



NUMICO

Press Release
Second Quarter and First Half Year Results 2005

Numico Posts Record Sales Growth in Both Divisions **Net Sales Growth Target 2005 Raised**

Schiphol, 11 August 2005

Financial Highlights First Half Year 2005 *(on a comparable basis)*¹

- Total net sales up 12.5%; EBITA margin at 18.7%
- Nutricia Baby net sales up 12.4%; EBITA margin at 17.9%
- Nutricia Clinical net sales up 12.8%; EBITA margin at 27.5%
- Normalised net result up 20.9% and normalised earnings per share up 20.7%
- Restored shareholders' equity position at € 11 mln compared to € (306) mln at the start of the year
- Net cash flow from operational activities up 26.0% at € 63 mln

Financial Highlights Second Quarter 2005 *(on a comparable basis)*¹

- Total net sales up 12.9%; EBITA margin at 19.0%
- Nutricia Baby net sales up 12.7%; EBITA margin at 17.7%
- Nutricia Clinical net sales up 13.3%; EBITA margin at 28.0%
- Normalised net result up 22.1% and normalised earnings per share up 21.7%
- Nearly half of ephedra claims resolved to date

CEO Statement

"Numico shows strong sales momentum, achieving record growth in both divisions in the First Half 2005. Clinical continued its strong growth pace, up 12.8%, with growth being delivered across all regions and noteworthy performance in the UK. Babyfood sales increased to category leading levels of 12.4%, driven by growth acceleration in the UK, Eastern Europe and Indonesia. As anticipated, total EBITA growth came in at 4.8%, due to exceptional charges and the phasing of the Babyfood restructuring plan.

Numico also has true organisational momentum, with the steady strengthening of key management positions in both Baby and Clinical. With Sari Husada, our Indonesian Babyfood business, we increased our stake and stewardship in the company by making significant management changes and increasing our shareholding by 13.5% to 95%. This is a significant strategic initiative for us, given the strategic role of Indonesia in Numico's development.

With these results, we feel comfortable to raise our net sales growth target for 2005 from 8-10% to 10-12%, while reconfirming our EBITA growth target at 10%."

Second quarter		% change		(€ mln / €)	First Half		% change	
2005	2004	comp. ¹	actual		2005	2004	comp. ¹	actual
491	425	12.9%	12.6%	Net sales cont. business	935	820	12.5%	11.7%
491	435	13.3%	12.7%	Net sales	935	837	12.4%	11.6%
93	90	4.8%	3.0%	Normalised EBITA²	174	169	4.8%	2.8%
90	90	1.9%	0.2%	EBITA	171	160	9.2%	6.9%
54	44		22.5%	Net result attr. to equity holders	97	72		34.6%
54	44		22.1%	Normalised net result²	96	80		20.9%
0.32	0.27		19.3%	Earnings per share	0.58	0.43		33.8%
0.32	0.27		21.7%	Normalised EPS²	0.58	0.48		20.7%
0.31	0.26		17.7%	Fully diluted EPS	0.56	0.42		33.0%

¹ Comparable basis is at constant scope of consolidation and constant exchange rates.

² Normalised: based on continued business and excluding exceptional items (IAS 37 provision of € (9) mln in Q1 04 and restructuring cost China of € (2) mln in Q2 05) and result divestments after tax.

OUTLOOK 2005

Based on the strong performance in the first half of 2005 and the expected performance for the remainder of the year, the overall organic net sales growth target for 2005 has been raised from 8 – 10% to 10 – 12%. The company reiterates that EBITA is expected to grow by 10%, including operational and exceptional losses in China, product innovation costs and various one-off non-allocated costs incurred in Q1 05. These targets are all based on constant currencies, constant scope of consolidation and barring unforeseen circumstances.

FINANCIAL REVIEW

First Half Year 2005

Total net sales for the continued business increased 12.5% to € 935 mln on a comparable basis. This is a record performance for Numico, driven by a record-high sales growth for both Baby Food at 12.4% and Clinical Nutrition at 12.8%.

