

Valencia (Spain), November 12th, 2009

Report on 3Q 2009 financial results

1.- Main figures

- Third quarter 2009 was driven by the adjustments required for the forthcoming integration of Natraceutical Group's Ingredients Division into the French quoted company Naturex and the restructuring of the corporate services for the new business needs in 2010, to be focused on Forté Pharma.
- The Ingredients Division closed the quarter with a turnover of € 65.99 million, EBITDA of € 5.58 million and profit from operations of € 1.32 million.
- The Nutritional Supplements Division (Forté Pharma) reached € 40.04 million in turnover, € 3.91 million in EBITDA and € 3.19 million in profit from operations.
- All in all, Natraceutical Group closed 3Q 2009 with a turnover of € 106.03 million (€ 124.88 million in 3Q 2008), EBITDA of € 7.21 million (€ 15,88 million in 3Q 2008) and net result of € -6.68 million (€ 9.19 million in 3Q 2009). The decrease in net profit resulted from the mentioned adjustments, the cost of the corporate structure, which is being adapted to the new operating perimeter of the company, and the financial expenses.

Natraceutical Group's Main Figures (2009 3Q)				
<i>In million €</i>	I.D.	N.S.D.	C.S.	TOTAL
Turnover	65.99	40.04	—	106.03
Gross margin	27.25	30.65		57.90
<i>% over sales</i>	<i>41,29%</i>	<i>76,54%</i>		<i>54,60%</i>
Ebitda	5.58	3.91	(2.28)	7.21
<i>% over sales</i>	<i>8,45%</i>	<i>9,76%</i>		<i>6,79%</i>
Profit from Operations	1.32	3.19	(2.45)	2.06
Financial result			(5.51)	(5.51)
Non-recurring	(2.33)	—	(0.7)	(3.03)
Taxes	(0.20)	—	—	(0.20)
Net Result	(1.21)	3.19	(8.66)	(6.68)

I.D.: Ingredients Division

N.S.D.: Nutritional Supplements Division

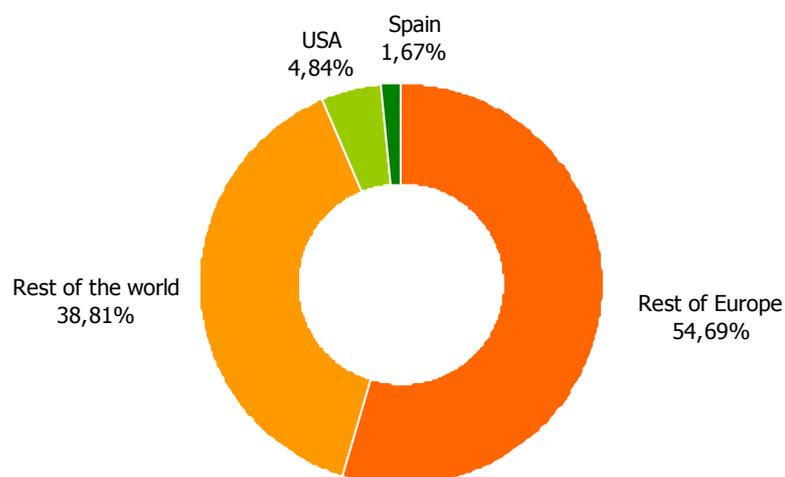
C.S.: Corporate Structure

2.- Division-specific evolution

Ingredients Division

In 3Q 2009, Natraceutical Group's Ingredients Division benefited from a gradual improvement of the international markets where the company operates. This enabled Natraceutical to reach a higher turnover than that in the same period last year, if one does not take into account non-recurrent sales which had a positive effect on 3Q 2008 results. Additionally, sales in this quarter also suffered the impact of fluctuations affecting the currencies with which Natraceutical operates (€ 1.7 million).

