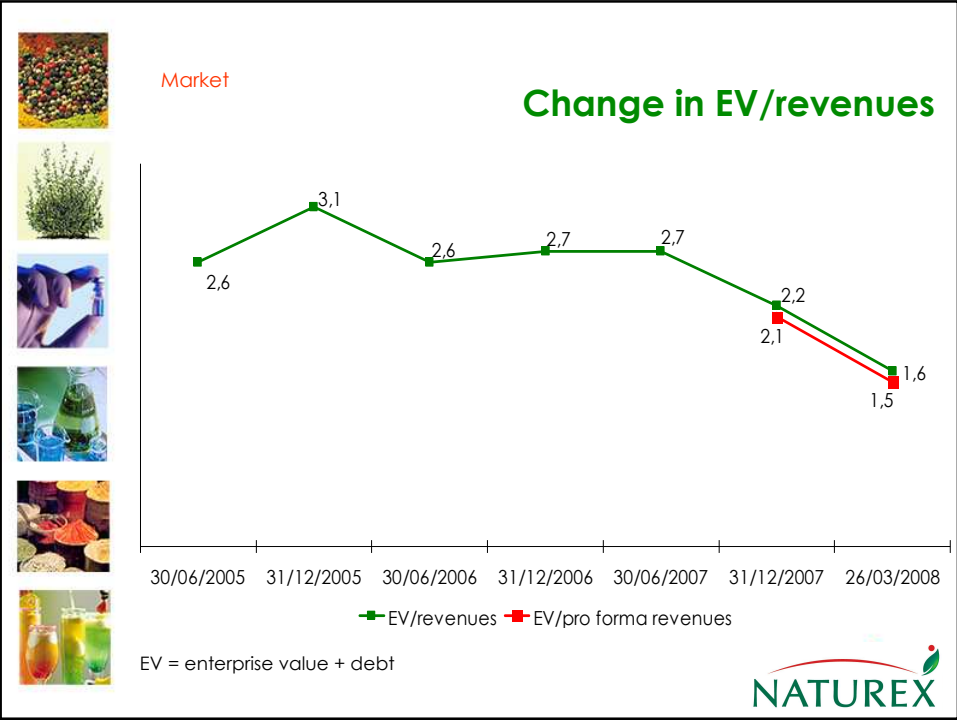
The Board of Directors will recommend the payment of a dividend of EUR 0.10 per share to the AGM to be held on June 30, 2008.



Market

## Change in PER







## Timetable for the communication of revenues and financial results

- ▣ Q1 2008 revenues April 30, 2008
- ▣ AGM June 30, 2008
- ▣ H1 2008 revenues Mid-July 2008
- ▣ Interim report End-August 2008
- ▣ H1 2008 results and Q3 2008 revenues Mid-October 2008
- ▣ 2008 revenues January 2009
- ▣ 2008 results and Q1 2009 revenues Start-April 2009



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**Market-maker:**  
**Société Générale**



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