



30/06/2005 STATEMENT

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NOTE 1 General information

1.1 Key facts

The annual turnover for the first half year 2005 comes to €18.7 M, representing growth of 6.8%. At a constant dollar rate, growth stands at 10.1%.

This growth is fed by both the North American region (+13.3 % at a constant dollar rate), which is reaping the benefits of the progression of previous acquisitions, and by Europe (+19 % at a constant dollar rate, excluding custom extraction). It concerns both the sales of ingredients to the food industry (+12.2 % at a constant dollar rate) and the sale of extracts to the nutraceutical industry (+18.5 % at a constant dollar rate).

Net income after tax comes to €1,602K meaning an increase of 19.6 % when compared to the previous half-year.

At the start of January 2005, Naturex carried out a capital increase operation worth €10.66 million (issue costs €0.44 M) through the issue of 414,865 equity warrants (ABSA) at a price of €25.70 each. Two warrants give the right to subscribe to one new share in the company, at an emission price of €34, between now and 27th January 2008.

Furthermore, Naturex carried out another capital increase operation through the absorption of the current account of Naturex Inc (a 100%-owned subsidiary) for an amount of €5,451,602 and a capital increase for Maroc Extraction (in which it now has a 89.29% stake) for an amount of €1,973,562.

1.2 Events having occurred after the situation

Following the takeover bid made by Naturex S.A. (Paris Bourse, Eurolist C: NRX 54694) on the company Pure World, Inc. (Nasdaq: PURW) for a price of \$4.30 per share payable in cash, in July 2005 Naturex acquired 100 % of the shares in the company Pure World Inc. The overall cost of the acquisition came to \$41.5 million, \$34.8m of which corresponds to the repurchase of shares, and \$2.1 M to the purchase of options on the capital of Pure World.

Pure World, Inc., whose headquarters are located in Bedminster, New Jersey, is now a subsidiary of Naturex S.A. Pure World, Inc. designs and produces plant extracts for the cosmetics, food processing, flavourings, pharmaceutical and nutraceutical industries.

Over the 2004 financial year, Pure World, Inc achieved a turnover of \$37 M for net income after tax of \$0.64 M.

Over the first six months of 2005, Pure World Inc made a turnover of \$16.4 M, giving net income of €1.01 M after \$0.8 M of acquisition costs.

With the takeover of Pure World, whose accounts will be consolidated as from 1st July 2005, the proforma turnover of the new entity stands at €31.4 M for the first half-year period, representing growth of nearly 70% when compared with the old scope. 70 % of turnover is now made in North America.

NOTE 2 Scope of consolidation

- The criteria adopted by the consolidated entity to define its scope of consolidation are constituted according to the level of rights held and the rightful control over subsidiaries and the sub-subsidiary.

Naturex S.A. has no other subsidiary or shareholding other than those analysed in the two paragraphs hereunder.

- The consolidated companies are as follows:

Naturex s.a.	- Parent company - Pôle Technologique Agroparc Montfavet - 84140 AVIGNON (France) - Reg. No: 384 093 563 000 29 - APE No: 246 E
Maroc extraction	- Subsidiary - Technopôle Nouasser Aéroport Mohamed V B.P. 42 20240 NOUASSER (Morocco)
Naturex Incorporated	- Subsidiary - 300 Waverly Avenue - 10543 MAMMARONECK (N.Y.)
P.A.I.	- Sub-subsidiary - Technopôle Nouasser Aéroport Mohamed V B.P. 42 20240 NOUASSER (Morocco)
S.C.I. Les Broquetons	- Subsidiary - Site d'Agroparc BP 1218 84 911 AVIGNON (France)

They are held either directly or indirectly according to the following percentages:

Companies	Control	Interest	Method
Naturex	Parent	Parent	Parent
Maroc extraction	89.29%	89.29%	Full cons.
P.A.I.	89.29%	89.29%	Full cons.
Naturex Inc.	100%	100%	Full cons.
S.C.I. Les Broquetons	100%	100%	Full cons.