Total EBITA increased 4.8% to € 174 mln, excluding discontinued business and exceptionals. The total EBITA margin was at 18.7%. This result includes the following anticipated items: (i) the phasing of project Focus-related costs, (ii) operational losses in Baby Food in China, (iii) product innovation costs and (iv) higher non-allocated costs partly due to one-offs in Q1 05.

Net result attributable to shareholders – excluding a one-off provision of € (9) mln related to IFRS in H1 04 – increased 20.9% to € 96 mln, supported by substantially lower net financial expenses. Earnings per share and fully diluted earnings per share amounted to € 0.58 and € 0.56, respectively, up 33.8% and 33.0%.

Second Quarter 2005

Total net sales grew by 12.9% to EUR 491 mln, on a comparable basis, driven by record net sales growth for Baby Food (+12.7%) and Clinical Nutrition (+13.3%).

Total EBITA increased by 4.8% to € 93 mln, excluding discontinued business and the restructuring cost of € 2 mln in Q2 05, related to the completion of the rationalisation of the Baby Food operations in China. The total EBITA margin was 18.9%, representing a decline of 150 bps. EBITA performance was driven by a healthy EBITA growth in the Clinical Nutrition division, a modest performance in the Baby Food division due to reasons mentioned above and stable non-allocated costs.

The normalised net result increased 22.1% to € 54 mln supported by a continued reduction of net financial expenses. Earnings per share and fully diluted earnings per share amounted to € 0.32 and € 0.31, respectively, up 19.3% and 17.7%.

REVIEW BY SEGMENT *(on a comparable basis³)*

Baby Food

Second Quarter			(EUR mln)	First Half		
2005	2004	change ³		2005	2004	change ³
317	276	12.7%	Sales	606	532	12.4%
56	57	(1.8)%	EBITA (excl exceptionals)	109	108	0.7%
17.7	20.7	(260) bps	EBITA as a % of sales	17.9	20.3	(210) bps
(2)	-		Exceptionals	(2)	(5)	
-	7		Sales Discontinued	-	12	
-	(1)		EBITA discontinued	-	(1)	
317	283	13.0%	Total sales	606	544	12.3%
54	56	(2.6)%	Total EBITA	106	102	6.9%
16.9	19.9	(270) bps	Total EBITA as a % of sales	17.5	18.7	(90) bps

³ Comparable basis is at constant scope of consolidation and constant exchange rates.

The Baby Food division was able to sustain its first ever double-digit growth performance of the first quarter 2005 into the second quarter of this year. Net sales in Baby Food increased 12.4% to € 606 mln in the first half of 2005; 8.9% was driven by volume and 3.5% by changes in price/mix. This record growth performance was driven by improved net sales growth across all regions. Western Europe grew by 3.2%, supported by strong performance from the UK, Ireland and France. Eastern Europe and the Rest of the World grew by 29.1% and 24.0%, respectively, with particularly strong growth coming from Turkey, Russia, Indonesia and Poland.

EBITA in Baby Food increased slightly to € 109 mln in the first half of 2005, excluding the one-off cost of € 2 mln related to the completion of the restructuring of the Baby Food operations in China in Q2 05 and the IFRS one-off cost (IAS 37 provision) taken in Q1 04. The anticipated performance is explained through the impact of (i) the phasing of project Focus-related costs, (ii) operational losses in Baby Food in China and (iii) ongoing product innovation costs. A&P spend increased compared to the preceding quarter and is expected to continue this trend in the second half of the year. The EBITA margin was at 17.9%; a relatively stable performance compared to the second half of 2004 and a decrease of 210 bps compared to the first half of 2004.

Net sales in Baby Food in the second quarter 2005 exceeded the record-high sales growth of the first quarter with a growth of 12.7%. 8.0% of the growth was driven by volume and 4.7% by price/mix. EBITA decreased by 1.8% in the quarter, which can mainly be explained by the factors mentioned above. The EBITA margin remained relatively stable at 17.7% compared to the preceding three quarters. Compared to the second quarter of 2004 the margin decreased 260 bps.

