

**Mr. Iñigo de la Lastra**  
Head of Secondary Markets  
CNMV  
Edison, 4  
28006 Madrid

## RELEVANT FACT

Valencia (Spain), October 15, 2014

Dear Sir,

In accordance with Article 82 of Law 24/1988, 28th July, relative to the regulation of the stock market and related provisions, and in relation to the merger project between NATRACEUTICAL SA and Laboratorio Reig Jofre SA first reported to you on June 26, 2014 by means of a Relevant Fact with register number 207647, the Company attaches hereafter the documents that will be handed out at the presentation event of the aforementioned merger, to take place at Madrid Stock Exchange today, October 15, 2014, at 12.30 hours and which contains, among other information, the estimated closing of the year 2014 of the companies to merge.

Yours faithfully,

Maria Jose Busutil Santos  
Secretary of the Board of Directors

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## **Natraceutical and Laboratorio Reig Jofre join the consolidation process of the European pharmaceutical industry**

- The new company resulting from the merger will strengthen its position in the pharmaceutical market by means of the synergies in research and development of new products, regulatory knowledge, own production and combined access to more than 60 countries in 5 continents.
- According to 2013 results, after this merger Natraceutical will multiply its turnover by almost five times, up to 149.7 M€, thus becoming the fifth Spanish pharma company by turnover quoted in Spain, with combined EBITDA of 16.1 M€ .
- The companies expect to close 2014 with combined organic growth of 5.6% in sales and 21.0% in EBITDA.

**Valencia / Barcelona (Spain), October 15, 2014.** Natraceutical, a Spanish listed company, a leader in the French food supplements market through its company brand Forté Pharma and Laboratorio Reig Jofre, a Spanish multinational and a reference in the European pharmaceutical sector in the formulation and development of high value-added principles, will conduct next October 24 their shareholders' meetings to approve the merger of Laboratorio Reig Jofre and Natraceutical.

The merger is conditioned to the granting by the Spanish Securities Market Commission to Laboratorio Reig Jofre's main shareholder of the exemption to launch a takeover bid over Natraceutical. The companies expect the merger to be effective before the end of 2014.

According to aggregate data from 2013, by means of this merger Natraceutical will multiply by almost five times its sales, becoming the fifth Spanish pharma company by turnover traded in Spain. Specifically, the company closed 2013 with combined sales of 149.7 million euro, EBITDA of 16.1 million and debt-equity ratio of 0.8 times EBITDA.

Natraceutical and Laboratorio Reig Jofre started today at the Madrid Stock Exchange the first of three information events on the merger, where the companies disclosed estimated 2014 results of +5.6% sales growth to 158.0 million euros and an increase of recurring EBITDA of 21.0% to 19.5 million euros. Additionally, the net financial debt of the new company will be reduced over 48% in 2014, to 6.8 million, decreasing the debt-equity ratio to 0.3 times. The estimated EBITDA does not include costs incurred in connection with the merger, which could amount to approximately 2 million euros.

# natraceutical

The merger of these two companies will enable the new company to strengthen its market position by diversifying its product portfolio in the pharma segment (69% of net joint business 2013), OTC (16%) and food supplements (15%) as well as its international presence, with sales outside Spain, according to data from 2013, representing 64% of the joint business and distributed between France (17%), Germany (10%), United Kingdom (9%), Sweden (6%) and approximately 50 other countries on five continents (25%)

Synergies in the mentioned fields will allow a significant improvement in revenues and margins of the new company, increasing its profitability and enhancing its robust business and financial structure. As a first step, and thanks to operational improvements following the merger, the new company expects to realize direct cost savings of around 2.5 million euros, as the integration of the businesses is effective. It will not involve any significant change in headcounts.

As companies disclosed late June, the proposed transaction will be structured by merger through absorption of Laboratorio Reig Jofre by Natraceutical, although the combined company will adopt the name Laboratorio Reig Jofre, SA.

The exchange ratio agreed to this operation and validated by the independent expert appointed by the Commercial Registry of Valencia, stands at 26% for the current shareholders of Natraceutical and 74% for the shareholders of Laboratorio Reig Jofre. This implies that following the merger the shareholders of the new company will be distributed as follows: current shareholders of Laboratorio Reig Jofre 74%, Natra (main shareholder of Natraceutical to date) 13% and other shareholders of Natraceutical 13 %.

Given this structure, one of the most valued agreements by the investment community has been the proposal to make to the next shareholders' meeting of Natraceutical to appoint five independent directors with a sound track record in the pharmaceutical industry, scientific research, internationalization, financial and stock markets –and specifically good corporate governance-, marketing and advertising, which will bring together 56% of the vote in the board of directors, thus ensuring the best decisions for the company and all its shareholders.

# natraceutical

## About Laboratorio Reig Jofre

Founded in 1929 in Barcelona, Laboratorio Reig Jofre is one of the leading companies in the European pharmaceutical sector. Family owned, the company has a workforce of over 700 employees and an international positioning that has allowed strong growth in recent years.

With sales of 118.3 million euros in 2013 and specialized focus in dermatology, gynecology, respiratory, antibiotics and consumer healthcare, Laboratorio Reig Jofre's activity is divided into two main areas: development and manufacture of own products (66% of sales) and specialized manufacture for third parties (34%). In its core business, the company specializes in prescription and non-prescription pharmaceutical products, generic products based on specialized technologies, medical devices, food supplements and cosmetics, and it focuses innovation on new formulations and new clinical indications of known molecules in the therapeutic areas mentioned,, as well as new developments of innovative molecules in partnership with start-ups and research centers.

Laboratorio Reig Jofre has a network of medical, hospital and pharmaceutical visitors in Spain and the Nordic countries and a presence in 87 countries through more than 180 distributors. The company also has four development and production centers -in Spain and Sweden- and an international logistics center.

## About Natraceutical

Natraceutical is a multinational of Spanish origin, which channels its industrial activity through Laboratoires Forté Pharma, specializing in food supplements sold exclusively in pharmacies and parapharmacies, mainly in Europe.

With a turnover of 31.4 million euros in 2013, Natraceutical is present in the categories of weight control, energy, health and beauty, marketed mainly in France (65% of sales) but it is also present directly or through distributors in 24 additional countries.

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

## For more information

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Natraceutical – [www.natraceutical.com](http://www.natraceutical.com)

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**natraceutical**

Merger project with  
Laboratorio Reig Jofre, SA



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## Transaction advisors

Natraceutical, SA

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Laboratorio Reig Jofre, SA

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Financial advisors:



Financial advisors:



Legal advisors:



Legal advisors:



Auditors:



Auditors:



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## 01. BACKGROUND



# BACKGROUND

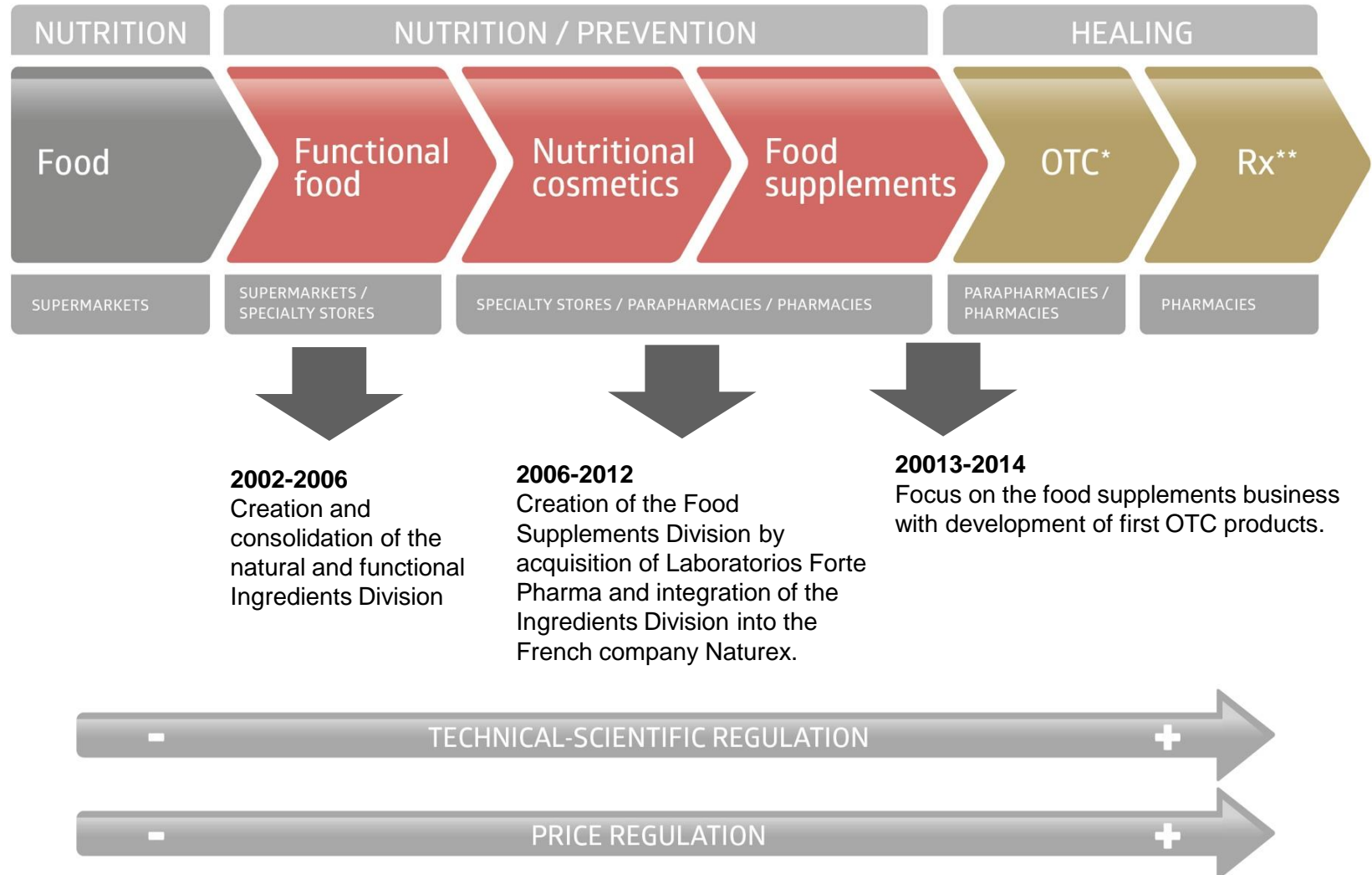
- On May 8, 2014, Natraceutical SA (hereinafter NTC) and Laboratorio Reig Jofre, SA (hereinafter LRJ) signed a Letter of Intent (LOI) in order to initiate a negotiation process aimed at studying the possible integration of the two companies.
- After completion of the due diligence of both companies, on June 26, 2014 NTC and LRJ signed a Merger Protocol which was the formal beginning of the merger between the two companies. The basics of this protocol are:
  1. The transaction is expected to be structured by the integration of LRJ into NTC, which will mean the extinction of LRJ and block transfer of its assets to NTC.
  2. The established exchange equation is 26% for the current shareholders of NTC and 74% for shareholders of LRJ.
  3. Commitment between the two main shareholders of the new company to increase the free float.
  4. The Protocol regulates matters related to the corporate governance of the merged entity: mainly, number of directors, number of independent directors and composition of board committees.
  5. The transaction is subject mainly to:
    - Ratification of the exchange ratio by an independent expert – ACCOMPLISHED
    - The information and approval of the transaction by the Competition authorities – ACCOMPLISHED
    - The approval of the transaction by the General Shareholders Meetings of both companies
    - The exemption of a tender bid granted by the Spanish Stock Exchange Commission to the sole shareholder of LRJ
  6. If merger is approved, NTC will change its name to Laboratorio Reig Jofre, SA and will move its headquarters from Valencia to Barcelona, where NTC established its decision center in 2007.



## 02. NATRACEUTICAL TODAY

# NATRACEUTICAL TODAY

## Development of the strategic plan



\* Over-the-counter: Pharma product without medical prescription  
 \*\* Rx: Pharma product with medical prescription

# NATRACEUTICAL TODAY

## Important diversification into health and energy segments

2013  
sales:  
31.4 M€



Weight  
control

67,0%

Supplements for  
weight control

- Weight Loss
- Volume reduction
- Control of appetite and calorie intake



Energy

Since  
2008

12,8%

Supplements to  
combat fatigue

- Reinforcing energy and eliminating fatigue
- Fighting imbalances
- Vitality



Beauty

Since  
2011

12,5%

Natural solutions  
for skin, hair ...

- Tan enhancer
- Hair and nail strengthener
- Anti-aging



Health

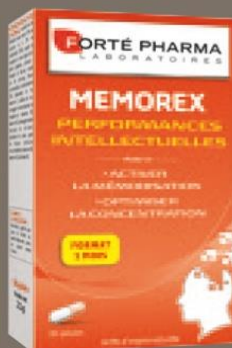
Since  
2012

7,7%

Nutrients to  
mitigate disorders  
and ailments

- Combating ailments
- Stimulation of defenses
- Menopause
- Loss of memory

A 44  
product  
portfolio  
and  
12 new  
launches  
in 2013



# NATRACEUTICAL TODAY

## Geographical diversification

### Direct marketing in pharmacies in France, Spain, Benelux and Portugal and network of distributors in over 20 countries

2013  
sales:  
31.4 M€



65%

France

Total pharmacies: **21,000**  
Target: **7,000**  
Presence<sup>1</sup>: **83%**  
Sales rep.: **37**



16%

Spain

Total pharmacies: **21,000**  
Target: **4,500**  
Presence<sup>1</sup>: **56%**  
Sales rep.: **12**



11%

Benelux

Total pharmacies: **5,500**  
Target: **3,300**  
Presence<sup>1</sup>: **83%**  
Sales rep.: **7**



1,8%

United Kingdom

Sold in: **Boots, Lloyds,  
Superdrug and  
Holland & Barret**



1,3%

Portugal

Total pharmacies: **3,000**  
Target: **1,000**  
Presence<sup>1</sup>: **35%**  
Sales rep.: **3**

5,2%

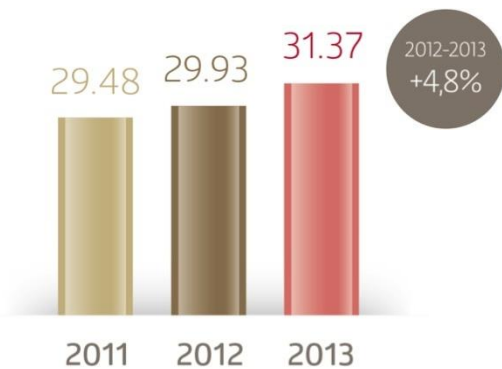
Other<sup>2</sup>

1. Calculated over the target
2. Including 20 countries: Greece, Ucrania, Bulgaria, Morocco, Tunisia, Lebanon, French Antilles, Reunion Island, Madagascar, Mayotte, Cameroon, Senegal, Ivory Coast, Mauritius, Seychelles, South Africa, French Polynesia and New Caledonia.