Special Purpose Entity:

No company within the scope of consolidation holds shares or is a partner in a Special Purpose Entity.

Affiliated company:

Naturex S.A. does not have any shareholding in affiliated companies other than those included in the scope of consolidation.

NOTE 3 Principles and methods

ACCOUNTING STANDARDS

With a view to the changeover to the IFRS accounting standards, as adopted in European Union, for the drawing up of the 2005 consolidated accounts, the half-yearly consolidated accounts have been prepared for the first time by applying, on the one hand, the accounting and appraisal principles as set out by the IFRS standards adopted in the European Union and, on the other hand, the information and presentation rules applicable to interim accounts, as defined in the general rules of the AMF¹.

INFORMATION GIVEN IN IFRS STANDARDS OVER COMPARATIVE PERIODS

The impact on equity capital on 01/01/04 and 31/12/04 as mentioned in the management report and published in the 2004 statement was corrected by reprocessing as follows:

- (a) modification of the conversion methods for foreign subsidiaries. Translation differential related to the elimination of the Naturex/Maroc Extraction escrow account,
- (b) recording of stocks options commitments.

Finally, a specific column has been set up for equity shares.

Impact of IFRS corrections

31.12.2004

Group equity capital	Capital	Premiums	Shares	Reserves	Income	Translation	Group share
IFRS standards Balance 2004	3,246,777	14,579,951	0	3,684,121	2,951,313	-4,429,928	20,032,234
Method of conversion, foreign subsidiaries (a)					-168,765	168,765	0
Stocks options (b)				39,762	-26,508		13,254
Specific column for own shares			-42,378	42,378			0
IFRS standards Balance	3,246,777	14,579,951	-42,378	3,766,261	2,756,040	-4,261,163	20,045,488
Minority rights				Reserves	Income	Translation	Minority
IFRS standards Balance 2004 (unchanged)				824,072	124,840	-89,490	859,422

Consolidated equity capital	Capital	Premiums	Shares	Reserves	Income	Translation	Consolidated
IFRS standards Balance 2004	3,246,777	14,579,951	0	4,508,193	3,076,153	-4,519,418	20,891,656
Method of conversion, foreign subsidiaries (a)					-168,765	168,765	0
Stocks options (b)				39,762	-26,508		13,254
Specific column for own shares			-42,378	42,378			
IFRS standards Balance	3,246,777	14,579,951	-42,378	4,590,333	2,880,880	-4,350,653	20,904,910

After correction, the impact on equity capital on 01/01/04 and 31/12/04 is as follows:

¹ AMF – Autorité des Marchés Financiers – the French stock market regulator

Impact of IFRS standards

01.01.2004

Group equity capital	Capital	Premiums	Shares	Reserves	Income	Translation	Group share
French standards balance	3,246,777	14,579,951	0	2,051,671	1,674,828	-1,141,910	20,411,317
Method of conversion, foreign subsidiaries (1)						-1,951,108	-1,951,108
Method of depreciation of business assets (2)							
Method of depreciation of goodwill (3)							
Incidence of deferred tax recorded (4)							
Method used to present own shares (5)			-72,122				-72,122
IFRS standards Balance	3,246,777	14,579,951	-72,122	2,051,671	1,674,828	-3,093,018	18,388,087

Minority rights				Reserves	Income	Translation	Minority
French standards balance				666,682	157,390	-22,228	801,844
Method of conversion, foreign subsidiaries (1)						-74,437	-74,437
IFRS standards Balance				666,682	157,390	-96,665	727,407

Consolidated capital	Capital	Premiums	Shares	Reserves	Income	Translation	Consolidated
French standards balance	3,246,777	14,579,951	0	2,718,353	1,832,218	-1,164,138	21,213,161
Method of conversion, foreign subsidiaries (1)						-2,025,545	-2,025,545
Method of depreciation of business assets (2)							
Method of depreciation of goodwill (3)							
Incidence of deferred tax recorded (4)							
Method used to present own shares (5)			-72,122				-72,122
IFRS standards Balance	3,246,777	14,579,951	-72,122	2,718,353	1,832,218	-3,189,683	19,115,494