Geographical distribution of sales in the Ingredients Division



The natural colours unit, mainly produced in the United Kingdom, and whose activity represents around 20% of the Division's turnover, had a 6% increase in sales compared to 3Q 2008 (+20% without considering the impact from currency fluctuation). The fruit and vegetable powder unit, produced in Switzerland and representing around 40% turnover within the Division, reached +4%. Also relevant was the growth of the business unit that manages the commercial office in Russia, which increased their turnover by 55.5%.

All in all, sales in this Division reached € 65.98 million in the third quarter, versus € 75.89 million in the same period the previous year. Despite the positive-signed results in the evolution of the Division's recurrent activity, the 13% decrease in sales comparing the two years corresponds mainly to currencies fluctuation and to non-recurrent sales in 2008.

Considering the evolution between quarters in 2009, the Ingredients Division presented an increase in sales of 1.5% compared to the second quarter 2009, in an activity that has no outstanding seasonality throughout the year.

The Ingredients Division's EBITDA amounted to € 5.58 million, with an EBITDA margin over sales of 8.5%, due to the deterioration of the gross margin (41.3%), whose standard is around 45%. The impact on the Division's gross margin is mainly due to the still outstanding demand for reduced value-added ingredients and dropping margins, as well as by the difficulty of deflecting across the

board the rise in costs of raw materials to all clients. Accordingly, we need to remember that gross margins yielded by this Division's product portfolio fluctuate between 20% and 90% on sales, depending on the level of innovation and technology associated with each ingredient. The gross margin for the first half of the year was 40.7%, with an improvement of 0.6 points in the third quarter.

Additionally, 2009 third quarter was driven by the adjustments in the company structure required for the forthcoming integration of the Ingredients Division into the French company Naturex. These adjustments meant non-recurring expenses of € 2.33 million, which made the Ingredients Division to close the quarter with a net result of € -1.21 million. The Division closed 2008 with a staff of 326 people, which was decreased to 307 people during the first nine months of the current year.

Nutritional Supplements Division

Forté Pharma, Natraceutical Group's head company within the Nutritional Supplements Division, closed third quarter 2009 with sales of € 40.03 million, compared with € 48.98 million in the same period last year.

With a growth strategy that clearly aims at the internationalization of activities, Forté Pharma is now already operating in ten European countries, yet France still remains the main market with approximately 70% of the Division's overall sales. In relation to product ranges, the weight control range, which represents approximately 70% of Forté Pharma's sales, is now being gradually complemented with the development of health and beauty (oral cosmetics) product ranges, which, in the last two years, and despite the negative financial conditions, have reached 30% of the division's business turnover. Natraceutical's interest to balance their three product ranges (weight control, health and beauty) is due to the more relevant presence of health products in northern European countries -the company's main targets-, as well as due to the interest to decrease sales seasonality, still significantly dependent on weigh control, whose campaign takes place mainly in spring and summer months.

In France, Natraceutical Nutritional Supplements Division's main market, and a reference market for trend analysis purposes, the global weight loss supplements market suffered a 20% drop between January and September of 2009, with a somehow improvement versus the 35% drop between May and July. Despite this, and thanks to Forté Pharma's strong leadership position in the French weight control market, the impact on the brand was not as strong and Forté Pharma consolidated their 17% market share as a leading reference brand in pharmacies.

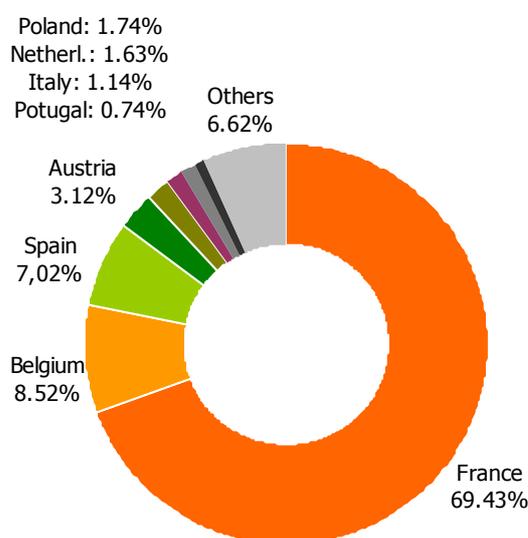
To boost said consolidation, the company has launched two brand new products to the market this year: "Minceur Rescult" and "Minceur Revolution", the latter regarded as the best launch in the French weight control market this year.