# NATRACEUTICAL TODAY

## Solid operational and financial structure

Turnover



EBITDA

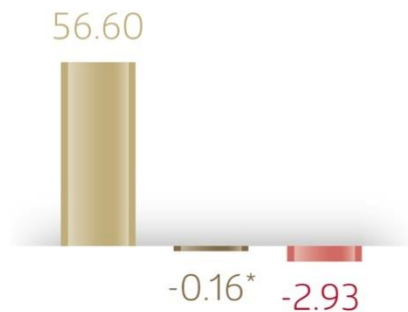


Net result



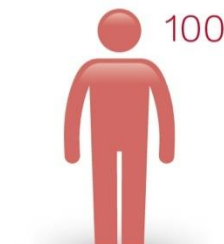
\* Extraordinary items due to changes in assets valuation

Net financial debt



\* Not including cash position of 14.52 M€ following some assets disposal

Employees



Factories



Fully outsourced production

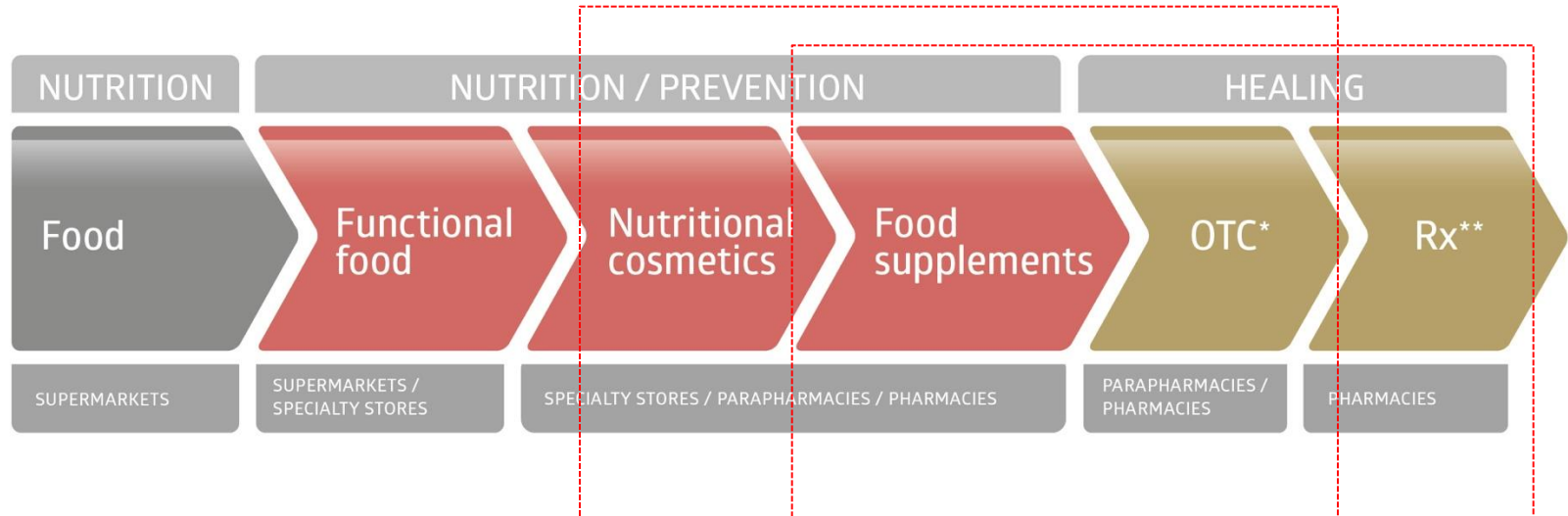


## 03. TWO SYNERGISTIC INDUSTRIES



# TWO SYNERGISTIC INDUSTRIES

Food supplements companies approach the pharmaceutical industry...



... while pharmaceutical companies seek alliances in the food supplements sector or develop their own offer



\* Over-the-counter: Pharma product without medical prescription

\*\* Rx: Pharma product with medical prescription



# TWO SYNERGISTIC INDUSTRIES

## Processes of integration or organic development



The multinational Merck is promoting its food supplements area under the brand "Bion", mainly in the vitamins range.



The Japanese pharma company Otsuka has its line of slimming products biManán through its subsidiary Nutrition Santé.



The pharmaceutical company Uriach developed the food supplements brand Aquilea



The multinational pharma company Reckitt Benckiser acquired in November 2012 the food supplements company Schiff.



Esteve developed the food supplements brand Nutridiver.



The Italian pharmacompany Recordati acquired the Polish Farma-Projekt in August 2012.



Novartis also has a presence in the field of food supplements.



The Italian company Zambon acquired in September 2011 the slimming supplement Lipograsil.



Cinfa also has its line of food supplements.



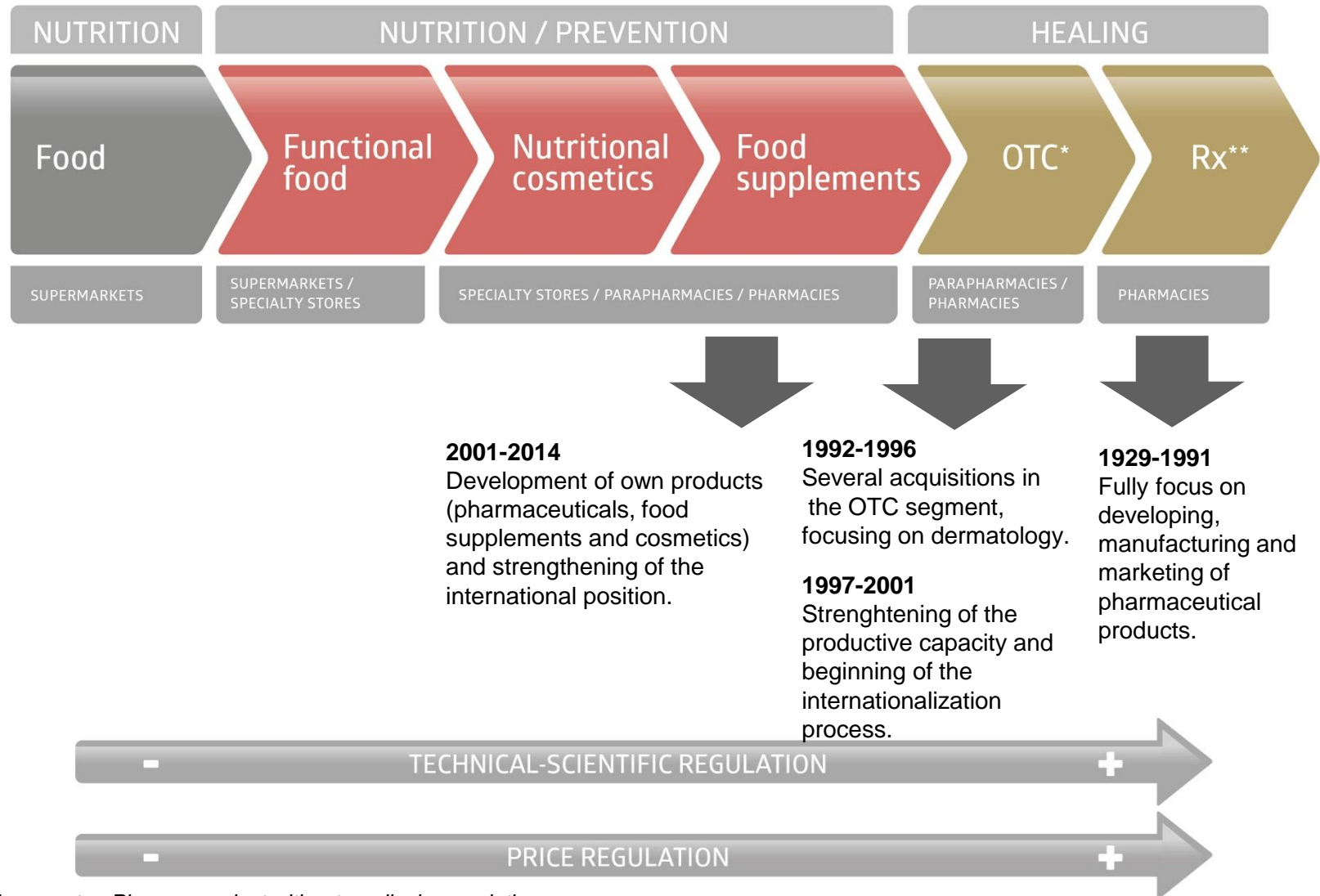
The French group Sanofi-Aventis acquired in November 2009 the food supplements company Oenobiol.