Impact of IFRS standards

31.12.2004

Group equity capital	Capital	Premiums	Shares	Reserves	Income	Translation	Group share
French standards balance	3,246,777	14,579,951	0	3,726,499	2,615,729	-1,914,090	22,254,866
Method of conversion, foreign subsidiaries (1) and (a)					-168,765	-2,347,073	-2,515,838
Method of depreciation of business assets (2)					462,668		462,668
Method of depreciation of goodwill (3)					30,223		30,223
Incidence of deferred tax recorded (4)					-157,307		-157,307
Stocks options net of tax (b)				39,762	-26,508		13,254
Method used to present own shares (5)			-42,378				-42,378
IFRS standards Balance	3,246,777	14,579,951	-42,378	3,766,261	2,756,040	-4,261,163	20,045,488

Minority rights				Reserves	Income	Translation	Minority
French standards balance				824,072	124,840	-14,836	934,076
Method of conversion, foreign subsidiaries (1)						-74,654	-74,654
IFRS standards Balance				824,072	124,840	-89,490	859,422

Consolidated capital	Capital	Premiums	Shares	Reserves	Income	Translation	Consolidated
French standards balance	3,246,777	14,579,951	0	4,550,571	2,740,569	-1,928,926	23,188,942
Method of conversion, foreign subsidiaries (1) and (a)					-168,765	-2,421,727	-2,590,492
Method of depreciation of business assets (2)					462,668		462,668
Method of depreciation of goodwill (3)					30,223		30,223
Incidence of deferred tax recorded (4)					-157,307		-157,307
Stocks options net of tax (b)				39,762	-26,508		13,254
Method used to present own shares (5)			-42,378				-42,378
IFRS standards Balance	3,246,777	14,579,951	-42,378	4,590,333	2,880,880	-4,350,653	20,904,910

(1) The assets and liabilities of foreign subsidiaries are converted using the closure rate. The differences recorded are entered under equity capital. Within the framework of French standards, these assets and liabilities were valued using the historical exchange rate. This significant impact does have any financial consequences on the continuity of operations or the maintenance of the consolidation scope, as set out by the development strategy of Naturex.

(2) The American business assets are kept on the assets side for their net depreciation value on 1st January 2004 and reprocessed in goodwill. The allowances for the 2004 financial year are therefore carried over.

(3) Goodwill is treated in the same way as business assets.

(4) As the American assets have not been amortized, the provision for deferred tax recorded in the United States is re-entered in the accounts.

(5) Own shares are now entered and deducted from equity capital.

(a) Modification of the methods of conversion for foreign subsidiaries. Translation differential related to the elimination of the Naturex/Maroc Extraction escrow account.

(b) Registration of commitments related to stocks options.

Finally, the changeover from French standards to IFRS standards on the income statement of 30th June 2004 is set out in the bridge table below:

in Euros	30/06/2004 French Standards	IFRS reprocessing	IFRS reclassification	30/06/2004 IFRS Standards
Net sales	17,501,437			17,501,437
Stored production	649,876			649,876
Immobilised production	198,653			198,653
Operating subsidiaries				0
Carry over of depr. and prov. transfer of charges			+35,537 (1)	35,537
Other business revenue	687,713		-35,537 (1) and +24,930 (2)	677,108
Purchases	-7,934,894			-7,934,894
Salaries and fringe benefits	-2,730,867	-21,378 a		-2,752,245
External costs	-4,892,389		+40,852 (3)	-4,851,537
Taxes	-197,046			-197,046
Allowances for depreciation	-1,010,229	+231,433 b	+49,331 (4) and -187 (7)	-729,649
Allowances for reserves			-49,331 (4)	-49,331
Other operating expenses		-21,698 c	-40,852 (3) and -7,241 (5)	-69,791
FRENCH CURRENT OPERATING INCOME	2,272,255			
Reclassification of the French current operating income as IFRS operating income			-2,272,255	
IFRS OPERATING INCOME		+188,357	+17,502	2,478,117
Financial incomes and expenses	-349,767		-349,767	
Income from cash and cash equivalents				14,792
Gross cost of debt			+3,744 (4) and +187 (7)	-250,595
NET COST OF DEBT			+3,931	-235,804
OTHER FINANCIAL INCOMES AND EXPENSES		-183,972 e		-301,868
CURRENT RESULT OF INTEGRATED COMPANIES	1,922,488			
Extraordinary incomes and expenses	7,394		-24,930 (2) and +7,241 (5) and +10,295 (4)	
TAXES	-591,546	-10,202		-601,748
Goodwill depreciation allowance	-15,112	+15,112 d		
NET RESULT	1,323,224	+15,473		1,338,697
Group share	1,232,389	+15,473		1,247,862
Minority interests	90,835			90,835
Earnings per share (Group share)	0.5694			0.5765
Fully diluted earnings per share (Group share)	0.5411			0.5479