Clinical Nutrition

Second Quarter			(EUR mln)			First Half		
2005	2004	change ⁴				2005	2004	change ⁴
174	150	13.3%	Sales			329	288	12.8%
48	44	9.5%	EBITA (excl exceptionals)			89	82	10.2%
28.0	29.1	(100) bps	EBITA as a % of sales			27.5	28.4	(70) bps
-	-		Exceptionals			-	(2)	
-	2		Sales Discontinued			-	2	
174	151	14.9%	Total sales			329	290	13.9
48	44	9.3%	Total EBITA			89	79	13.2
27.5	29.1	(140) bps	Total EBITA as a % of sales			27.0	27.4	(20) bps

Net sales in Clinical Nutrition grew by 12.8% to € 329 mln in the first half of 2005; 10.1% was driven by volume and 2.7% by price/mix. All regions delivered double-digit growth with particularly strong performance coming from the UK, Germany, France, Spain and Italy. This overall strong performance was supported across all channels and product segments.

EBITA increased by 10.2% to € 89 mln in the first half of 2005, despite the continued higher marketing and sales spend of 14.5% and incremental costs related to the plastic bottle. The EBITA margin decreased 70 bps to 27.5%.

Net sales in Clinical Nutrition reached a record high level of 13.3% in the second quarter of 2005; 10.5% was driven by volume and 2.8% by price/mix. EBITA increased by 9.5% in the quarter resulting in an EBITA margin of 28.0%.

OTHER FINANCIAL INFORMATION

Tax

The effective tax charge and cash tax rate were 30% and 25%, respectively, in line with expectations for the full year. € 7 mln (net) of the deferred tax asset (DTA) related to the US liquidation loss was utilised in the first half of 2005. The remaining part of this DTA amounted to € 346 mln at 30 June 2005.

⁴ Comparable basis is at constant scope of consolidation and constant exchange rates.

Trade Working Capital

Numico's continuous effort to lower the level of trade working capital as a percentage of sales has resulted in an improvement of 250 bps to 14.0% compared to a year ago. The reduction was driven by a decrease in receivables of 160 bps and an increase in payables of 80 bps. Numico aims to reduce trade working capital as a percentage of sales to 10% in 2007.

Cash Flow

Capital expenditure amounted to € 48 mln, or 5.1% of net sales in the first half of 2005, in line with full year expectations. Project Focus and the plastic bottle project continue to be important components of the capital expenditure.

Net cash flow from operational activities increased 26.0% to € 63 mln in the first half of 2005, supported by the continuous effort to reduce trade working capital. Free cash flow amounted to € 33 mln, excluding the net cash payment related to the Mellin transaction of € 198 mln. In the second quarter, net cash flow from operations and free cash flow amounted to € 30 mln and € 11 mln, respectively, excluding the Mellin acquisition.

Net Debt

Numico successfully completed the issuance of US\$ 425 mln (€ 340 mln) of senior notes through a US private placement on 23 June 2005. This transaction has enabled Numico to diversify the company's capital structure and improve its overall debt maturity profile at very attractive conditions.

On 26 June 2005, Numico repaid the subordinated convertible bonds 2000 of € 627 mln with cash drawn partly from the existing senior bank loan facility as well as with the proceeds from the US private placement. The company also used the bank loan facility to finance the cash component (€ 200 mln) of the Mellin acquisition resulting in an increase in net debt of € 187 mln to € 1,126 mln in the first half of 2005. Numico has drawn € 635 mln of the bank loan facility of € 1,000 mln as at 30 June 2005.

Shareholders' Equity

Shareholders' equity improved by € 317 mln to € 11 mln in the first half of 2005. The significant improvement was driven by retained earnings of € 97 mln and the share capital increase of € 216 mln related to the acquisition of Mellin. This marks a significant improvement versus 1 January 2004 when Numico's shareholders' equity was at € (398) mln.