## 04. LABORATORIO REIG JOFRE TODAY

# LABORATORIO REIG JOFRE TODAY

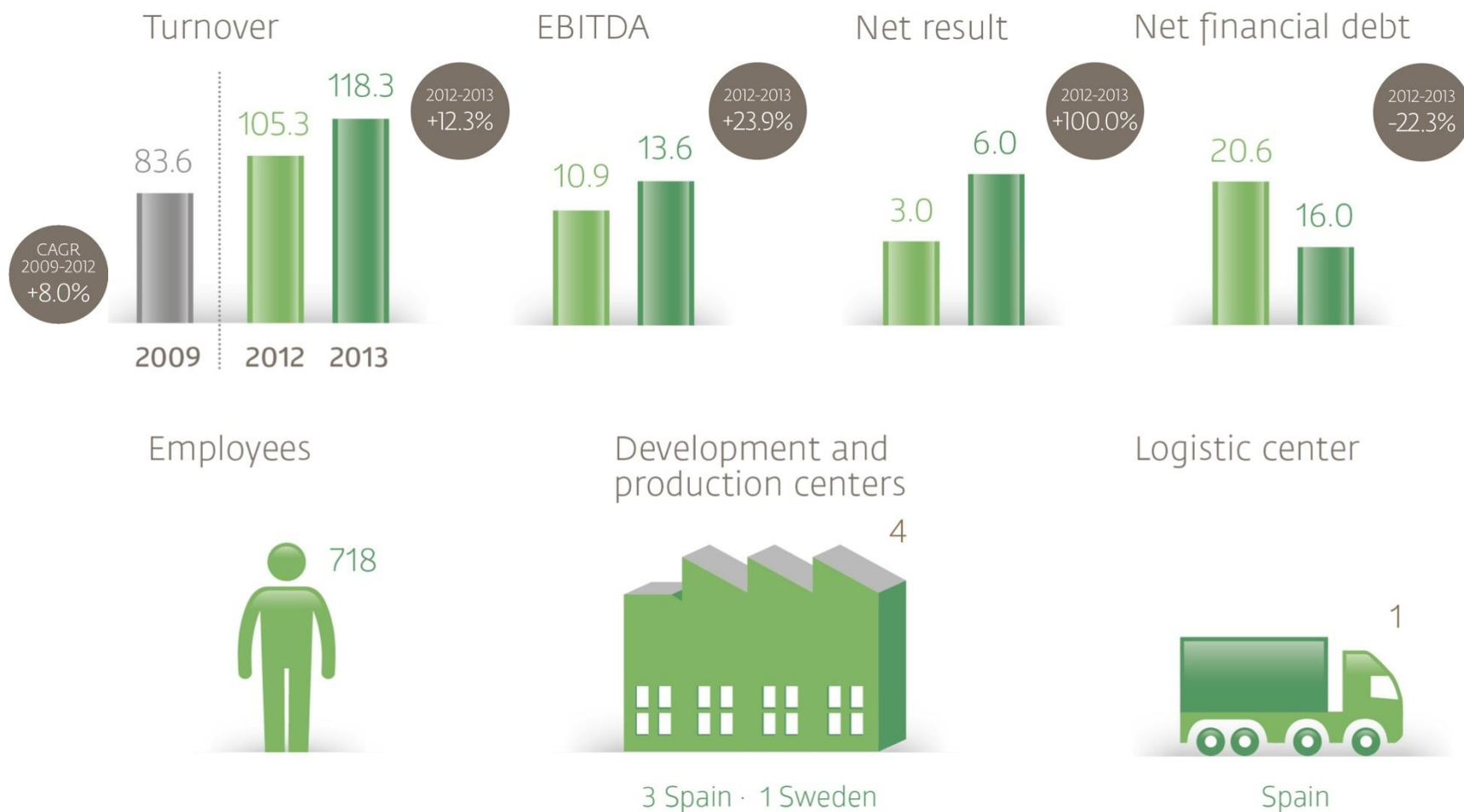
## Historical evolution



\* Over-the-counter: Pharma product without medical prescription  
 \*\* Rx: Pharma product with medical prescription

# LABORATORIO REIG JOFRE TODAY

## Solid growth by product and geographical diversification



Figures in million euros

Data prior to 2012 not available in IFRS accounting rules. Not included as it is not comparable.

# LABORATORIO REIG JOFRE TODAY

## Strategic approach towards higher value segments

2013  
sales:  
118.3 M€

Development and manufacture  
of own products

66.0%

44.0%

PRODUCT MARKETING  
DIRECTLY OR THROUGH  
DISTRIBUTORS THROUGH THE  
PHARMACEUTICAL AND  
HOSPITAL CHANNELS

22.0%

LICENSE SALE TO A THIRD PARTY  
WITH A LONG-TERM  
MANUFACTURING CONTRACT

Specialized manufacture for  
third parties

34.0%

### Therapeutic areas

Dermatology, gynecology, respiratory, antibiotics and healthcare consumer

### Products

Pharmaceuticals (prescription and non-prescription), generic products based on special technologies, medical devices, food supplements and cosmetics

### R & D & I

Innovation in new formulations of generics and new clinical indications know in the therapeutic areas above

Innovation in injectable generics based on specialized production technology, in any therapeutic area

New developments of innovative molecules in partnership with start-ups and research centers

### Services

Manufacture of specialized forms: injectable, lyophilized vials, antibiotics, topical products and biotech

Design, development, stabilization and lyophilization process for biological and / or chemicals assets