a) accounting for commitments concerning stocks options

b) and d) reprocessing of goodwill and business assets depreciation

c) reprocessing of deferred charges

e) modification of the conversion methods for foreign subsidiaries. Translation differential related to the Naturex/Maroc Extraction escrow account.

TERMS OF CONSOLIDATION

■ Consolidation method:

The company Naturex has the legal and rightful control over its subsidiaries Maroc Extraction, Production Agro Industrielle (sub-subsidiary 100 % owned by Maroc Extraction) and Naturex Incorporated, as well as S.C.I. les Broquetons. These companies are fully consolidated using the direct method.

■ Goodwill and terms of amortization

Naturex SA is a 50 % founder of the company Naturex Incorporated and of Maroc Extraction which is itself the founder of the company Production Agro Industrielle. No goodwill for initial consolidation was recorded for these operations.

In 2001, Naturex SA raised its stake in S.C.I. Les Broquetons from 48.48% to 100%, generating goodwill. Amount: €47,586.

In 2002, Naturex SA raised its stake in Maroc Extraction from 82.92% to 85.72%, generating goodwill.. Amount: €33,562.

En 2005, Naturex SA raised its stake in Maroc Extraction from 85.72 % to 89.29%, generating negative goodwill. Amount: € 25,859

The Brucia & Hauser assets that were acquired, along with the positive goodwill, were subject to impairment tests which did not reveal any depreciation.

ENTRY VALUE OF ASSETS AND LIABILITIES

- The entry values of assets and liabilities are determined according to their useful value for the consolidated entity. Accounting values are deemed representative of this useful value.
- Minority rights are calculated on the same basis as that retained for the consolidated entity.
- The statements of interim accounts are drawn up on 30th June.
- The closing dates of the companies within the scope of consolidation are all set at 31 December 2004

Financial year	Euros	Moroccan Dirham	US Dollar
31/12/2004	0.0886	1.0000	
	1.0000	11.2901	
	0.7342		1.0000
30/06/2005	1.0000		1.3621
	0.0919	1.0000	
	1.0000	10.8814	
	0.8263		1.0000
	1.0000		1.2102

Concerning the income statement of Naturex Inc, the exchange rate used is the average rate on the first half year i.e. 0.77101 € (1€ = 1.297 \$) and for Maroc Extraction the exchange rate used is also the average rate on the first half year i.e. 0.09079 € (1 € = 11.014 MAD).

The translation differential concerning debts and claims on working capital requirements are recorded in the consolidated income statement.

METHODS AND RULES OF APPRAISAL

- The consolidated turnover is made up of the amount of sales excluding tax, stemming from the current activities of the companies in the consolidated entity, after the elimination of internal operations.
- Research expenses are maintained in the year's charges. This expenditure does not meet the fixed assets criteria covered by standard IAS 38.
- Amortization for depreciation is calculated using the linear method depending on the probable useful life of the asset.

