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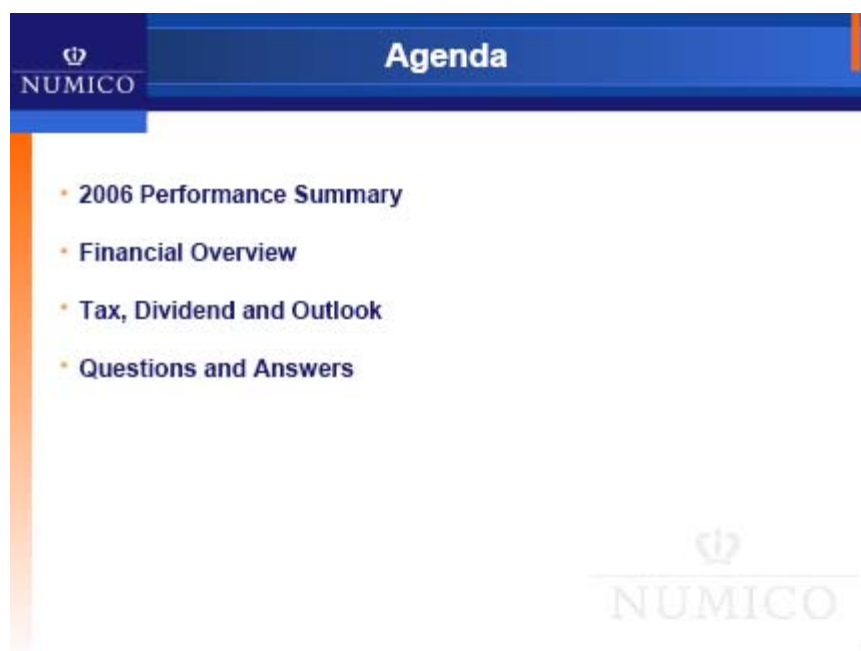
JAN BENNINK, CEO

JEAN-MARC HUET, CFO

21st FEBRUARY, 2007

Mr. **Bennink**: Welcome to the Full Year Results of 2006 for Numico. What we will try to do is the usual: give a short presentation this time – shorter than you are used to – in terms of the results.

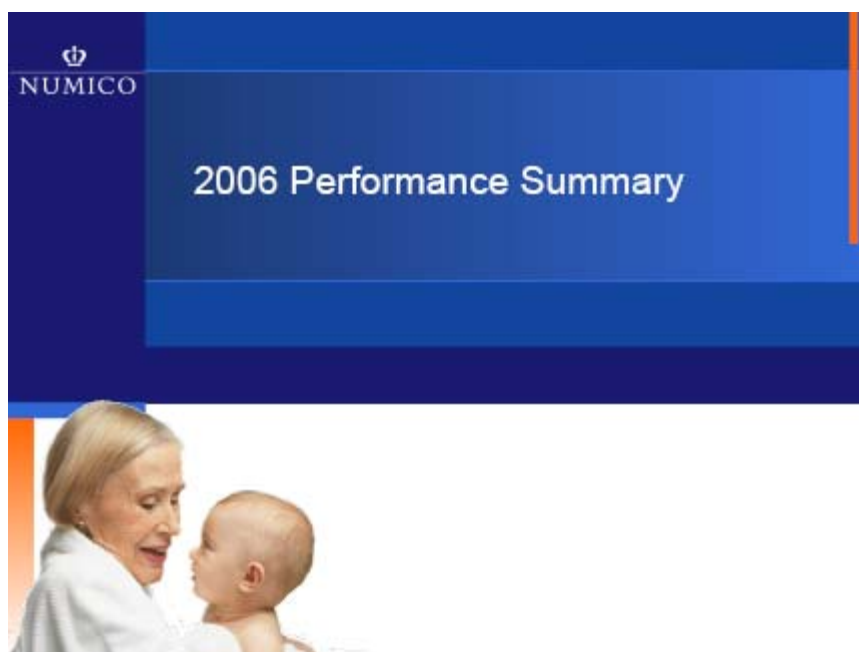
First of all, let me give you the overview.



