



Natraceutical Group and Naturex reach an agreement to create a world leading company of natural ingredients

- The two publicly-traded companies have signed a memorandum of understanding regarding the merger of Natraceutical's ingredients division into Naturex, expected to come into effect before the year end.
- Together with a fully complementary product portfolio, production sites and sales offices all over the world, the resulting company will combine the strengths of Naturex and those of Natraceutical and will become the world leading independent company of natural speciality ingredients.
- The transaction will be structured by means of the integration of Natraceutical's ingredients division into Naturex, where Natraceutical will become board member and a relevant minority shareholder alongside SGD, the family-controlled holding company of Jacques Dikansky, Naturex's chairman and CEO, who will remain the reference shareholder in terms of voting rights.
- The stake that Natraceutical shall hold in Naturex is expected to be of around 38-40%, subject to the due diligence process and the final financial structure of the resulting company.
- The companies will now initiate the due diligence process prior to the formalization of a binding contract to be approved by the respective boards of directors and Naturex's shareholders meeting, and subject to the financial feasibility of the project and the authorisation by the French financial market authority (Autorité des Marchés Financiers).

Avignon (FR) / Valencia (SP), 6 August 2009. Spanish multinational Natraceutical Group, a leading biotechnology corporation in the field of research and development on functional ingredients, active principles and nutritional supplements, and French multinational Naturex, a leading supplier of natural speciality ingredients to food, flavour, food supplements, pharmaceutical and cosmetic industries, formalized yesterday a memorandum of understanding for the merger of their ingredient activities, which is expected to be effective before the year end.

The transaction is planned to be structured by means of the integration of Natraceutical's ingredients division into Naturex. This merger, triggered by two of the leading publicly traded companies in the ingredients industry, will create the number one independent company of natural specialty ingredients in the world.

With a fully complementary product portfolio that includes nutraceutical ingredients, flavouring, preservative and innovative extracts on Naturex's side, and natural colours, fruit and vegetable powders, pectins, functional ingredients, yeasts and caffeine by Natraceutical's ingredients division, the new company will combine the strengths of Naturex, strongly positioned in the USA, and those of Natraceutical, strongly positioned in Europe.



The resulting 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.

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The company will operate under Naturex management, headed by Jacques Dikansky, chairman and CEO of the company.

After this operation, Naturex proforma sales will reach in 2009 around € 200 million and proforma EBITDA will represent around € 30 million, with a debt ratio close to 3.5 times Ebitda.

After closing of this deal, and from an operational point of view, Natraceutical Group will focus their efforts in the full development of their nutritional supplements division in Europe, which the company markets exclusively in pharmacies under the brand name Forté Pharma.

According to Mr. Jacques Dikansky, Naturex's chairman and CEO: "This operation represents a unique opportunity for Naturex to become the number one natural speciality ingredients company worldwide through the integration of the well-known and highly reputable companies forming Natraceutical's ingredients division".

To Mr. Xavier Adserà, Natraceutical Group's chairman: "Under the current financial circumstances that are requiring companies to adapt their growth strategies to the new environment, we believe that uniting our strengths to Naturex's will be highly value-creating for our businesses and shareholders".

About Naturex

Naturex has a recognized place amongst the very top global leaders in natural extracts. Naturex manufactures and markets natural ingredients for the food, nutraceutical, pharmaceutical and cosmetic industries.

These products are exclusively sold to industrial companies. Today's market for extracts is very strong since the natural origin of ingredients fulfils a buoyant and fast-growing demand from end consumers. Naturex's strength lies in its ability to position itself on specific products which constitute market niches.

During the past ten years, Naturex has recorded a very strong growth. Revenues have been multiplied by ten during this period. To maintain the healthy organic growth of the group and to fully exploit the expertise in offering high value-added, high performance technical solutions for each of our different markets, Naturex has structured its activities, since 2009, into three core businesses: Food & Beverage, Nutrition & Health and Personal Care.



Based in Avignon, the group employs 600 staff and over 90% of its sales are overseas. Naturex has production units in France, Morocco, the United States and Italy, as well as 8 sales offices located in Europe, the USA and Asia.

Naturex quotes on NYSE Euronext Paris under the ticker FR0000054694; NRX. Total outstanding shares: 3,882,040.

www.naturex.com

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.

In October 2006, Natraceutical expanded its sphere of activity by penetrating the nutritional supplements 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 NATE.MC. Total outstanding shares: 328,713,946.

www.natraceuticalgroup.com

For further information

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