

For further information, please contact:  
Numico Corporate Communications  
Numico Investor Relations

Tel: + 31 20 456 9077  
Tel: + 31 20 456 9003



# NUMICO

## Press Release - Results First Quarter 2005

### GREAT START FOR BABY FOOD AND CLINICAL NUTRITION

Schiphol, 3 May 2005

#### FINANCIAL HIGHLIGHTS FIRST QUARTER 2005 *(on a comparable basis)*<sup>1</sup>

- Total net sales up 12.0%; EBITA margin at 18.3%
- Nutricia Baby net sales up 11.9%; EBITA margin at 18.2%
- Nutricia Clinical net sales up 12.3%; EBITA margin at 27.0%
- Net result up 58.0% and earnings per share up 62.5%
- Shareholders' equity improved by EUR 45 mln to EUR (261) mln

#### CEO STATEMENT

"Numico is pleased to announce the beginning of "the year of momentum" with record sales growth.

Both Divisions performed well. Baby Food results were particularly encouraging as it reached its first quarter of double digit growth at 11.9%, with Western Europe contributing strongly at 4.3%. Clinical Nutrition continued its strong performance with a sales growth of 12.3%, driven by all regions.

EBITA growth for the total company was below sales growth which - as anticipated - will be strengthened in the second half of the year.

We made significant progress with respect to our objectives set for 2005:

In innovations we introduced the new packaging for Infant Milk Formula, 'EaZypack' in the UK, Ireland and Poland. In Clinical Nutrition we rolled out the plastic bottles for sip feed in the UK and France.

On the organisational front we were able to appoint 9 new General Managers, 7 in Baby Food and 2 in Clinical Nutrition. These new hires have significant multi-national experience, with a strong marketing and sales background, and will be a great addition to our existing management team.

With respect to the industrial optimisation we will close the last two factories of project Focus in Q2. The closure of two Clinical factories announced last September, will be completed by July, three months ahead of schedule.

Overall, Numico's progress in Q1 gives us confidence in achieving our 2005 targets with a comparable sales growth of 8-10% and a comparable EBITA growth of 10%."

<sup>1</sup> Comparable basis is at constant scope of consolidation and constant exchange rates.

### Consolidated key figures for the first quarter 2005

(EUR mln)	First quarter		% change	
	2005	2004	comparable <sup>2</sup>	actual
Net sales continued business	444	395	12.0%	10.8%
Net sales	444	402	11.3%	
EBITA* (excl exceptionals)	81	79	4.9%	
EBITA*	81	70	18.6%	
Net result attributable to equity holders	43	27		
Earnings per share (EUR)	0.26	0.16		
Fully diluted earnings per share (EUR)	0.25	0.16		
Free cash flow	22	3		

\* Operating result before amortisation and result divestments

## FINANCIAL REVIEW

Total net sales for the continued business increased 12.0% to EUR 444 mln on a comparable basis in the first quarter. This is a record performance - Baby Food delivered its first-ever double-digit comparable sales growth at 11.9% and Clinical Nutrition maintained its high comparable growth level at 12.3% sales growth.

Total EBITA before exceptionals increased 4.9% to EUR 81 mln, as anticipated. This relatively modest growth was mainly due to (i) costs related to project Focus but also (ii) costs related to product introductions, (iii) continued losses in Baby Food in China and (iv) higher non-allocated costs.

Net result attributable to shareholders increased 58.0% to EUR 43 mln, helped by significantly lower financial income and expenses. Earnings per share and fully diluted earnings per share amounted to EUR 0.26 and EUR 0.25, respectively, up 62.5% and 56.3%.

The tax charge was 30% which is in line with expectations for the full year. EUR 12 mln (gross) of the deferred tax asset was utilised in the quarter.