This trend was counteracted by an improved evolution of the health (multivitamins, phytotherapy, relaxing products, etc.) and beauty (oral cosmetics) segments, which combined count for 85% of the European nutritional supplements market.

Thus, while the nutritional weight control supplements market suffered a 20% overall setback in France, the nutritional supplements market for the so-called health ranges grew around 20% in the last twelve months.

Forté Pharma's business evolution in France's neighbouring countries experienced a similar recessionary behaviour. Nevertheless, the brand enjoyed double-digit growth in several new markets such as Romania, Ukraine, Bulgaria, Tunisia and Greece.

Geographic distribution of sales in the Nutricional Supplements Division



The investments to achieve increased geographical penetration as well as a new structure for the product portfolio —pursuing the ultimate goal of boosting the health and beauty ranges— along with a drop in sales caused by the aforementioned consumer shifts, led the company to close the third quarter of 2009 with an EBITDA of € 3.91 million, compared with EBITDA of € 7.84 million in the same period of 2008. The company's gross margin over sales was 76.5%.

Thanks to the flexible cost structure in Forté Pharma, mostly variable (marketing and publicity), the company can shortly adapt any impact of a sales decrease, thus reducing the effect on the Division's EBITDA.

The Division closed the third quarter with a net profit of € 3.19 million.

As it was done with the Ingredients Division's product portfolio in past years, Natraceutical has started to optimize the Nutritional Supplements Division's product ranges to further concentrate the commercial activities corresponding to all references enjoying greater turnovers and margins. The company is also reviewing production contracts and increasing the number of suppliers in order to improve operating margins and reduce acquisition prices.

Corporate structure

Natraceutical's Ingredients Division headquarters are located in the United Kingdom, while those of the Nutricional Supplements Division (Forté Pharma) are in Monaco. For the last six months, Natraceutical Group's corporate structure in Spain –to whom both Divisions report– has undergone an in-depth restructuring process, especially as a result of the forthcoming integration of the Ingredients Division into the French company Naturex. The profit and loss account for the third quarter reflects an impact of € 0.7 million due to such restructuring process.

The corporate structure amounted to € 2.28 million in the third quarter, a decrease of 18.41% compared to the same period last year. It closed 2008 with a staff of 23 people, which was decreased to 6 people during the first nine months of the current year.

3.- Progress on the merge process with Naturex

Last October 1st, Natraceutical Group informed the Spanish Stock Exchange Commission (CNMV) about the signature of the binding contract for the integration of Natraceutical's Ingredients Division into the French company Naturex. The asset contribution is expected to be formalized within the next weeks, before the year end.

After this transaction, Natraceutical Group is to become the main minority shareholder in Naturex. However, the French company will be managed by Naturex's current team, headed by Jacques Dikansky, chairman and CEO of the company and second minority shareholder.

With a fully complementary product portfolio, the resulting company will combine Naturex's strength in the USA and Canada with that of Natraceutical in Europe, and become the leading independent company in the world of speciality natural ingredients.

The new company will have production sites in Europe (France, Italy, Spain, Switzerland and the United Kingdom), the USA, Morocco, Australia and Brazil and own sales offices in the USA, Europe and Asia, thus being ideally placed to take advantage of the ongoing growth and consolidation of this sector.

4.- Relevant facts after the closing of the third quarter

Last October 13th, Natraceutical informed that Forté Pharma, head company of Natraceutical Group's Nutritional Supplements Division, obtained the sanitary authorization to develop and market their own medicines or those of third parties in Europe.

This authorisation will not only allow Forté Pharma to develop medicines within the segments where the company has an extensive experience, but it might also facilitate potential strategic alliances with pharmaceutical laboratories that do not currently have their own sales network in Europe.