Fill and finish for batches of innovative clinical trials

Manufacture of traditional formulations

Full regulatory support for register products

# LABORATORIO REIG JOFRE TODAY

## Portfolio of own products

PRESCRIPTION / MEDICAL ADVICE				PHARMACEUTICAL RECOMMENDATION
<b>Dermatology</b> Acne, hair and nails	<b>Ginecology</b> Preterm birth and oncology	<b>Respiratory</b> Asthma, allergies, rhinitis	<b>Antibiotics</b>	<b>Consumer Healthcare</b> OTC, food supplements and cosmetics
Products: <b>Anaclosil</b> <b>Medebiotin</b> <b>Complidermol</b> <b>Complidermol 5a</b> <b>Deripil</b> <b>Eridosis</b> <b>TriHachemina</b> <b>Nutridermis</b> <b>Medetopic</b> <b>Mede H</b> <b>Ony-tec</b>	Products: <b>Nife-par</b> <b>GynEC DX</b> <b>Pre-par</b> <b>Orvangel</b> <b>Medegin</b>	Products: <b>Pulmictan</b> <b>Budesonida</b> <b>Easyhaler</b> <b>Blox Allergy</b>	Products: <b>Ardine</b> <b>ArdineClav</b> <b>Britapen</b> <b>Farmaproina</b> <b>Benzetacil</b> <b>Benoral</b> <b>Citrocil</b>	Products: <b>Lacteol</b> <b>Otocerum</b> <b>Vaselina Orravan</b> <b>Phonal</b> <b>Amniolina</b> <b>AmnioPlus H2O</b> <b>alcohols</b> <b>disinfectants</b>





# LABORATORIO REIG JOFRE TODAY

Maximum technological standards and quality for other laboratories



# LABORATORIO REIG JOFRE TODAY

## International presence

**Own network of sales representatives for doctors<sup>(1)</sup>, hospitals and pharmacies in Spain and the Nordic countries and presence in 87 countries through over 180 distributors and/or licensees**

2013  
sales:  
118.3 M€



41%

Spain



13%

Germany



11%

UK



8%

Sweden



5%

France



22%

Others<sup>2</sup>

1. General practitioner, dermatologists and gynecologists, mainly
2. Including 40 countries, mainly: Italy, Finland, Portugal, Greece, Netherlands, Poland, Romania, Slovenia, Switzerland, Denmark, Ireland, Croatia, Serbia, Albania, Canada, Chile, Australia, New Zealand, Vietnam, Philippines, Jordan, Saudi Arabia, Israel, Lebanon, Costa Rica, Brazil and Singapore



# LABORATORIO REIG JOFRE TODAY

## Modern specialized production centers



### Toledo

2  
PLANTS

- Constructed area: **15.297m<sup>2</sup> in two different plants**
- Employees: **254**
- Activity: **production of penicillanic antibiotics and cephalosporins**
- Approved in 2013 by FDA



### Barcelona

- Constructed area: **19.799m<sup>2</sup>**
- Employees: **180**
- Activity: **manufacture of lyophilized injectable forms, food supplements, solid-, semisolid- and liquid forms**



### Malmo

- Constructed area: **5.900m<sup>2</sup>**
- Employees: **48**
- Activity: **Dermatology products, cosmetics, semisolids, liquids and clinical trial devices**

### INTERNATIONAL LOGISTICS CENTER



### Toledo

- Constructed area: **5.400 m<sup>2</sup>**



## 05. INDUSTRIAL SENSE OF THE MERGER

# INDUSTRIAL SENSE OF THE MERGER

Strengthening of the resulting company by vertical integration

Research, development, production and combined access to international markets

## PRODUCT DEVELOPMENT

Complementarity  
of products

Strengthening  
by R & D & I

Medicines  
OTC  
Food supplements

Improved of strategic position due  
to LRJ's strength in R & D & I  
and regulatory procedures

- New releases as growth strategy.

- Continue to consolidate position in weight control.

- Niche areas in health: gynecology, dermatology, hair, nails, energy.

- Support through clinical trials on the effectiveness of specific products.

- Legal/regulatory strength in view of a potential tightening of the regulatory requirements for OTC products.

# INDUSTRIAL SENSE OF THE MERGER

Strengthening of the resulting company by vertical integration

Research, development, production and combined access to international markets

PRODUCTION	
Productive capacity	Other
<p>Productive and technical capacity at LRJ's facilities to manufacture NTC's products, currently outsourced</p> <p>New manufacturing technologies in product design as a competitive factor</p> <p>Integrated quality control and product safety</p>	<p>Savings in procurements</p>

# INDUSTRIAL SENSE OF THE MERGER

Strengthening of the resulting company by vertical integration

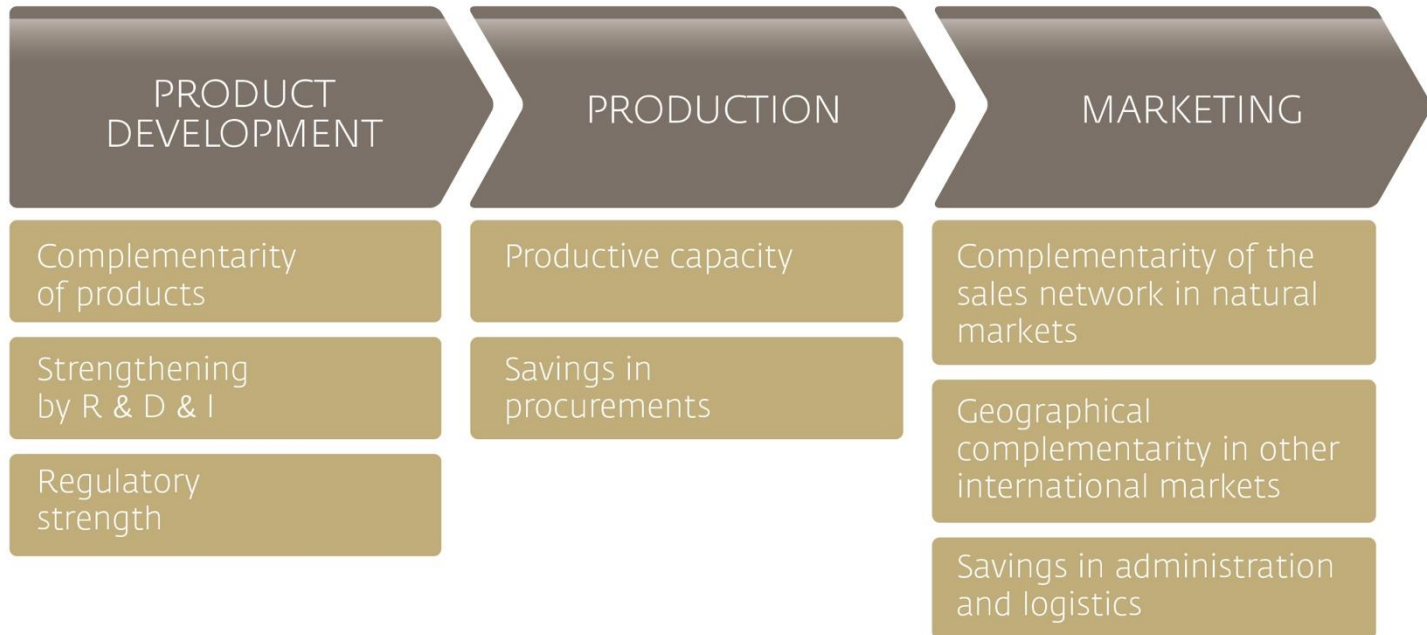
Research, development, production and combined access to international markets

MARKETING		
Geographical complementarity	Complementarity in the sales network	Other
Own network in Spain, Portugal, France, Benelux and Nordic countries  Network of international distributors in more than 60 countries	Medical representative Hospital representative Pharmaceutical representative	Vertical integration as a competitive factor in the relationship with international distributors  Savings in administration and logistics for joint use of own international logistics center in Toledo (Spain)

# INDUSTRIAL SENSE OF THE MERGER

Strengthening of the resulting company by vertical integration

Research, development, production and combined access to international markets



Direct cost savings estimated at 2.5 M € from operational improvements after the merger.