Categories of fixed assets	France	USA	Morocco
Intangible fixed assets			
Software	straight line 3 yrs	straight line 3 yrs	straight line 4 yrs
Goodwill acquired		straight line 20 yrs.	
Tangible assets			
Constructions on owned land	straight line 20 yrs.	straight line 15 yrs	
Constructions on other land	straight line 10 yrs	straight line 15 yrs	straight line 20 yrs
Tech. Inst. Mat. and tools	straight line 7 yrs	straight line 7 yrs	straight line 5 to 10 yrs
Other tangible assets	straight line 3,4,5,7 and 10 yrs	straight line 2 and 5 yrs.	straight line 4,5 and 10 yrs.

- Raw material stock and other supplies are evaluated at the purchase cost using the first-in first-out method.

Finished and semi-finished products are evaluated using the first-in first-out method at cost price which covers the following:

- raw materials,
- import costs,
- sub-contracting,
- water, gas, electricity,
- additives,
- packaging
- cost of waste disposal,
- labour costs,
- amortization.

Provision for depreciation is made when the purchase price or the cost price prove to be lower than the market price.

- Translation differential for debts and claims in foreign currency are recorded in the income statement.
- Provision for depreciation is made when a claim bears a risk, even partial, of going unpaid.
- Material leasing contracts are treated as credit acquisitions. This material is amortized using the linear method over a period of 5 years, with the surplus fraction of the leasing costs making up the financial charges of the credit.

- Provisions for risks and charges do not include any amount related to retirement commitments, restructuring operations or negative goodwill operations.
- The retirement gratuities of Naturex S.A. are provided by the company Predica. These gratuities are processed in line with the criteria of standard IAS 19. The other companies in the consolidated entity are not concerned by this.
- Income per share is based on the ratio between the net income of the integrated companies and the number of shares making up the issued capital of Naturex SA.
The diluted income per share is equal to the fraction of the net income of the integrated companies over the average weighted number of ordinary shares, increased by allocated subscription options.

PREFERENTIAL METHODS

The present consolidated financial statements do not include any dispensations of the preferential methods of IFRS standards

COMPARABILITY OF THE ACCOUNTS

- The financial statements consolidated on 30 June 2005 and on 31 December 2004 are set out using the same methods.
- Variation in the scope of consolidation:

There was no variation in this scope for the first half of 2005, except for the percentage held in the subsidiary Maroc Extraction, which went up from 85.72 % to 89.29 %, as a result of the subscription by Naturex SA to the reserved capital increase.

NOTE 4 Positive Goodwill

Goodwill	Amount 30/06/05
Goodwill on SCI Les Broquetons 2001	€47,586
Goodwill on Maroc Extraction 2002	€33,562
Goodwill Brucia 2002	€5,859,355
Goodwill Hauser 2004	€1,599,221
Total	€7,539,724

NOTE 5 Fixed assets

5.1 Acquisitions and transfers

Categories of fixed assets	Amount 01/01/2005	Increases Acquisitions	Transfers or scrapping	Translation difference	Amount 30/06/2005
Goodwill:	6,622,580	0	0	917,144	7,539,724
Intangible assets	181,168	9,988	0	6,797	197,953
Software - brands	181,168	9,988	0	6,797	197,953
Tangible assets	17,234,326	1,451,829	756,330	543,907	18,473,732
Land	240,258	0	0	18,675	258,933
Construction on owned land	1,677,984	240,010	216,044	72,948	1,774,898
Construction on other land	1,738,608	0	0	63,212	1,801,820
Techn. Inst. Mat. Tools.	8,961,567	596,025	443,268	284,517	9,398,841
Techn. Inst. Mat. Transp. Leasing	87,085	55,094	0	0	142,179
Other tangible assets	4,352,602	389,063	97,018	104,553	4,749,201
Current fixed assets	176,223	171,638	0	0	347,861
Financial:	55,446	633,299	0	2,481	691,226
Securities	0	625,919	0	0	625,919
Deposits and guarantees	55,446	7,379	0	2,481	65,307
Total	24,093,520	2,095,116	756,330	1,470,328	26,902,635

