

**Mr. Iñigo de la Lastra**

Head of Secondary Markets

CNMV

Edison, 4

28006 Madrid

## RELEVANT FACT

### Approval of merger protocol between Natraceutical SA and Laboratorio Reig Jofre SA

Valencia, June 26, 2014

Dear Sir,

In accordance with Article 82 of Law 24/1988 of July 28, regulating the securities market and related provisions NATRACEUTICAL SA ("Natraceutical") and LABORATORIO REIG JOFRE SA ("Reig Jofre"), communicate the following:

- During their meetings held today, the respective boards of directors of Natraceutical and Reig Jofre, together with Natra SA and Reig Jofre Investments SL, the latter two in their respective capacity as major shareholders of the companies, agreed to adopt the merger protocol of Natraceutical and Reig Jofre relative to the merger between the two companies, a copy of which is attached as an annex<sup>1</sup>.
- The signing of the merger protocol, together with the approval of the joint merger project to be published today as a Relevant Fact, marks the formal launch of the merger between the two companies.
- The merger protocol has been signed by the parties following the completion of the due diligence process to which both companies have been subject.
- The operation is expected to be structured by means of the absorption of Reig Jofre by Natraceutical, giving rise to the extinction of Reig Jofre and the complete transfer of its assets to Natraceutical.
- Spanish company Reig Jofre is currently one of the leading European pharmaceutical companies dedicated to the formulation and development of high added-value products, with a presence in

**Head Office:**

Av. Alcalde Barnils 64-68, A, 1st floor, 3

08174 St. Cugat del Vallès, Barcelona

Spain

Tel. (+34) 93 584 81 85

Fax. (+34) 93 584 81 90

# natraceutical

50 countries through four divisions: (i) own product division with own distribution network, (ii) own product division with external distribution and/or licensees, (iii) products developed by Reig Jofre with license sold to third parties and (iv) a third-party manufacturing division, which manufactures products subject to high technological requirements. The company closed 2013 with turnover of 118.5 million Euros and EBITDA of 13.5 million Euros.

- Since 2013, Natraceutical has concentrated its activities through the Monegasque Forté Pharma, a pharmaceutical company that is a leader in the French nutritional supplements sold in pharmacies and which carries out its activity on an international level. Natraceutical closed 2013 with turnover of 31.4 million Euros and EBITDA of 2.6 million Euros.
- The transaction between the two companies aims to benefit from the integration of the joint production capacities, as well as to maximise synergies in R&D and the regulatory framework, optimise logistics and the complementarity of the distribution and sales networks. In the opinion of both boards of directors, these factors will contribute to a significant improvement in the integrated group's profits, increasing profitability and resulting in a new company with robust business and financial structures.
- With regard to corporate governance, the parties have agreed that at least 50% of the members of the board of directors of the resulting company are to be independent directors of recognized standing.
- The operation is conditional, inter alia, to the Spanish Securities Market Commission's granting the sole shareholder in Reig Jofre (Reig Jofre Investments SL) exemption from the obligation to make a takeover bid; the ratification of the exchange ratio by an independent expert, as well as the fulfilment of certain legal requirements, the information and approval of the operation by the competition authorities, the approval by the General Shareholders Meetings of both companies, the registration of the corresponding documents and requests for authorizations with the Spanish Securities Market Commission, and the granting and registration of the merger deed.

Natraceutical SA shall inform the market forthwith of any decision or agreement that may be adopted with respect to this operation.

Sincerely,

María José Busutil Santos  
Board Secretary

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<sup>1</sup> The merger protocol is only available in Spanish, attached to the Spanish version of the Relevant Fact