At present, Forté Pharma markets their products in over ten countries in Europe and has commercial relationships with several markets abroad.

Additionally, last November 4th the company informed about the signature of a strategic alliance with BioNike -a pharmaceutical laboratory selling hypoallergenic cosmetics in pharmacies in Italy- for the penetration of Forté Pharma products into the Italian market.

This agreement further establishes Forté Pharma's development in the Italian market, the largest market for nutritional supplements in Europe after Germany and the UK, with a total turnover of 950 million Euros in 2008.

Founded in 1930, BioNike has its own sales network in Italy consisting of 44 representatives, who cover 4,500 pharmacies and para-pharmacies (7,000 expected by 2011).

The Italian company specialises in the development and marketing of hypoallergenic dermocosmetic products for children and adults, and has also their own network of medical representatives consisting of 40 staff, focusing on dermatologists and paediatricians.

BioNike has a range of 150 products, all of them formulated for the prevention of allergies, whose effectiveness the company ensures through clinical and in-vitro studies. In addition, BioNike has two product lines free from gluten, nickel, preservatives and fragrances, the main cause of skin intolerance.

The agreement signed between Forté Pharma and BioNike also includes the distribution of one of the Italian company's product ranges through Forté Pharma's pharmaceutical network in France, where Forté Pharma is one of the market leaders.

According to 2007 data, the pharmaceutical dermocosmetic market in France is twice the size of the Italian market, with a volume of 3,400 million Euros.

The two-way partnership with BioNike is consistent with Natraceutical's strategy following the acquisition of Forté Pharma at the end of 2006: to consolidate a leadership position in Europe in order to achieve a solid introduction into the three main markets (Germany, United Kingdom and Italy) and to develop, for this purpose, their own sales network, which will allow in the future the marketing of complementary health products to nutritional supplements.

Forté Pharma achieved a turnover of € 57.84 million in 2008, of which 1.3% was linked to the emerging company's activity in the Italian market. On their side, the Italian company closed 2008 with sales of € 32 million, of which 95 % came from their domestic market.

With this alliance, Forté Pharma expects their sales in Italy to represent around 10% by 2011.

5.- Perimeter of consolidation in 2010 and expected business evolution

After the integration of Natraceutical's Ingredients Division into Naturex, Natraceutical will focus their operative activity in the development of their Nutritional Supplements Division in Europe, whose products the company markets exclusively in pharmacies under the brand name Forté Pharma.

After the transaction, Natraceutical will become Naturex's main shareholder and will consolidate their stake in the French company under the equity method - incorporation of the proportional Naturex's net profit as financial income in the profit and loss accounts- from the 1st of January 2010.

Ingredients Division

With the integration of Natraceutical's Ingredients Division into Naturex, the resulting company's 2009 proforma sales amount to € 185 million, EBITDA around € 30 million and net financial debt around 3.5 times EBITDA.

The merge transaction between both businesses shall open a broad range of possibilities for joint growth as a result of the full complementarities and many synergies between them. Together with complementary product portfolios and the companies' respective strengths in different geographical markets and fields of activity, there shall be also the possibility to improve operating margins due to stronger purchase power of raw materials and the centralisation of the businesses' management structure.

Naturex's EBITDA/sales ratio for the last years has amounted to 17-18%. The companies expect that the synergies mentioned enable to improve in the short term the operating margins of Natraceutical's Ingredients Division (currently of around 10%) so that the resulting company maintains Naturex's current efficiency levels.

One of the many possibilities that this transaction offers to both companies is the increase of production capacity. In this sense, and although the asset contribution has not yet been formalized, both companies have agreed that the French company increase the extraction capacity of their production site in Avignon (France) by setting up operations since mid last October in the Natraceutical's production site in Valencia (Spain), a factory which was currently far below its production capacity.

Additionally, Natraceutical has recently signed a relevant commercial contract for their industrial site in Manaus (Brazil) which in itself will mean an increase in 2010 of 2.5% of 2009 proforma sales for the two companies together. The contract also means the full production activity of that industrial site from the month of January 2010 onwards, whose production activity for the past two years was around 30%.