## REVIEW BY SEGMENT *(on a comparable basis<sup>2</sup>)*

### Baby Food

(EUR mln)	First Quarter		
	2005	2004	change <sup>2</sup>
Sales	289	257	11.9%
EBITA	53	51	3.3%
EBITA as a % of sales	18.2	19.8	(150) bps
Sales discontinued	-	5	
Exceptional IFRS	-	(5)	
Total sales	289	262	11.5%
Total EBITA	53	46	18.7%
EBITA as a % of sales	18.2	17.6	110 bps

Net sales in Baby Food grew by 11.9% in the first quarter of 2005; 9.8% was driven by volume and 2.1% due to price increases and/or mix. This is the first-ever double-digit sales growth performance of the Baby Food Division and clearly reflects the successful execution of the various strategic initiatives that are underway. The accelerated growth trend was helped by Western Europe with sales growth of 4.3% in the first quarter, which was also primarily volume-driven. The UK, Ireland, Belgium and Germany were the main countries that contributed to this improved performance. Eastern Europe, most notably Poland, Turkey and Russia, continued its high levels of growth and the Rest of the World accelerated its growth, primarily driven by Indonesia.

<sup>2</sup> Comparable basis is at constant scope of consolidation and constant exchange rates.

EBITA of Baby Food increased by 3.3% to EUR 53 mln, excluding the IFRS exceptional cost (IAS 37 provision) taken in the first quarter of 2004. As foreseen and indicated when the company announced the 2004 annual results on 3 March 2005, the EBITA margin performed in line with the EBITA margin of the second half of 2004. Compared to the first quarter 2004, however, margins were negatively impacted by costs related to project Focus costs, the introduction of EaZypack and continued losses in China. The EBITA margin consequently declined 150 bps to 18.2% compared to the same period last year.

#### **Clinical Nutrition**

<i>(EUR mln)</i>	<b>First Quarter</b>		
	<b>2005</b>	<b>2004</b>	<b>change<sup>3</sup></b>
Sales	155	138	12.3%
EBITA	41	37	12.3%
EBITA as a % of sales	27.0	26.8	0 bps
Exceptional IFRS	-	(2)	
Total EBITA	41	35	18.1%
Total EBITA as a % of sales	26.5	25.4	120 bps

Net sales grew by 12.3% to EUR 155 mln in the first quarter of 2005; 9.7% was driven by volume and 2.6% by price increases and/or mix. All countries contributed to this strong performance, with particular strong results in the UK and Germany. This is a clear reflection of the division's successful strategic focus on disease-specific products and all distribution channels, including pharmacies, homecare and hospitals. The roll-out of FortiCare across Europe and the introduction of plastic bottles in the UK and France also contributed positively to this strong performance.

EBITA grew by 12.3% to EUR 41 mln in the first quarter of 2005 despite higher marketing and sales spend and incremental costs related to the introduction of the plastic bottle. The EBITA margin remained stable at 27.0%, compared to the same quarter last year.

#### **Non-Allocated Costs**

Non-allocated costs were higher in the first quarter 2005 due to several non-recurring factors: (i) the hiring of new GMs and marketing personnel, (ii) charity contributions given to the Tsunami effort and (iii) a (non-deductible) payment with respect to a fire at Numico's Clinical plant in China.

### **OTHER FINANCIAL INFORMATION** *(at actual rates)*

#### **Trade Working Capital**

Trade working capital improved 170 bps to 13.9% of net sales, compared to the first quarter of 2004. Numico's objective is to reduce working capital as a percentage of sales to 10% in 2007.

#### **Capital Expenditure**

Capital expenditure during the quarter was EUR 16 mln or 3.6% of net sales. The company expects capital expenditure to be 5% of net sales for the full year. Important components of capital expenditure are the plastic bottle project and project Focus.

#### **Cash Flow** *(please see appendix 3)*

Net cash flow from operational activities and free cash flow amounted to EUR 33 mln and EUR 22 mln, respectively, in the first quarter of 2005. The anticipated temporary increase in trade- and non-trade working capital adversely impacted free cash flow in the first quarter.

<sup>3</sup> Comparable basis is at constant scope of consolidation and constant exchange rates.

**Net Debt** *(please see appendix 5)*

Net debt stood at EUR 929 mln at 31 March 2005. The company will repay the subordinated convertible bonds 2000, amounting to EUR 627 mln, in June. This will be done by using the cash position and EUR 1 billion bank loan facility of which only EUR 175 mln was drawn at 31 March 2005.