The slide features a blue header with the Numico logo and the word "Agenda". Below the header, a list of four items is presented, each preceded by a small orange square bullet point. The items are: "2006 Performance Summary", "Financial Overview", "Tax, Dividend and Outlook", and "Questions and Answers". A vertical orange bar is positioned to the left of the list. In the bottom right corner of the slide, there is a faint Numico logo and the number "2".

- 2006 Performance Summary
- Financial Overview
- Tax, Dividend and Outlook
- Questions and Answers

We will start with a presentation from my side of the performance. Jean-Marc will go into the financial performance with a specific heading on tax, dividend and the outlook. After that, we will of course have time for QandA.



If I look back we see as one of the five most important achievements of 2006 that it is the second year of double-digit growth and improved margins. That is an achievement as we normally say. We make double-digit growth for a long time of years, so this is the second tick in the box in terms of double-digit growth for Numico.

Both divisions contributed to the growth. You see there is a very well balanced geographical spread of the growth.

Our key acquisition – Dumex – of €1.2 billion, a heavy price paid for a very good company, went above our expectations. It showed excellent growth and I will come back to it in more detail. It had a very good performance in cash flow and in the EBIT-margin. After one year of the acquisition we are very happy with this acquisition.

We put in a lot of effort in our free cash flow in terms of the working capital and when you put a lot of effort in it you see the results and the results are there: a record free cash flow for the year 2006.



These are the five key things on which I look back as the key achievements of the company.

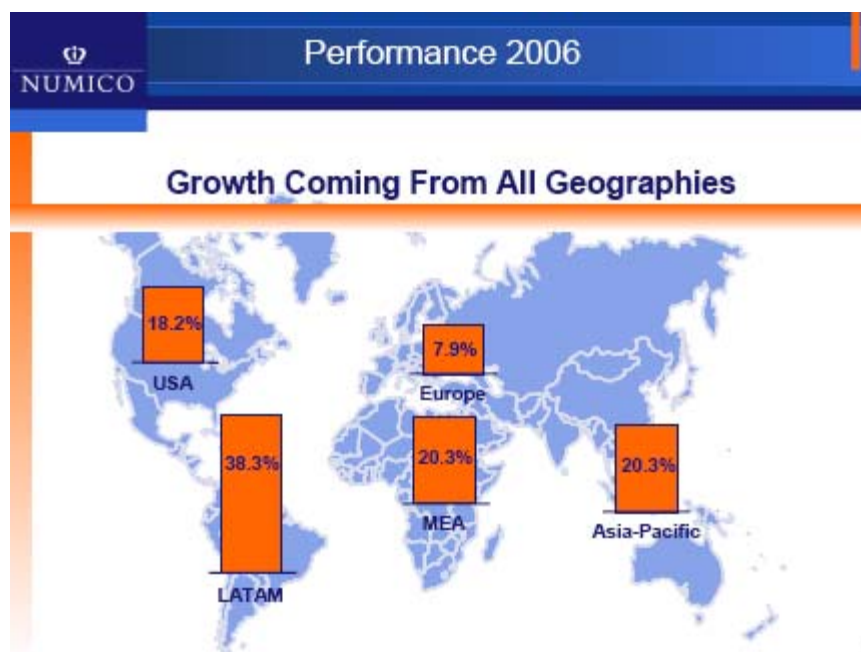


Growth is at 11.9%. We said it would be around 12%. We said our EBITA-margin would be at 18.75% and we arrived at 18.8%.



So, the second year of double-digit growth. It is not only the second year; if you look at the last five years you have seen a continuous growth of the total company, starting from 5% in 2002 up to the current 11.9%, which is exactly the same as last year. So, there is a continuous growth and there is a very good growth progression over the last five years.





On this chart you see the total company. It is not either Baby or Clinical, it is the total company. Where does this growth come from?