DIVIDEND

Given Numico's strong generation of retained earnings, the company is confident that its shareholders' equity will be sufficiently restored by the end of 2005 to be in a position to propose a (modest) dividend in 2006, barring unforeseen circumstances.

UPDATE ON EPHEDRA

The number of ephedra claims filed per month continues to reflect a downward trend. Out of all ephedra cases in which GNC is named as a (co-)defendant, 52 cases have been dismissed and 79 have been settled to date, bringing the total number of active ephedra cases related to GNC down to 141. Out of the total number of ephedra cases in which Rexall Sundown is named as a (co-)defendant, 24 cases have been dismissed and 23 cases have been settled to date, bringing the total number of active ephedra cases related to Rexall Sundown down to 48. As a result, 49% of all cases that were filed to date, have been settled or dismissed, compared to 21% at the beginning of the year. Numico has adequate insurance in the form of an occurrence-based policy, to cover the ephedra litigation risk and all related administrative and legal costs.

GENERAL INFORMATION

The balance sheet, profit and loss account and the cash flow statement are based on the IFRS standards currently endorsed by the EU. However these are subject to ongoing review or possible amendments by interpretive guidance from the IASB and are therefore still subject to change.

The cash flow statement has been prepared in accordance with IFRS by using the indirect method and for the required components using the direct method. Cash flows in foreign currencies have been translated at average exchange rates.

Numico's first Annual Report prepared in accordance with IFRS will be the 2005 Annual Report. We refer to the 2004 Annual Report and the supplementary information on the transition to IFRS. We also refer to the appendices of Numico's press release regarding the Full Year 2004 Results, 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.

Numico is in the process of finalising the Purchase Price Allocation (PPA) for Mellin. The final PPA will have an impact on goodwill and brands allocation as well as on the deferred tax liability related to the brand. The required accounting treatment for the PPA is IFRS-driven and has a non-cash impact. The PPA will be finalised in the second half year of 2005.

It should be noted that all figures presented are unaudited.

A live audio & video web cast of the analyst presentation in London will be available on our website (www.numico.com) as of 16:30 hrs CET. Additionally, an interview with Jan Bennink (CEO) and Jean-Marc Huët (CFO), containing the key messages, in video and text will be available on www.numico.com and on www.cantos.com at 08:00 hrs CET.

Appendix 1

Consolidated Profit & Loss Account *(actual rates)*

Second Quarter			<i>(in € mln)</i>	First Half		
2005	2004	% change		2005	2004	% change
488	432	13.0	Net sales	930	834	11.5
2	3	(23.3)	Net sales to associates and JVs	4	3	-
491	435	12.8	Net sales	935	837	11.7
(154)	(116)	33.7	Cost of raw materials etc.	(284)	(226)	25.8
336	320	5.2	Operating margin	650	611	6.4
7	7	(5.0)	Other operating proceeds	11	13	(18.1)
343	327	5.0	Gross profit	661	624	5.9
(108)	(100)	7.8	Personnel costs	(210)	(205)	2.3
(47)	(45)	4.4	Advertising and Promotion	(89)	(83)	7.2
(89)	(84)	6.2	Other costs	(175)	(159)	10.2
(2)	-	-	Exceptional items	(2)	-	-
(6)	(9)	(30.0)	Depreciation and impairment fixed assets	(13)	(17)	(21.8)
2	-	-	Result divestments	3	1	-
(2)	(1)	-	Amortisation and impairment fixed assets	(3)	(2)	-
90	88	3.3	Operating result	171	159	7.8
0	1	-	Share in result JVs and associates	1	1	-
(13)	(22)	(43.8)	Financial income and expenses	(29)	(52)	(45.0)
78	66	18.3	Result before taxation	144	108	33.5
(23)	(20)	14.5	Income tax expense	(43)	(32)	34.0
55	46	20.0	Net result	101	76	33.3
54	44	22.5	<i>Attributable to:</i> Equity holders	97	72	34.6
1	2	-	Minority interests	4	4	7.5
0.32	0.27	19.3	Earnings per share	0.58	0.43	33.8
0.31	0.26	17.7	Fully diluted earnings per share	0.56	0.42	33.0