**Shareholders' Equity** *(please see appendix 6)*

Shareholders' equity improved by EUR 45 mln to EUR (261) mln at 31 March 2005, primarily due to retained earnings of EUR 43mln.

Numico is confident that - through retained earnings as well as the intended share capital increase related to the acquisition of Mellin, the Italian Baby Food company - the company will return to a positive shareholders' equity by the end of 2005.

<b>UPDATE ON EPHEDRA</b>
--------------------------

The number of ephedra claims filed per month continues to reflect a downward trend. Numico has reached a tentative settlement which, if approved by the Bankruptcy Court, will result in the dismissal of 36 ephedra cases in which GNC is named as a defendant.

The agreement is part of a global settlement involving claims against approximately 20 defendants, including GNC and other retailers, relating to the sale of ephedra-containing products manufactured by Twin Labs. Although the amount of each individual defendant's contribution remains confidential, the group of defendants will (unequally) pay a total amount of USD 19.7 mln. Numico's contribution is covered by product liability insurance.

Out of the total number of ephedra cases in which GNC is named as (co-)defendant, 22 cases have been dismissed and 72 (incl. above-mentioned 36) have been settled to date, bringing the total number of active ephedra cases down to 163. Out of the total number of ephedra cases in which Rexall Sundown is named as (co-)defendant, 14 cases have been dismissed and 6 cases have been settled to date, bringing the total number of active ephedra cases related to Rexall Sundown down to 72.

<b>GENERAL INFORMATION</b>
----------------------------

The first quarter results 2005 are based on the same accounting principles as used in the Annual Report 2004 including the IFRS principles currently endorsed by the EU. We also refer to the appendices of Numico's press release regarding the Full Year Results 2004, issued on 3 March 2005, as well as Numico's presentation related to the Quarterly Financial Information on the Impact of IFRS in 2004, issued on 23 March 2005. It should also be noted that all figures presented are unaudited.

---

*A live audio web cast of the analyst conference call and the related presentation slides will be available on our website ([www.numico.com](http://www.numico.com)) as of 10:30 hrs CET.*

---

## Appendix 1

### Consolidated Profit & Loss Account *(actual rates)*

<i>(in EUR mln)</i>	First Quarter		
	2005	2004	% change
Net sales	442	401	10.4
Net sales to associates and JV's	2	1	-
<b>Net sales</b>	<b>444</b>	<b>402</b>	<b>10.5</b>
Cost of raw materials etc.	(130)	(110)	18.1
<b>Operating margin</b>	<b>314</b>	<b>291</b>	<b>7.6</b>
Other operating proceeds	4	6	(24.1)
<b>Gross profit</b>	<b>318</b>	<b>297</b>	<b>7.0</b>
Personnel costs	(102)	(105)	(2.4)
Advertising & promotion	(42)	(38)	10.1
Other costs	(86)	(76)	13.1
Depreciation and impairment of fixed assets	(7)	(8)	(18.3)
Result divestments	1	1	-
Amortisation and impairment of fixed assets	(1)	(1)	-
<b>Operating result</b>	<b>81</b>	<b>70</b>	<b>15.5</b>
Share in result JV's and associates	1	-	-
Financial income and expenses	(16)	(30)	(47.0)
<b>Result before taxation</b>	<b>66</b>	<b>40</b>	<b>63.4</b>
Income tax expense	(20)	(11)	80.9
<b>Net result</b>	<b>46</b>	<b>29</b>	<b>56.9</b>
<i>Attributable to:</i>			
<b>Equity holders</b>	<b>43</b>	<b>27</b>	<b>58.0</b>
Minority interests	3	2	38.9
<b>Earnings per share</b>	<b>0.26</b>	<b>0.16</b>	<b>62.5</b>
<b>Fully diluted earnings per share</b>	<b>0.25</b>	<b>0.16</b>	<b>56.3</b>

<b>Number of ordinary shares of EUR 0.25</b> <i>(in mln)</i>	First Quarter	
	2005	2004
At period-end	166.39	166.25
Period-average	166.34	166.22
Fully diluted	184.93	167.78