Potential significant improvement in revenues and margins of the new company, thus increasing profitability and enhancing a sound business and financial structure.

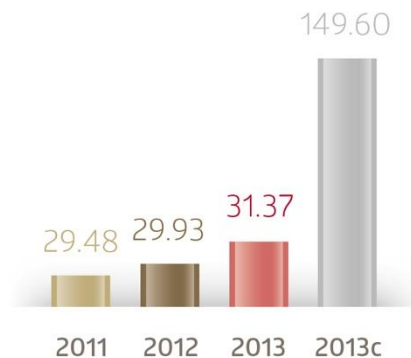
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## 06. NTC AFTER THE INTEGRATION OF LRJ

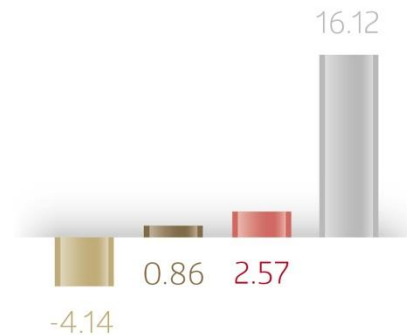
# NATRACEUTICAL AFTER THE MERGER

## Creation of the 5<sup>th</sup> publicly traded Spanish pharmaceutical company

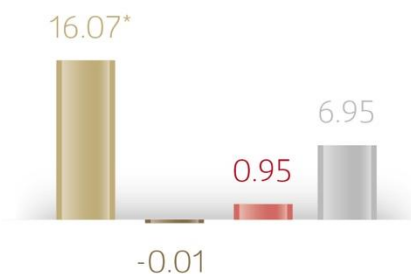
Turnover



EBITDA

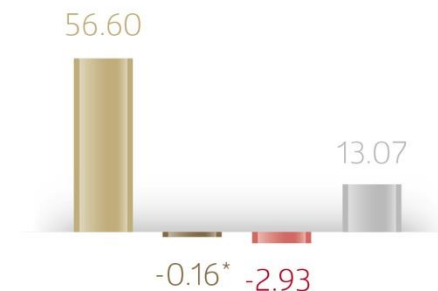


Net result



\* Extraordinary items due to changes in assets valuation

Net financial debt



\* Not including cash position of 14.52 M€ following some assets disposal

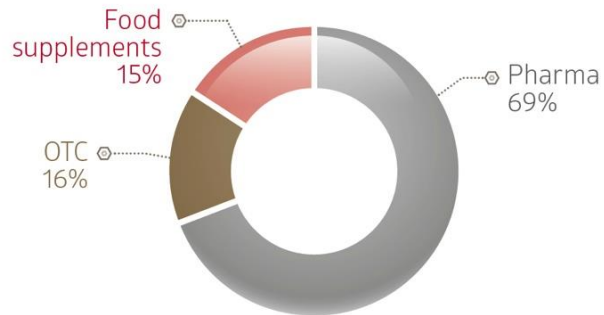
Figures in million euros

2013c: combined figures of the two companies. LRJ year closing: September. NTC year closing: December

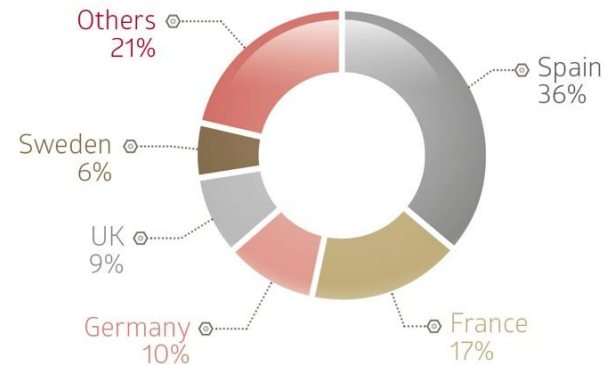


# NATRACEUTICAL AFTER THE MERGER

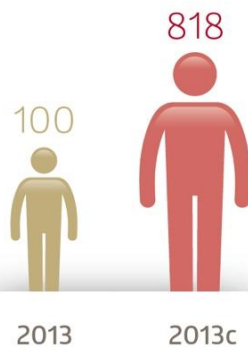
Sales distribution  
by product range



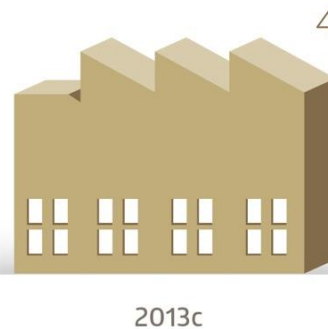
Sales distribution  
by country



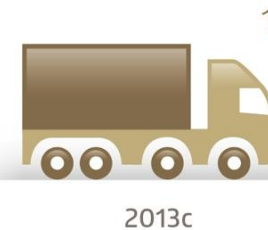
Employees



Development and  
production centers



Logistic center



# NATRACEUTICAL AFTER THE MERGER



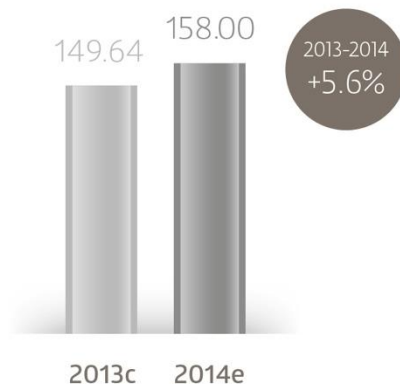


## 07. FORECAST OF 2014 RESULTS

# RESULTS FORECAST FOR 2014

## Solid operational and financial structure for long term joint development

Turnover



EBITDA



Net financial debt



Figures in million euros

2013c: combined data from the two companies

**2014e: estimated combined closing for 2014. Recurring EBITDA. It does not include merger costs, which may amount to approx. 2.0 M€ for both companies together**

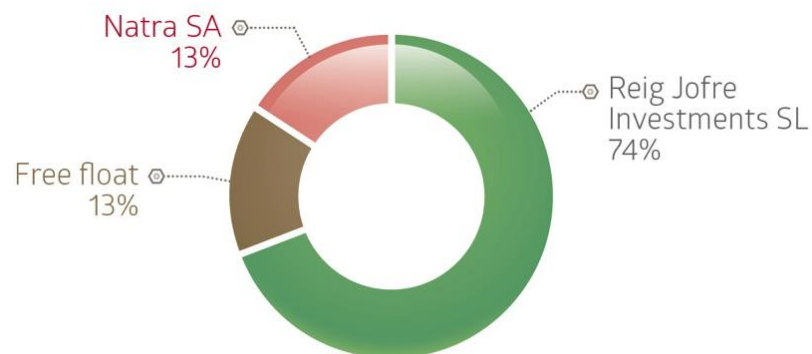
LRJ year closing: September. NTC year closing: December.