Asia Pacific has delivered 20.3% growth. The Middle-East and Africa have delivered 20.3%, Latam, where we are with Clinical in Brazil, is very strong. With Baby we are the market leader in Argentina. We have a very strong growth and in the US, although we have a smaller part of Clinical, we also see a double-digit growth coming from our very specialized group of companies.

In Asia Pacific we are present in China with Clinical and we are very strong, being at the number 1 position, in Australia and New Zealand.

In Europe – both Eastern and Western Europe together – we had 8% growth. So, very good, growth is coming from all regions for both divisions.





If you look at the way we are reporting as of 1st January, as of today, for the New Year you see that Babyfood, i.e. including Dumex, is growing 12.2% and for the first time ever Babyfood is growing faster than Clinical. The cynics among us will say that Clinical did not perform in line but basically what we are saying is that both divisions are becoming very, very strong pillars in terms of our overall growth, for now and for the future.

NUTRUCIA
Baby Food

Divisional Highlights

- Dumex successfully integrated into Baby Food division



Dumex

- Dumex high growth continued at 20.2% during integration
- Substantial margin improvement of 170 bps, to 16.3%
- Net working capital reduced by € 35 mln
- Premium products becoming a greater part of franchisee

A little zoom on Dumex, having a growth of 20.2%. We made the integration, we made the acquisition and of course that creates a lot of disruption. That disruption however did not resolve in a lesser sales growth. You see a very healthy sales growth of 20.2% and what is important, it does not come from one country. It comes definitely from China and from Vietnam but also Malaysia and Thailand had double-digit growth and are in a growing trend rather than a declining trend. So, all four key countries of Dumex where we are currently focussing on, are delivering very good growth.

In the beginning of the year we said we delivered 20% and a 15% margin. We delivered 16.3%. That is 170 bps better than the comparable data of last year. So, a new improvement of the margin of Dumex with a strong sales growth.

As regards the networking capital we put in a lot of effort but we would not make any promises in the beginning of the year. We had €35 million of reduction of trade working capital out of the whole of Dumex. €35 million on a sales of €360 million is a significant amount. Dumex is currently one of our best performers in terms of trade working capital as percentage of net sales. So, we have had a lot of effort in terms of getting the cash out of Dumex.

Premium products are a clear driver for growth. The market in Asia Pacific is very much into premium products but also for margins. You see that the percentage of the business, which is in premium products in all the countries, is growing at a faster rate than the standard products. For your records: there are normally three segments in the markets. There is a premium segment, which can be for example € 15, there is a standard segment of € 10 and you have the base segment of € 5. We are playing with Dumex mainly in the standard segment, i.e. the € 10 range and the € 15 range. The premium is currently getting to around 30% of the total mix and growing very fast. So, that is very promising. Overall I would say that if I were proud of something this is probably the thing I am most proud of. I look back at it with great pride.



NUTRICIA BabyFood

Divisional Highlights

- Core Milk business continues to flourish
 - Milks growth rate at 15%
 - Higher-margin specialty products experiencing strong growth
 - GUM contribute strongly as a source of growth
 - Immunity claim rolled out to 27 countries, including China

Product images shown: Aptamil, Dumex, and other milk products.

Babyfood has always been very much focussed on milks, so we focussed a lot on the development of milk. We focussed a lot on the development of different product ranges, being it growing up milks, being it specialties. If I take the total Babyfood division, so including Dumex, you see that milks business is growing by 15%. So, the higher margin milks category is growing at the fastest rate within the Babyfood division.



We are very good at our Specialties i.e. the hypo-allergenic products, products for specific diseases of children, of babies. We have the widest range of products in our portfolio. We are expanding that into Dumex and we are expanding that also to all our regions. It is growing also at a very nice pace within the Milks. So again, higher margins for the Specialty products, which is our Specialty and they are having nice influence on our business.

Also with GUM, the growing up milks i.e. the milks that go from the one year on to the three years, you see acceleration. When we went into Dumex we saw that the GUMs are an important part of their business. We pushed that even further and we also took a lot of their learning back into Europe, where we have both our liquid as well as our powder form. You see that segment accelerating.