5.2 Goods under leasing

Goodwill	Gross Amount on 31/12/2004	Gross Amount on 30/06/2005	Amount left to be amortized on 30/06/2005	Amount left to be amortized on 31/12/2004
Value of fixed assets	€87,084	€142,178	€57,869	€16,461

5.3 Depreciation

Categories of fixed assets	Amount 01/01/2005	Increases Acquisitions	Transfers or scrapping	Translation difference	Amount 30/06/2005
Intangible assets	69,450	23,623	0	1,885	94,958
Software - brands	69,450	23,623	0	1,885	94,958
Tangible assets	6,609,849	837,757	503,318	170,593	7,114,881
Construction on owned land	415,951	33,869	17,103	5,421	438,139
Construction on other land	494,552	46,845	0	16,981	558,378
Inst. Techn. Mat. Tools	4,176,704	497,412	398,817	119,096	4,394,395
Techn. Inst. Mat. Transp. Leasing	70,624	13,685	0	0	84,309
Other tangible assets	1,452,016	245,946	87,398	29,096	1,639,659
Financial:	0	0	0	0	0
Other stakes	0	0	0	0	0
Total	6,679,299	861,380	503,318	172,478	7,209,839

NOTE 6 Inventories

Breakdown by type

	30/06/2005	31/12/2004
Raw materials	5,026,508	3,834,789
Consumables	58,881	79,497
Finished and semi-finished products	10,084,720	9,672,826
Total	15,170,109	13,587,112

NOTE 7 Trade accounts receivable

	30/06/2005	31/12/2004
Trade accounts receivable	8,482,466	5,782,486
Suppliers' debts	541,605	75,945
Advance to employees	92,070	68,611
Welfare credit	17	0
VAT credit	848,223	1,094,443
Income to be received	826,310	12,516
Prepaid expenses (1)	298,182	208,384
	<hr/>	<hr/>
Gross total	11,088,873	7,242,386
Provisions	-270,858	-111,912
	<hr/>	<hr/>
Net total	10,818,015	7,130,473

(1) Prepaid expenses

	30/06/2005	31/12/2004
Insurance paid in advance	161,678	127,149
Trade fair - exhibition costs paid in advance	99,011	65,439
Sub-contracting	29,661	14,558
	<hr/>	<hr/>
Total	298,182	208,385

NOTE 8 Deferred tax assets

	30/06/2005	31/12/2004
S.C.I. Les Broquetons tax receivable on deficit	0	2,935
Naturex s.a temporary tax receivable	0	67,395
Total	0	70,330

NOTE 9 Cash assets

On 30/06/05, Naturex did not hold any investment securities

Breakdown	30/06/2005	31/12/2004
Actual available funds	3,410,563	2,227,813
Option / Dollar futures markets	128,637	0
Total available	3,539,200	2,227,813

NOTE 10 Deferred taxes and short-term provisions

10.1 Deferred taxes

	30/06/05	31/12/04
Carry-over SCI tax receivable:	-2,935	
Tax on SCI consolidation operation:	5,120	
Deferred tax on Naturex staggered charges:	72,564	
Organic deferred tax:	-7,836	
Deferred tax on consolidation operation:	-11,903	
Total	55,010	0

10.2 Short-term provision

Nature	Opening balance 01/01/2005	Allow.	Carry over (provision used)	Carry over (provision not used)	Impact Change in method	Var. Scope	Chg/ Open Chg/ Flow	Other	Balance Situation 30/06/2005
Prov. for charges	0	8,929							8,929
Prov. for tax	6,195						-1,704		4,491
Other	3,678			-3,565					113
Total provisions	9,873	8,929	0	-3,565	0	0	-1,704	0	13,533

Provision for stock options, bearing a risk related to the financial difference between the average purchase price and the unit value of the options granted, is recorded for €113, as well as provision for deduction at source on loan interest for €4,491 as well as provision for losses and expenses in Morocco for €8,929.