## Appendix 2

### Segment Information by Activity - First Quarter 2005 *(excluding exceptionals)*

<b>NET SALES</b>				
<i>(in EUR mln)</i>	<b>First quarter</b>		<b>% change</b>	
	<b>2005</b>	<b>2004</b>	<b>comp.</b>	<b>actual</b>
Baby Food	289	257	11.9	11.0
Baby Food discontinued	-	5		
<b>Baby Food Total</b>	<b>289</b>	<b>262</b>	<b>11.5</b>	<b>10.4</b>
Clinical Nutrition	155	138	12.3	10.4
Clinical Nutrition discontinued	-	-		
<b>Clinical Nutrition Total</b>	<b>155</b>	<b>138</b>	<b>12.7</b>	<b>12.2</b>
Discontinued business	-	2		
<b>Total Net Sales</b>	<b>444</b>	<b>402</b>	<b>11.3</b>	<b>10.5</b>

<b>EBITA</b>				
<i>(in EUR mln)</i>	<b>First quarter</b>		<b>% change</b>	
	<b>2005</b>	<b>2004</b>	<b>comp.</b>	<b>actual</b>
Baby Food	53	51	3.3	0.6
Baby Food discontinued	-	-		
<b>Baby Food Total</b>	<b>53</b>	<b>51</b>	<b>6.8</b>	<b>3.7</b>
Clinical Nutrition	41	37	12.3	10.8
Clinical Nutrition discontinued	-	-		
<b>Clinical Nutrition Total</b>	<b>41</b>	<b>37</b>	<b>12.4</b>	<b>10.8</b>
Non-allocated costs	(13)	(9)		
<b>Total EBITA</b>	<b>81</b>	<b>79</b>	<b>4.9</b>	<b>2.4</b>

<b>EBITA as a % of net sales</b>				
	<b>First quarter</b>		<b>change in bps</b>	
	<b>2005</b>	<b>2004</b>	<b>comp.</b>	<b>actual</b>
Baby Food	18.2	19.8	(150)	(160)
Baby Food discontinued				
<b>Baby Food Total</b>	<b>18.2</b>	<b>19.5</b>	<b>(80)</b>	<b>(130)</b>
Clinical Nutrition	27.0	26.8	-	20
Clinical Nutrition discontinued				
<b>Clinical Nutrition Total</b>	<b>26.5</b>	<b>26.8</b>	<b>(10)</b>	<b>(30)</b>
<b>Total EBITA as a % of net sales</b>	<b>18.2</b>	<b>19.7</b>	<b>(110)</b>	<b>(150)</b>

Appendix 3

**Consolidated Cash Flow Statement**

<i>(in EUR mln)</i>	First quarter	
	2005	2004
<b>Operating Result</b>	<b>81</b>	<b>70</b>
<b><i>Adjustments to operational cash flow</i></b>		
Depreciation and impairment tangible fixed assets	7	9
Amortisation of intangible fixed assets	1	-
Movement in provisions	(2)	4
Net change in trade working capital	(17)	(39)
Net change in non-trade working capital	(16)	(11)
Others	1	(2)
	(26)	(39)
<b>Cash generated from operations</b>	<b>55</b>	<b>31</b>
Interest received	4	7
Interest paid	(5)	(10)
Income tax paid	(21)	(18)
	(22)	(21)
<b>Net cash flow from operational activities</b>	<b>33</b>	<b>10</b>
<b><i>Investments</i></b>		
Proceeds of sale of tangible fixed assets	3	-
Capital expenditure	(19)	(9)
Proceeds of divestments	1	2
Loan repayments received from 3rd parties	4	-
<b>Net cash flow from investment activities</b>	<b>(11)</b>	<b>(7)</b>
<b>Free cash flow</b>	<b>22</b>	<b>3</b>
<b><i>Financing</i></b>		
Repurchase of shares by group companies	(6)	(1)
Repurchase of convertible bonds	-	(146)
Redeemed loans	(55)	-
<b>Net cash flow from financing activities</b>	<b>(61)</b>	<b>(147)</b>
Exchange rate differences/Direct equity	-	6
<b>Change of net cash position</b>	<b>(39)</b>	<b>(138)</b>
<b>Net cash position 1 January</b>	<b>220</b>	<b>406</b>
<b>Net cash position 31 March</b>	<b>181</b>	<b>268</b>