And last but not least the immunity claim. We have launched this now in 29 countries and in Vietnam in January of this year, in Indonesia in February and the remaining countries will go between the summer and September. So, by September we will have fully rolled out our immunity claim, which will start getting its effects whilst we speak.

Of course you can ask yourself if you grow hard and fast in milk as a result that something which is not growing as fast – that is the big opportunity – milks have the first attention we could well get the second attention. So, we put a lot of effort in the weaning food. As we already said at the time of the acquisition of Dumex, there is no weaning food in Asia Pacific and it is time to really look at the opportunities and preparing ourselves in Dumex but also in other emerging markets as well as to improving in our Western European markets to really start pushing the weaning food part.

So, more good news for Babyfood.





Let us look at growth. Europe is at 8%, with Western Europe at 3%, which is slightly disappointing. I will come back to that in a second. Eastern Europe is at 22%, Asia Pacific at 21% and the rest of the world at 18%.

The 3% slightly disappointing is primarily because of France. Why is France all of a sudden not performing so well? This has been going on for the last six months more or less. Whilst things are going well we have decided to really start rationalizing our portfolio in the countries where we are having too many brands. This is going back to 1995, where we had the Milupa acquisition. We have two brands, Milupa and Nutricia. We are trying to rationalize it; not completely eliminating one brand but making sure that we get one lead brand and one more specialized brand. This is a bit more painful than we had anticipated and that is why we bring it out now. This will probably last for another six months and then things will go on. So, we are really making sure that next to the strong Nestlé and Danone we have a strong portfolio in terms of milks and that's it in France. We do not have a full portfolio and we will never have it. It is profitable and it should be growing with the market. So, another six months of some pain in terms of growth and then we will go back with a much more

rationalized and better portfolio. We did it now because things are going well and it is better to do it now than wait for it until it does not perform as well anymore.

So, the 5% that we already talked about for Western Europe, is not at all at risk. We do feel very comfortable with 5% - 7% is achievable. If I look at the growth markets: the UK is double-digit plus, Ireland is well on its way to get the double-digit and so are Belgium and Italy. So, four of the growth markets are doing very well and are very promising.

If you look at the markets that are laggards, you see Germany and Holland. In Holland in terms of the market share of the milks we are back to the level at where we were before the price increase in terms of volume. So, that is also very good and we are very pleased with the development of the milks. As I said, as well for the weaning food also now you will see a second wave of weaning food focus. This will also happen in Germany. Germany has stabilized. Milk shares are very good and the cereals is next, in order to make sure that the market is a more stable part of our portfolio.

So, the 5%-7% is not at all at risk. The question is whether we will make it this year or next year. We are definitely on a growth model as we build it forward versus the emerging market as a certain growth part. For Western Europe 5%-7% and 15%+ for the emerging markets is still exactly as we have always said in the last year.





NUTRICIA clinical Divisional Highlights

- First indications that new management team has restored focus and momentum
- Category management in place
- Special business unit for niche opportunities re-established
- Successful roll-outs of pump and plastic bottle
- Germany back on the path to growth

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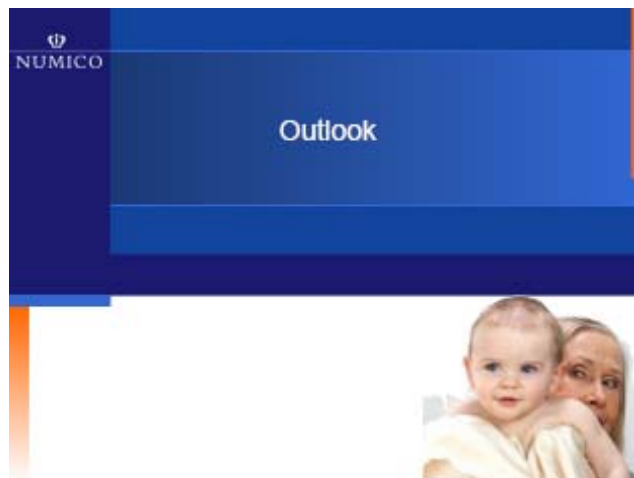
In Clinical we made a big change in terms of management in the summer. You see the first signs of the Clinical momentum coming back. The impact of Flemming has been very fast and very good. He brought a very focussed vision to the division. First of all, he created very consumer focussed and disease specific focussed categories. They are in place. Within six months he put the right people in the right place in the center, much more centralised in terms of development, much more centralised in terms of the connection with research, so less waste of money and more focus to make sure that you really get the focus on those categories that count.