Number of ordinary shares of € 0.25 outstanding

Second quarter		<i>(in mln)</i>	First half year	
2005	2004		2005	2004
173.22	166.32	At period-end	173.22	166.32
166.94	166.29	Period average	166.64	166.27
186.70	184.57	Fully diluted	186.26	184.50

Appendix 2

Segment information by activity - Second quarter 2005 (excluding exceptionals)

NET SALES	Second quarter		% change	
<i>(in € mln)</i>	2005	2004	comparable	actual
Baby Food	317	276	12.7	11.9
Baby Food discontinued	-	7	-	-
Baby Food Total	317	283	13.0	12.1
Clinical Nutrition	174	150	13.3	13.8
Clinical Nutrition discontinued	-	2	-	-
Clinical Nutrition Total	174	151	14.9	14.7
Discontinued business	-	1	-	-
Total Net Sales	491	435	13.3	12.7

EBITA	Second quarter		% change	
<i>(in € mln)</i>	2005	2004	comparable	Actual
Baby Food	56	57	(1.8)	(4.0)
Baby Food discontinued	-	(1)	-	-
Baby Food Total	56	56	2.0	(0.1)
Clinical Nutrition	48	44	9.5	8.3
Clinical Nutrition discontinued	-	-	-	-
Clinical Nutrition Total	48	44	9.3	8.3
Non-allocated costs	(11)	(11)	-	-
Total EBITA	93	90	4.8	3.0

EBITA as a % of net sales	Second quarter		Change in bps	
<i>(in € mln)</i>	2005	2004	comparable	Actual
Baby Food	17.7	20.7	(260)	(300)
Baby Food Total	17.7	19.9	(190)	(220)
Clinical Nutrition	28.0	29.1	(100)	(110)
Clinical Nutrition Total	27.5	29.1	(140)	(160)
Total EBITA as a % of net sales	18.9	20.6	(150)	(170)

Appendix 3

Segment information by activity – First Half Year 2005 *(excluding exceptionals)*

NET SALES				
<i>(in € mln)</i>	First Half Year		% change	
	2005	2004	comparable	actual
Baby Food	606	532	12.4	11.4
Baby Food discontinued	-	12	-	-
Baby Food Total	606	544	12.3	11.3
Clinical Nutrition	329	288	12.8	12.2
Clinical Nutrition discontinued	-	2	-	-
Clinical Nutrition Total	329	290	13.9	13.5
Discontinued business	-	3	-	-
Total Net Sales	935	837	12.4	11.6

EBITA				
<i>(in € mln)</i>	First Half Year		% change	
	2005	2004	comparable	Actual
Baby Food	109	108	0.7	(1.8)
Baby Food discontinued	-	(1)	-	-
Baby Food Total	109	107	4.3	1.7
Clinical Nutrition	89	82	10.2	8.9
Clinical Nutrition discontinued	-	-	-	-
Clinical Nutrition Total	89	82	10.1	9.0
Non-allocated costs	(24)	(20)	-	-
Total EBITA	174	169	4.8	2.8

EBITA as a % of net sales				
<i>(in € mln)</i>	First Half Year		Change in bps	
	2005	2004	comparable	Actual
Baby Food	17.9	20.3	(210)	(240)
Baby Food Total	17.9	19.6	(140)	(170)
Clinical Nutrition	27.5	28.4	(70)	(90)
Clinical Nutrition Total	27.0	28.2	(100)	(120)
Total EBITA as a % of net sales	18.6	20.2	(130)	(160)