Nutritional Supplements Division

Regarding the expected evolution of Forté Pharma in the mid-long term, Natraceutical expects the importance of the French market to decrease from 70% to 40% in favour of other markets, with growth rates up to 2013 in France around 5% and around 12-15% in other countries. However, in the year 2010, the company expects to achieve back 2008 volumes.

With regards to product portfolio, the company will still invest to increase the health and beauty ranges versus the weigh control range, which shall help the penetration in northern European countries, where health nutritional supplements represent around 80% of the total food supplements market.

Regarding Natraceutical's balance sheet structure after the integration of their Ingredients Division into Naturex, it is worth remembering that Foré Pharma requires no investments in fix assets, since the whole production is outsourced.

6.- Financial structure

As a result of the integration of the Ingredients Division into French company Naturex, Natraceutical Group is in talks with their banks to obtain the authorisation for the asset contribution and the restructuring of the company's remaining debt.

As of end October 2009, Natraceutical's net debt amounted € 99 million, which will be lowered at year end with the cash from the deal with Naturex.

7.- Consolidated Profit and Loss Account – Natraceutical Group

<i>In thousand €</i>	Third Quarter		
	2009	2008	Diference
Revenue	106.029	124.886	
Changes in inventories of finished good and work in progress	-757	-3.238	
Procurements	-47.375	-50.808	
Gross margin	57.897	70.841	-18,27%
<i>% over sales</i>	<i>55%</i>	<i>57%</i>	
Other operating income	214	1.971	
Staff costs	-14.248	-22.784	
Depreciation and amortisation charge	-5.155	-5.182	
Other operating expenses	-39.760	-34.139	
Profit from operations	-1.052	10.707	-109,83%
<i>% over sales</i>	<i>-1%</i>	<i>9%</i>	
Result of companies accounted for using the equity method	-88	-48	
Finance result	-4.812	-3.846	
Exchange differences	-517	-142	
Loss on disposal of non-current assets	-23	-1.191	
Impairment losses			
Profit before tax	-6.493	5.479	-218,50%
Income tax	-196	930	
Profit for the period	-6.689	6.409	-204,36%
Non-continuing operations		-1.921	
Net result	-6.689	4.488	-249,02%



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About Natraceutical Group

Spanish multinational corporation Natraceutical Group is at the forefront of biotechnology applied to nutrition, a leading reference in the research and development of naturally-sourced functional / active ingredients and nutritional complements for the foodstuffs, pharmaceutical and cosmetics sectors. The company streamlines its industrial activity through two divisions (Ingredients and Nutritional Supplements) with the purpose of contributing to the prevention of diseases and improving quality of life through nutrition.

The Group's Ingredients division currently runs production facilities in Spain, UK, Switzerland, Australia and Brazil; and operates actively in over 60 countries, running branches in Europe, US and the Asia Pacific region, plus several sales networks worldwide. Natraceutical provides products and services to over 1,000 companies worldwide, including eight of the world's ten leading food corporations.

Last October 1st, Natraceutical Group announced the integration of Natraceutical's Ingredients Division into the French quoted company Naturex, where Natraceutical will become the main minority shareholder. The asset contribution is expected to be formalized before the year end.

The merger with Naturex will give birth to the leading independent company in natural ingredients in the world, running production facilities in the USA, France, Spain, Italy, United Kingdom, Switzerland, Morocco, Australia and Brazil, together with their own sales offices in Europe, the US and Asia-Pacific, and a worldwide sales network.

In October 2006, Natraceutical expanded its sphere of activity by penetrating the nutritional complement sector following the acquisition of Monaco-based company Laboratoires Forté Pharma, specializing in nutritional supplements for health, beauty and weight control, thanks to which the company gained direct access to end consumers.

Natraceutical quotes in the Spanish stock exchange under the ticker NTC. Total outstanding shares: 328,713,946.

www.natraceuticalgroup.com

For further information

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