We put in place a business unit in Liverpool. It was a company that we bought in the mid-nineties. It has always been the source of a lot of small creative ideas. Two very big categories came from it, one is Neocate and the other one is Metabolics. There are many other little jewels floating around that were created together with key opinion leaders. So, it is a niche market opportunity business unit that we completely reinstalled in the summer and now we have a factory plus a management team in Liverpool focussing on these niche opportunities. Of course, they are very small, very profitable and very interesting. That is how the Neocate came to existence and it is one of the reasons why we are doing well on this. There are a few other ones floating around there.



We have had a successful roll-out of the plastic bottles as well as the pumps. Plastic bottles are for 95% done and the pumps are done for 60%. So, also there we will get that momentum.

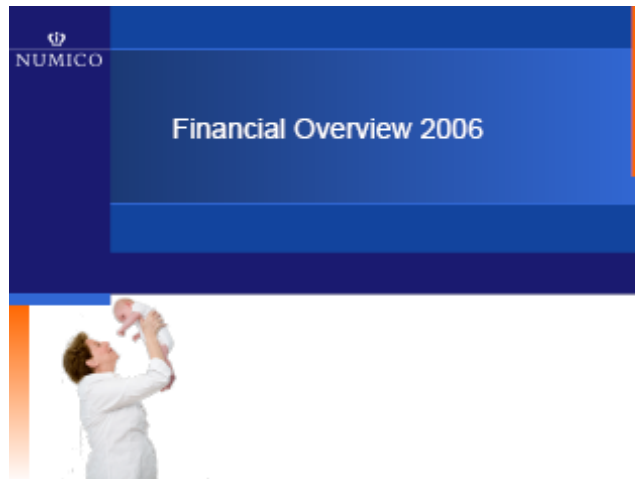
Last but not least Germany, the one that brought us down specifically in the last quarter of last year. If you look at the clinical performance in Q2 when we were at 9%, In Q3 we were at 10% and in Q4 we announced a 13% growth of the total Clinical division, Germany will get completely back on track. In the beginning of this year we said this would happen but it came earlier. The organization is much stronger, much more focussed and the portfolio has been adjusted and the signs of recovery in Germany are very encouraging. So, the 13% in Q4 is not an exception; it is more an indication of the fact that the basics of the division are in much better shape than they were in the beginning of 2006.



Jean-Marc will come back to it a bit more in detail but let me get a little bit into the outlook.



Overall in net sales growth we will deliver our third year of double-digit growth next year, between 10% - 12%. In terms of margins we will deliver another 10 to 20 bps next year and that is the guidance we give for this moment. Jean-Marc will go into detail of what is behind it. Having said that I pass it on to Jean-Marc.



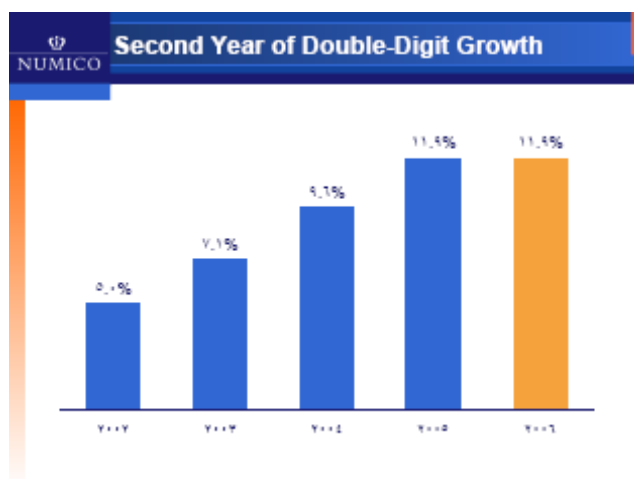
By Mr. JEAN-MARC HUET

Mr. **Huët**: Thank you very much, Jan. Let me start by going through the financial overview and an overview of the main headline numbers.