NOTE 11 Loans

11.1 Financial liabilities for over one year

NATURE	Total	2 to 5 years	+ 5 years
Naturex loans	4,282,978	3,945,856	337,122
Maroc Extraction loans	108,617	108,617	0
SCI Les Broquetons loans	468,685	277,904	190,781
Total financial liabilities more than one year on 30/06/2005	4,860,281	4,332,378	527,903
Total financial liabilities more than one year on 31/12/2004	8,475,670	7,498,210	977,460

11.2 Other financial liabilities

NATURE	30/06/2005	31/12/2004
Naturex loans	1,351,389	2,203,704
Maroc Extraction loans	112,203	168,342
SCI Les Broquetons loans	60,518	58,371
Financial leasing	57,869	16,460
Accrued interest outstanding	17,161	18,373
Current account	45,638	26,301
Total other financial liabilities	1,644,778	2,491,551

11.3 Variation on loans and debt

More than 1 year

Items	31/12/2004	New	Refunded	30/06/2005
Loans	8,475,670	1,225,000	4,840,389	4,860,281
Total	8,475,670	1,225,000	4,840,389	4,860,281

Less than 1 year

Items	31/12/2004	New	Refunded	30/06/2005
Loans	2,465,251		866,111	1,599,140
Current account	26,301	19,337		45,638
Total	2,491,552	19,337	866,111	1,644,778
Short term loans and overdrafts	3,665,795		2,844,221	821,574

11.3 – Off-balance sheet commitments

Commitments given

	30/06/2005	31/12/2004
Pledging of Naturex business assets	100,000	100,000
Pledging of Maroc Extraction business assets	Up to the 9th rank	Up to the 9th rank
Outstanding discount	55,663	159,372
Various guarantees (*)	242,661	340,061
Guarantees to Moroccan customs	276,903	311,829

(*) Guarantees granted by the parent company in favour of the banks of the subsidiary MAROC EXTRACTION to cover bank lending (medium-term credit and authorisations for operational credit) granted to this company which is an essential element in the Group.

Commitments received

Commitment from COFACE to guarantee the political risk in Morocco: €1,979,093.

NOTE 12 Sector-based information

12.1 Turnover per subsidiary

Geographical breakdown	FRANCE	MOROCCO	USA	TOTAL
30/06/2005	7,905,819	1,396	10,792,834	18,700,049
30/06/2004	7,486,131	3,354	10,011,953	17,501,437

12.2 France / Export Turnover

	Naturex	Maroc Extraction	Naturex Inc.	PAI	Consolidated
France	2,459,851				2,459,851
Excluding France	5,445,968	1,396	10,792,834		16,240,198
Production sold	7,905,819	1,396	10,792,834	0	18,700,049
Shipping and handling	75,345		122,111		197,457
Total	7,981,164	1,396	10,914,945	0	18,897,505

12.3 Operating results

Group companies	30/06/2005	30/06/2004
NATUREX	-273,660	216,282
SCI	24,790	36,708
PAI	0	0
MAROC EXTRACTION	719,570	681,907
NATUREX INC	1,751,886	1,543,221
Operating Results	2,222,587	2,478,117

12.4 Inventories

Geographical breakdown	France	Morocco	USA	TOTAL
Raw materials	4,344,552	681,956		5,026,508
Consumables	31,426	27,455		58,881
Finished and semi-finished products	4,540,554	1,032,507	4,511,659	10,084,720
Total	8,916,532	1,741,918	4,511,659	15,170,109

12.5 Gross fixed assets

Categories of fixed assets	France	Morocco	USA	Amount on 30/06/2005
Goodwill	47,586	33,562	7,458,576	7,539,724
Intangible fixed assets	124,669	6,424	66,860	197,953
Software - brands	124,669	6,424	66,860	197,953
Tangible fixed assets	8,469,816	8,993,431	1,010,486	18,473,732
Land	258,933			258,933
Construction on owned land	1,774,898			1,774,898
Construction on other land	71,046	1,723,418	7,357	1,801,820
Techn. Inst. Mat. Tooling	2,892,536	6,059,797	446,509	9,398,841
Techn. Inst. Mat. Transp. Leasing	87,085	55,094		142,179
Other tangible assets	3,043,565	1,149,014	556,621	4,749,201
Current fixed assets	341,752	6,109		347,861
Long-term investments	660,741	12,198	18,287	691,226
Securities	625,919			625,919
Deposits and guarantees	34,822	12,198	18,287	65,307
Total	9,302,812	9,045,615	8,554,209	26,902,635