## Appendix 4

<b>Consolidated Balance Sheet</b>
-----------------------------------

<i>(in EUR mln)</i>	<b>31 March 2005</b>	<b>31 Dec. 2004</b>
Intangible fixed assets	99	96
Tangible fixed assets	309	314
Financial fixed assets	24	25
Deferred tax assets	404	404
<b>Non-current assets</b>	<b>836</b>	<b>839</b>
Stock	189	173
Trade debtors	230	215
Other receivables	87	67
Cash and cash equivalents	181	220
<b>Current Assets</b>	<b>687</b>	<b>675</b>
Non-current assets classified as held for sale	7	-
<b>Total assets</b>	<b>1,530</b>	<b>1,514</b>
<b>Shareholders' Equity</b>	<b>(261)</b>	<b>(306)</b>
Minority interest	31	30
Long-term loans	1,090	1,140
Pension and Post employment provisions	96	97
Other Provisions	13	13
Derivative financial instruments	19	18
Deferred tax liabilities	87	88
<b>Non-current liabilities</b>	<b>1,305</b>	<b>1,356</b>
Trade creditors	177	172
Other creditors	202	181
Current tax liabilities	43	46
Short term loans	1	1
Short term provisions	32	34
<b>Current liabilities</b>	<b>455</b>	<b>434</b>
<b>Total equity &amp; liabilities</b>	<b>1,530</b>	<b>1,514</b>



## Appendix 5

### Net Debt

<i>(in EUR mln)</i>	<b>31 March 2005</b>	<b>31 Dec. 2004</b>
Convertible bonds 2000	627	627
Convertible bonds 2003	345	345
Other convertibles	5	5
<b>Convertible loans</b>	<b>977</b>	<b>977</b>
Credit facility	175	230
Other loans	3	3
Cash & cash equivalents	(181)	(220)
<b>Net debt</b>	<b>974</b>	<b>990</b>
Convertibles - IAS 32	(64)	(69)
Interest Rate Swap - IAS 39	19	18
<b>Total net debt - IFRS</b>	<b>929</b>	<b>939</b>

### Financial Income and Expenses

<i>(in EUR mln)</i>	<b>2005</b>	<b>2004</b>			
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Interest expenses	(16)	(17)	(18)	(16)	(18)
Interest income	7	3	5	4	5
<b>Net interest expenses</b>	<b>(9)</b>	<b>(14)</b>	<b>(13)</b>	<b>(12)</b>	<b>(13)</b>
Other	(1)	(1)	(2)	(1)	-
<b>Sub-total financial inc. and expenses</b>	<b>(10)</b>	<b>(15)</b>	<b>(15)</b>	<b>(13)</b>	<b>(13)</b>
<b>IFRS adjustments</b>					
IAS 32 Convertibles	(6)	(6)	(7)	(8)	(10)
IAS 39 Derivatives	(2)	1	1	2	(10)
Other	2	1	1	(3)	3
	<b>(6)</b>	<b>(4)</b>	<b>(5)</b>	<b>(9)</b>	<b>(17)</b>
<b>Total fin. inc. and expenses (IFRS)</b>	<b>(16)</b>	<b>(19)</b>	<b>(20)</b>	<b>(22)</b>	<b>(30)</b>

## Appendix 6

### Shareholders' Equity

During the first quarter 2005, Shareholders' equity increased by EUR 45 mln to EUR (261) mln.

*(in EUR mln)*

31 March 2005

<b>Shareholders' equity at the beginning of the year</b>	(306)
Net result for the period	43
Exchange rate differences	3
Direct equity movements IFRS	2
Other movements	<u>(3)</u>
<b><u>Shareholders' equity at the end of the period</u></b>	<b><u>(261)</u></b>