Appendix 4

Consolidated Cash Flow Statement

<i>(in € mln)</i>	First Half Year	
	2005	2004
Operating result	171	159
<u>Adjustments to operational cash flow</u>		
Depreciation and impairment tangible fixed assets	17	18
Movement in provisions	(14)	(39)
Net change in trade working capital	(23)	(57)
Net change in non-trade working capital	(20)	(1)
Other	-	(1)
	(40)	(81)
Cash generated from operations	131	78
Interest received	8	11
Interest paid	(37)	(38)
Income tax paid	(39)	(1)
	(68)	(28)
Net cash flow from operational activities	63	50
<u>Investments</u>		
Proceeds of sale of tangible fixed assets	8	1
Capital expenditure	(48)	(20)
Acquisition Mellin	(198)	-
Proceeds of divestments	3	2
Dividends received	-	1
Loan repayments received from 3 rd parties	6	-
Net cash flow from investment activities	(229)	(16)
Free cash flow	(166)	34
<u>Financing</u>		
Use of credit facility	405	-
Issuance senior notes	340	-
Proceeds other issued shares	3	-
Repurchase of shares by group companies	(6)	-
Repurchase of convertible bonds	(627)	(146)
Minority interest	(2)	-
Net cash flow from financing activities	113	(146)
Exchange rate differences/direct equity	-	(12)
Change of net cash position	(53)	(124)
Net cash position 1 January	220	406
Net cash position 30 June	167	282

Appendix 5

Consolidated Balance Sheet

<i>(in € mln)</i>	30 June 2005	31 Dec. 2004
Intangible fixed assets	516	96
Tangible fixed assets	313	314
Financial fixed assets	24	25
Deferred tax assets	404	404
Derivative financial instruments	5	-
Non-current assets	1,262	839
Stock	215	173
Trade debtors	281	215
Other receivables	80	67
Cash and cash equivalents	167	220
Non-current assets classified as held for sale	6	-
Current assets	743	675
Total assets	2,011	1,514
Shareholders' equity	11	(306)
Minority interest	33	30
Long-term loans	1,278	1,140
Pension and post-employment provisions	101	97
Other provisions	14	13
Derivative financial instruments	24	18
Deferred tax liabilities	86	88
Non-current liabilities	1,503	1,356
Trade creditors	224	172
Other creditors	174	181
Derivative financial instruments	3	-
Current tax liabilities	42	46
Short term loans	-	1
Short term provisions	21	34
Current liabilities	464	434
Total equity and liabilities	2,011	1,514

Appendix 6

Net Debt

<i>(in € mln)</i>	30 June 2005	31 Dec. 2004
Convertible bonds 2000	-	627
Convertible bonds 2003	345	345
Other convertibles	5	5
Convertible loans	350	977
Credit facility	635	230
Senior notes	345	-
Other loans	2	3
Cash and cash equivalents	(167)	(220)
Sub total net debt	1,165	990
Convertibles – IAS 32	(58)	(69)
Interest rate swap – IAS 39	24	18
Cross currency swap – senior notes	(5)	-
Total net debt - IFRS	1,126	939

Financial Income and Expenses

<i>(in € mln)</i>	2005		2004		
	Q2	Q1	Q4	Q3	Q2
Interest expenses	(16)	(16)	(17)	(18)	(16)
Interest income	6	7	3	5	4
Net interest expenses	(10)	(9)	(14)	(13)	(12)
Other	-	(1)	(1)	(2)	(1)
Sub-total financial income and expenses	(10)	(10)	(15)	(15)	(13)
<i>IFRS adjustments</i>					
IAS 32 Convertibles	(6)	(6)	(6)	(7)	(8)
IAS 39 Derivatives	-	(2)	1	1	2
IAS 21 - Forex	4	2	(1)	2	(4)
Other	(1)	-	2	(1)	1
	(3)	(6)	(4)	(5)	(9)
Total financial income and expenses	(13)	(16)	(19)	(20)	(22)

Appendix 7

Shareholders' Equity

<i>(in € mln)</i>	30 June 2005
Shareholders' equity at 1 January 2005	(306)
Net result for the period	97
Exchange rate differences	10
Direct equity movements IFRS	(4)
Issued shares related to Mellin acquisition and other movements	214
Shareholders' equity at 30 June 2005	11