12.6 Other business revenue

Other revenue	France	Morocco	USA	Consolidated
Current	191,041	13,129	371,136	575,306
Insurance repayment			1,040,738	1,040,738
	191,041	13,129	1,411,874	1,616,044

Insurance revenue recorded in the United States concerns the indemnity for the fire that occurred at Brucia in February.

NOTE 13 Labour costs

13.1 Workforce

Labour costs increased by about 30 % when compared with 1st half year 2004. The average workforce comprises 262 people (compared with 220 on 30/06/04), divided as follows:

- Naturex: 123
- Naturex Inc.: 51
- Maroc Extraction: 88

13.2 Remuneration of executives

The overall gross remuneration of the managing executives comes to €310,000, including welfare contributions. It is paid by Naturex Inc (€129,000), and Naturex (€181,000).

13.3 Stocks options

The value of options was assessed using the Black and Scholes valuation model and recorded in line with to IFRS 2 standard, under labour costs for a value of €6,515, corresponding to the variation registered between 30th June 2005 and 1st January 2005.

NOTE 14 Research and development costs

- An amount of around €0.40 M is entered under the charges for research and development costs. This expenditure does not meet the criteria for fixed assets covered by standard IAS 38.

NOTE 15 Financial income and expenses

15.1 Cost of net debt

	30/06/2005	30/06/2004
Interest and related charges	-272,821	-250,595
Financial income	89,787	14,792
Net debt	-183,034	-235,804

15.2 Other financial income and expenses

	30/06/2005	30/06/2004
Foreign exchange loss	991,659	834,277
Foreign exchange gains	1,417,200	532,410
Other financial income and expenses	425,541	-301,868

NOTE 16 Income tax

16.1 Breakdown of deferred tax / tax payable in the income statement

Tax payable:	738,200
Deferred tax:	125,339
Total tax:	<u>863,539</u>

16.2 Reconciliation of tax expenses and theoretical tax expense

Net consolidation income		1,601,556
Recorded tax		863,539
Consolidated income before tax		2,465,095
Theoretical tax: 33.33% + contribution 1.5%		834,024
Impact of US tax rate		71,037
Impact Moroccan tax rate		-88,148
Impact of definitively non deductible charges		3,947
. Tax on company vehicles	1,560	
. Amortization vehicles	695	
. Fine	1,692	
Impact of deferred tax		42,679
Recorded tax		863,539

16.3 Breakdown of recorded deferred tax assets and liabilities

	Assets	Liabilities	Net liabilities
Temporary differences:	19,739	74,749	55,010

16.4 Criteria used for recording deferred tax, and impact of variations in the income statement

On 30th June 2005, the SCI consolidation tax was entered for an amount of €5,120, the Naturex SA consolidation tax for €11,903, the carry over of Naturex deferred tax debt for 2004 for €67,394, organic deferred tax for 2005 for €7,836, and deferred tax on the staggered charges 2005 for €72,564 €. Total deferred tax: €125,339.

NOTE 17 Fully diluted earnings per share

	30/06/2005	30/06/2004
Options following exercising of S2P equity warrants on 16/12/02	79,000	79,000
Options allocated to employees on 21/12/01	8,405	10,086
Options allocated to employees on 30/01/03	1,854	2,684
Options allocated to employees on 06/01/04	19,448	21,136
Options allocated to employees on 06/05/05	24,548	0
Equity warrant capital increase on 12/01/05	207,433	0
Total options granted	340,688	112,906
	,	,
Number of shares making up the capital	2,579,383	2,164,518
	,	,
Net income Group part	1,551,502	1,247,862
Diluted income per share	0.5313	0.5479