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## 08. STRUCTURE OF THE MERGER AND NEW SHAREHOLDER COMPOSITION

# STRUCTURE OF THE MERGER AND SHAREHOLDERS

- Merger transaction structured by integration of LRJ by NTC, entailing extinction of LRJ and transfer of its equity to NTC.
- The companies' valuation by comparable multiples and discounted cash flows resulted in a exchange ratio in the resulting company of 26% for current NTC shareholders and 74% for current LRJ shareholders.
- The exchange ratio has already been verified by the independent expert appointed by the Commercial Registry of Valencia.
- New share issue for the integration of LRJ:
  - Current shares in NTC: 328,713,946
  - New issue: 935,570,462
  - Total shares in the resulting company: 1,264,284,408.
- Free float of about 10,050 shareholders.
- The two main shareholders of the resulting company have undertaken to make their best efforts to increase the company free float up to 25% within 24 months after the merger





## 09. CORPORATE GOVERNANCE

# CORPORATE GOVERNANCE

## Board of directors

- In response to the recommendations forwarded by the Spanish National Stock Market Commission to the board of directors of both companies, NTC will submit to its shareholders' approval the following composition of the board of directors of the new company:
  - ✓ 3 proprietary directors (33%) representing RJ Investments (1 of them being executive director)
  - ✓ 1 proprietary director (11%) representing Natra, current main shareholder of NTC
  - ✓ 5 independent or external directors (56%)
- The different board committees (audit, appointments and remuneration) will be composed of at least 50% independent and/or external directors.
- The secretary of the board will be external to ensure a fully impartial functioning.
- The independent directors whose appointment will be proposed to the shareholders' meeting of NTC have complementary profiles and a sound track record in fields such as the pharmaceutical industry, scientific research, internationalisation, finance and capital markets –and more precisely, good corporate governance-, marketing and advertising:
  - ✓ Anton Costas Comesaña
  - ✓ Maria Luisa Francoli Plaza
  - ✓ Ramon Gomis de Barbera
  - ✓ Ramiro Martinez-Pardo del Valle
  - ✓ Emilio Moraleda Martinez



# CORPORATE GOVERNANCE

## Independent Directors



ANTON COSTAS COMESAÑA

### Education

- Industrial engineer
- Bachelor of Economics and Business
- Doctor of Economics

### Academic activities

- Professor of Economic Politics at the University of Barcelona
- Director of the Master in "Economics and regulation of the public services in telecommunications, energy, water and transport."
- Director of the Chair ENDESA Energy and Society

### Professional experience

- Chairman of the Círculo de Economía in Barcelona.
  - Member of the Economic Policy Committee of the Chamber of Commerce of Barcelona.
  - Chairman of the Advisory Board of ENDESA in Catalonia.
  - Member of the board of directors of Trea Capital Partners SA, Grup Marítim TCB SA, Bodegas Terras Gaudas and Hotusa.
- From 2007 to 2011: Chairman of the Board of Directors of Endesa in Catalonia.



Mª LUISA FRANCOLI PLAZA

### Education

- Degree in Economics at the University of Barcelona.
- MBA in Finance at the University of St. John, New York.

### Professional experience

- Member of the advisory committee in several start-ups in Spain and the USA, 2013-2014
- Member of the board of directors of Oak House Barcelona.
- CEO of Havas Media North America, 2004-2013
- Founder and CEO of Media Contacts, 1997-2004
- Director of corporate development in Media Planning, 1993-1996

# CORPORATE GOVERNANCE

## Independent Directors



RAMON GOMIS I DE BARBARA

### Education

- Bachelor of Medicine
- PhD in Medicine from the University of Barcelona
- Postdoctoral training at the Free University of Brussels in endocrinology and obesity.
- Professor of Endocrinology

### Professional experience

Current:

- Director of the Biomedical Research Institute August Pi i Sunyer (IDIBAPS) (2008 – present)
- Chairman of the board of governors of the Spanish Diabetes Society (EDS) (2014 - present)
- Professor of Medicine, University of Barcelona (2011 - present)
- Senior consultant, Department of Endocrinology of the Clinic Hospital, Barcelona (1996 - present)
- Member of international advisory board of diabetes products in Merck.
- Member of national advisory board of diabetes products in Boehringer.



RAMIRO MARTINEZ-PARDO DEL VALLE

### Education

- Degree in Economics and Business from the Complutense University of Madrid.
- Chartered Accountant, member of the Institute of Chartered Accountants of Spain.

### Academic activities

Professor in various masters and postgraduate degrees on stock markets, financial law, ethics and codes of conduct, prevention of money laundering.

### Professional experience

- He was a member of the board of directors in companies such as:

Eurodeal, SV  
Banco Madrid Asset Management UCITS.  
Audax Energía SA  
Managing company of the investment guarantee fund  
Nordkapp Management UCITS. Chairman and Chief Executive Officer until 11/2012

- Head of the division of Market Subjects of CNMV (Spanish Stock Exchange Commission), May 1989-September 2000.

# CORPORATE GOVERNANCE

## Independent Directors



EMILIO MORALEDA MARTINEZ

### **Formación académica**

- Degree in Law from the Complutense University of Madrid
- Diplomas in Human Resources and Business Administration from the Universities of Columbia and Harvard (USA).
- Social graduate by the Social School of Madrid

### **Professional experience**

He is currently a member of the board of the following companies:

- Bionaturis
- Audax
- Laboratorio Reig Jofre

### **Another prior experience**

- Director of human resources at Pfizer, Pechiney Ugine Kuhlmann and Graphic Arts Toledo, SA (Mondadori Group International).
- Commercial director at Pfizer, responsible for sales and training of the pharmaceutical division.
- Executive director of the pharmaceutical division of Pfizer.
- Chairman and CEO of Pfizer Spain.
- Since its creation in 1998 to date, president of the Pfizer Foundation



## 10. OTHER INFORMATION

# THE NEW COMPANY

## Key ratios

**natraceutical**



Economic information	2012	2013	2012-2013
Turnover	29.93	31.37	4.8%
EBITDA	0.86	2.57	198.8%
EBIT	0.13	2.01	1446.2%
Net income	-0.01	0.95	
Operating Cash-Flow	-1.21	0.27	
Capital employed	88.54	72.69	-17,9%
ROCE	0.15%	2.77%	1783,3%
Capex	0.49	0.48	-2.0%
Average workforce	109	100	-8.3%

Financial information	2012	2013	2012-2013
Equity	86.75	75.62	-12.8%
Net financial debt	-0.16	-2.93	
Total assets	98.06	83.77	-14.6%
Net debt to equity	0.00x	-0.04x	
Net debt to EBITDA	-0.19x	-1.14x	

Economic information	2012	2013	2012-2013
Turnover	105.28	118.27	12.3%
EBITDA	10.93	13.55	23.9%
EBIT	6.44	9.07	40.7%
Net income	2.98	6.00	101.0%
Operating Cash-Flow	10.04	8.54	-15.0%
Capital employed	55.33	56.43	2.0%
ROCE	11.65%	16.06%	37.9%
Capex	1.96	3.83	95.7%
Average workforce	654	718	9.8%

Financial information	2012	2013	2012-2013
Equity	34.74	40.43	16.4%
Net financial debt	20.59	16.00	-22.3%
Total assets	82.63	88.46	7.1%
Net debt to equity	0.59X	0.40X	
Net debt to EBITDA	1.88X	1.18X	

# THE NEW COMPANY

## Key figures pre-synergies

	2013			2014e	Evolution
	NTC	LRJ	NTC+LRJ	NTC+LRJ	2013-2014
Turnover	31.37	118.27	0.00	158.00	5.6%
EBITDA	2.57	13.55	0.00	19.50	21.0%
EBIT	2.01	9.07	0.00		
Net income	0.95	6.00	0.00		
Net financial debt	-2.93	16.00	13.07	6.80	-48.0%
X debt / EDITDA			0.81	0.35	
Other					
Saving costs post merger				2.50	
Current Value on collection right Naturex				6.70	
Current value on tax credits NTC				6.70	

Figures in million euros

**Recurring 2014 EBITDA. It does not include merger costs, which may amount to approx. 2.0 M€ for both companies together**

LRJ year closing: September. NTC year closing: December.



