

2012 1Q: Results note

Despite the decline in consumption of the food supplement industry in Europe

Forté Pharma enhances Natraceutical results by increasing 56% in EBITDA and 64% in net profit

- Forté Pharma, the industrial business of Natraceutical, closed the first quarter with a net profit of 1.33 M €, an increase of 64.2% compared to 2011 Q1, driven by the recovery of business operations which placed the company's EBITDA at 2.33 M €, compared to 1.49 M € last year (+56.4%). Forté Pharma's revenue recede 18.7% up to March 2012, strongly influenced by the specific drop in sales of one of the products in the weight control range. Excluding this circumstance, the company's sales had remained at similar levels to last year.
- On a consolidated basis, Natraceutical closed the first quarter of the year with sales of 9.47 M € (-19.6%), EBITDA of 1.81 M € (+64.7%) and a net profit of 2.09 M €, compared to 2.24 M € for the first quarter of 2011, a difference due to the effect of capital gains from the sales of the stake in Naturex. Regardless of these gains in 2011, the net result of Natraceutical in this first quarter grew 71.3%.
- Over the past twelve months, Natraceutical reduced its financial leverage in 30,43 M €. The financial debt on March 31 stood at 59.61 million euros

1.- Business performance

Food Supplements Division (Forté Pharma)

In France, Forté Pharma's main market, representing 65.8 % of their revenue, according to market data for January and February the "Health" segment was still the main driver of the food supplement industry, with growth of around 9 %, which enabled the total industry grow nearly 4% in the first quarter.

With market contraction around 7% in the first months of the year, the food supplements segment of "Weight Control" in France, representing around 80% of Forté Pharma's turnover, both in this country and in its total markets, began to show signs of falls stagnation after the around 20% drops in the last three years.

In its turn, the "Beauty" segment accumulated a decline of around 2%, after a bad month of January, although February experienced positive growth.

In this environment, Forté Pharma's revenue stood at 9.43 million euros in the first quarter, compared to 11.60 million euros in the same period last year. The decrease of 18.7% is mainly due to the specific drop

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in sales of one of the products in the "Weight Control" range. Regardless of this circumstance, the company's sales had remained at similar levels to last year.

The "Health" and "Beauty" ranges, show positive results in sales, but its lighter weight in the total Forté Pharma's revenue does not make them still relevant in the analysis of business performance.

As the company announced at the end of the year 2011, Forté Pharma continued to focus much of their efforts in protecting and improving operating margins, especially in relation to its major cost items (structure and publicity), as well as in complementing existing sales of "Weight control" products with a greater focus on star products in the "Health" and "Beauty" ranges.

This has enabled Forté Pharma close the first quarter of the year with an EBITDA of 2.33 million euros compared to 1.49 million euros in March 2011, representing an increase of 56.4% and EBITDA margin over sales of 24.7% versus 12.8% in the first quarter of 2011. Net profit stood at 1.33 million euros versus 0.81 million the previous year (+64.2%).

Following this operational rationalization, the main objective of the company for the year is to stabilize the turnover, so in the next quarter it will focus its efforts and resources in the "Health" range campaign, whose pre-sales begin in the second quarter.

Shareholding in Naturex

The reduction of Natraceutical's shareholding in Naturex along the year 2011 led to the loss of significant influence over that company and the consequent decision of Natraceutical's Board in the fourth quarter to exclude Naturex of the consolidated scope and classify the asset as available-for-sale. At that time, the stake was recorded at market value, with quarterly updates of gains or losses.

In this regard, the profit and loss account for the first quarter of 2011 included 1.63 million euros for the adjustment of the value since the year end, as well as the effect of the additional sale of 230,000 titles made on March 30.

Following this transaction, Natraceutical's shareholding in Naturex consists of 1,365,002 shares currently, representing the 17.7% of the French company.

2.- Financial debt

On March 31, 2012, Natraceutical's net financial debt amounted to 59.61 million euros, compared to 80.04 million euros at the end of the first quarter 2011, representing a debt reduction of 30.43 million euros in the last year.

The funds of around 11.84 million euros obtained from the divestment of Naturex conducted at the end of the quarter, will be allocated to the debt service of the year and early repayment of the syndicated loan, whose single maturity is set for April 2013.

Due to the settlement date of the sale of the stake (April 4), the funds will be recorded in the company balance sheet of the second quarter of 2012.

3.- Consolidated Balance Sheet on March 31, 2012I

<i>(in thousand euros)</i>	31/03/2012	31/12/2011
ASSETS		
Non-current assets:		
Intangible assets	59.709	59.720
Tangible assets	264	318
Investment in Group and Equity Companies	0	0
Other non-current investment	580	676
Deferred tax assets	2.772	2.736
Derivative financial instruments	0	0
TOTAL NON-CURRENT ASSETS	63.326	63.450
Current assets:		
Inventories	2.020	2.343
Accounts receivables, trade	10.754	6.137
Intercompany Accounts Receivables	312	0
Other current investments	84.108	82.781
Tax receivables	1.313	1.460
Other current assets	0	0
Assets held for sale	8.492	8.492
Cash and cash equivalents	780	714
TOTAL CURRENT ASSETS	107.780	101.927
TOTAL ASSETS	171.106	165.377
EQUITY AND LIABILITIES		
Equity:		
Share capital	32.871	32.871
Share premium	103.494	103.494
Other reserves	-1.469	-1.207
Accrued earnings	-46.488	-48.568
TOTAL EQUITY	88.408	86.590
Non-current liabilities:		
Other bank borrowings	10.185	10.137
Derivative financial instruments	636	525
Other non-current liabilities	591	592
Deferred tax liabilities	517	530
Intercompany	6.927	6.927
Non current provisiones	169	169
TOTAL NON-CURRENT LIABILITIES	19.026	18.880
Current liabilities:		
Current allowances	630	585
Payable to credit institutions	49.572	46.657
Intercompany	2.590	2.215
Trade accounts payable	10.263	9.236
Other currents liabilities	221	217
Tax liabilities	398	997
TOTAL CURRENT LIABILITIES	63.672	59.907
TOTAL EQUITY AND LIABILITIES	171.106	165.377

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4.- Consolidated profit and loss account

<i>(in thousand euros)</i>	2012 1Q	2011 1Q
Net business turnover	9.466	11.767
+/- Variation of finished or in-process product stock	-2	-61
Procurements	-2.336	-2.676
Gross Margin	7.128	9.030
Other operating income	5	60
Staff expenses	-2.247	-2.773
Depreciation allocation	-194	-235
Other operating expenses	-3.071	-5.215
Profit from operations	1.621	867
Financial earnings	0	1.021
Financial expenses	-1.068	-574
Currency exchange differences	-9	-236
Fix gain/loss on non current assets disposal	-6	-69
Result of assets held for sale	1.635	1.232
Profit before taxes	2.173	2.241
Income tax	-85	0
Net result	2.088	2.241

About Natraceutical

Natraceutical is a Spanish multinational which is a reference in the research and development of natural functional ingredients, active elements and nutritional supplements for the food, pharmaceutical and cosmetics industry. The company directs its industrial activity through Laboratoires Forté Pharma, which specializes in nutritional supplements in the fields of health, beauty and weight control and which it sells exclusively in pharmacies and drugstores in Europe, as well as through its shareholding in the quoted French company Naturex, resultant from the recent contribution of its Ingredients Division to the French multinational.

Natraceutical is quoted on the Spanish stock exchange's continuous market under the ticker NTC. Total shares in circulation: 328,713,946.

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