# COMPARABLE MULTIPLES

Companies	Country	M. Cap (€ M)	EV (€ M)	EV/Sales			EV/EBITDA			EV/EBIT			PER			EBITDA Mg.	2013-2015E CAGR		EBIT Mg.
				2013E	2014E	2015E	2013E	2014E	2015E	2013E	2014E	2015E	2013E	2014E	2015E		Sales	EBITDA	2013E
Roche	Switzerland	184,946	232,994	5.0x	4.9x	4.8x	11.8x	11.7x	11.1x	13.1x	13.0x	12.4x	18.5x	17.8x	16.6x	42.3%	2.2%	2.8%	38.0%
Novartis	Switzerland	162,416	209,611	4.1x	4.0x	4.0x	13.9x	13.4x	13.0x	16.3x	16.0x	15.2x	17.9x	17.1x	15.6x	29.2%	0.6%	3.5%	24.9%
Pfizer	USA	137,922	190,889	3.7x	3.9x	4.0x	7.3x	8.1x	8.3x	8.9x	9.8x	9.9x	13.2x	13.1x	12.9x	50.7%	(3.2%)	(6.4%)	41.6%
Merck	USA	126,162	181,709	4.1x	4.3x	4.4x	11.2x	11.3x	11.2x	13.0x	13.4x	12.9x	16.8x	16.8x	16.1x	36.9%	(2.9%)	0.0%	31.6%
Sanofi	France	104,595	110,872	3.4x	3.3x	3.1x	10.1x	9.7x	9.0x	11.9x	11.5x	10.4x	15.7x	15.4x	13.8x	33.3%	3.8%	6.2%	28.3%
GSK	UK	95,373	90,607	3.4x	3.7x	3.5x	10.0x	10.5x	10.2x	11.3x	12.5x	11.7x	14.1x	15.2x	13.9x	34.1%	(0.7%)	(0.7%)	30.3%
Bayer	Germany	85,382	95,081	2.4x	2.3x	2.1x	11.4x	10.5x	9.4x	17.2x	15.4x	13.6x	18.x	16.9x	14.8x	20.7%	5.8%	10.0%	13.7%
Astra Zeneca	UK	69,072	58,320	3.8x	3.9x	4.0x	10.7x	11.9x	12.0x	11.3x	13.5x	13.9x	14.4x	17.5x	18.0x	35.1%	(2.7%)	(5.4%)	33.1%
Abbott	USA	45,039	62,036	2.8x	2.8x	2.6x	12.5x	11.7x	10.7x	15.5x	14.4x	13.0x	20.3x	18.5x	16.6x	22.7%	4.5%	8.2%	18.4%
Teva Pharma	Israel	33,220	193,626	2.7x	2.8x	2.8x	9.8x	9.2x	9.4x	10.7x	10.5x	10.6x	10.5x	11.2x	11.1x	27.9%	(1.1%)	2.4%	25.6%
Mylan	USA	13,981	26,852	3.9x	3.4x	3.2x	14.0x	11.9x	10.5x	15.7x	13.3x	11.8x	17.6x	15.0x	12.9x	27.7%	10.1%	15.7%	24.8%
Hikma Pharma	UK	4,151	3,489	4.2x	4.1x	3.8x	13.1x	13.8x	13.3x	16.2x	16.4x	16.2x	23.9x	23.5x	22.5x	32.2%	5.3%	(0.7%)	26.2%
Ipsen	France	2,725	2,621	2.1x	2.1x	2.0x	11.0x	10.4x	9.5x	13.0x	12.7x	11.7x	18.3x	16.9x	15.8x	19.5%	4.5%	7.2%	16.5%
Recordati SpA	Italy	2,491	2,718	2.9x	2.7x	2.5x	11.8x	10.4x	9.7x	13.8x	12.1x	11.3x	18.6x	16.3x	15.3x	24.4%	6.9%	10.2%	21.0%
GNC Holdings	USA	2,374	4,400	1.7x	1.6x	1.5x	8.4x	8.1x	7.4x	9.3x	9.0x	8.3x	12.4x	11.6x	10.1x	19.9%	5.9%	6.7%	17.9%
Stada	Germany	2,083	3,549	1.8x	1.7x	1.6x	8.9x	8.5x	7.9x	13.0x	12.2x	11.1x	13.2x	12.3x	11.3x	19.9%	4.9%	5.8%	13.6%
Vitamin Shoppe	USA	1,008	1,283	1.2x	1.0x	0.9x	9.0x	8.2x	7.0x	11.4x	10.4x	8.8x	20.3x	18.4x	15.8x	13.0%	12.4%	13.4%	10.4%
Faes Pharma	Spain	566	585	2.9x	3.0x	2.9x	16.5x	14.2x	13.0x	22.1x	18.4x	16.4x	24.6x	21.1x	18.7x	17.9%	1.5%	12.7%	13.3%
Rovi	Spain	488	505	2.3x	2.1x	2.0x	15.6x	13.3x	11.7x	19.6x	16.6x	14.4x	21.1x	17.9x	15.5x	14.9%	8.2%	15.1%	11.8%
Blackmores	Australia	319	530	1.6x	1.5x	1.4x	11.8x	11.7x	10.6x	13.7x	13.5x	12.0x	18.3x	18.4x	16.3x	13.7%	6.2%	5.9%	11.9%
Nutraceutical	USA	172	264	1.3x	1.3x	1.2x	6.9x	6.8x	6.1x	9.3x	n.a.	n.a.	13.7x	13.7x	11.9x	18.2%	3.4%	6.4%	13.6%
Haba Lab	Japan	97	14,893	1.1x	n.a.	n.a.	14.2x	n.a.	n.a.	34.9x	n.a.	n.a.	14.8x	n.a.	n.a.	7.6%	n.a.	n.a.	3.1%
RM Group Holdings	Hong Kong	81	855	5.2x	n.a.	n.a.	17.9x	n.a.	n.a.	18.5x	n.a.	n.a.	n.a.	n.a.	n.a.	29.2%	n.a.	n.a.	28.3%
Bringwell	Sweden	32	559	0.9x	1.0x	0.9x	20.8x	12.0x	9.4x	n.a.	n.a.	20.5x	n.a.	n.a.	22.4x	4.5%	0.4%	48.8%	(0.9%)
<b>Mean</b>				<b>2.9x</b>	<b>2.8x</b>	<b>2.7x</b>	<b>12.0x</b>	<b>10.8x</b>	<b>10.0x</b>	<b>14.8x</b>	<b>13.2x</b>	<b>12.7x</b>	<b>17.1x</b>	<b>16.4x</b>	<b>15.4x</b>	<b>24.8%</b>	<b>3.5%</b>	<b>7.6%</b>	<b>20.7%</b>
<b>Median</b>				<b>2.9x</b>	<b>2.8x</b>	<b>2.7x</b>	<b>11.6x</b>	<b>10.9x</b>	<b>9.9x</b>	<b>13.1x</b>	<b>13.1x</b>	<b>12.0x</b>	<b>17.8x</b>	<b>16.9x</b>	<b>15.6x</b>	<b>23.6%</b>	<b>4.1%</b>	<b>6.3%</b>	<b>19.7%</b>



**RJ**  
**REIG JOFRE**  
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