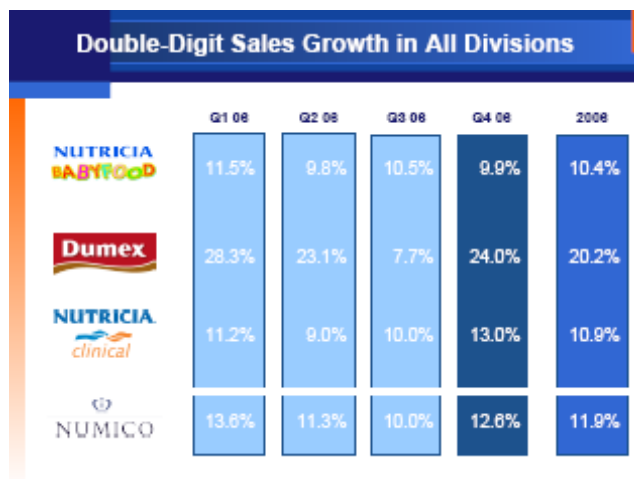
Key Figures 2006		
Sales (€ mln)	2,623	+31.9% (reported growth) +11.9% (constant scope)
EBITA (€ mln)	483	+12.6% (constant scope)
EBITA margin	18.6%	+20 bps (constant scope)
Normalised net profit (€ mln)	274	+28.7%
Normalised EPS	1.43	+15.9%
Cash generated from operations (€ mln)	568	+49.5%
Trade Working Capital	7.3%	Improved by 390 bps

Sales went up including acquisitions, which is primarily Dumex, to 32%. On a comparable basis 11.9%. EBITA went up 20 bps at a margin of 18.8%. Normalised net profit went up nearly 30% for the year 2006 and what is also important, given the work that we spent in terms of net debt reduction is the fact that cash generated from operations went up 50% at €568 mln. Lastly, the trade working capital which has helped source, finance and create a lot of the cash went down nearly 4% at a 7.3%.



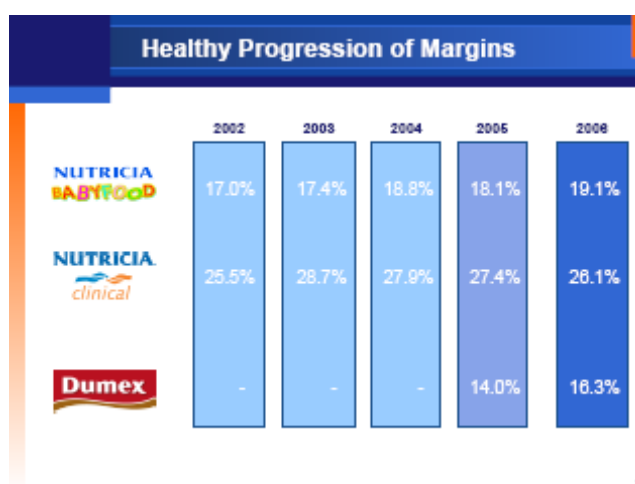


This is a very similar slide to that of Jan's. You see our growth over the last five years, going from 5, 7 to nearly 10. So, two years in a row a 11.9%. We recognise the fact that in 2006 this includes Dumex, so Nutricia Babyfood has done well. Clinical has done somewhat less but I will come back to that in more detail when I go through the three divisions. In any case, the second year of double-digit growth.



If we look at the sales from all the different divisions on a quarterly basis the most important is that all three have delivered double-digit growth for 2006. You have Nutricia Babyfood up 10.4%, Dumex at 20.2% and Clinical 10.9%.

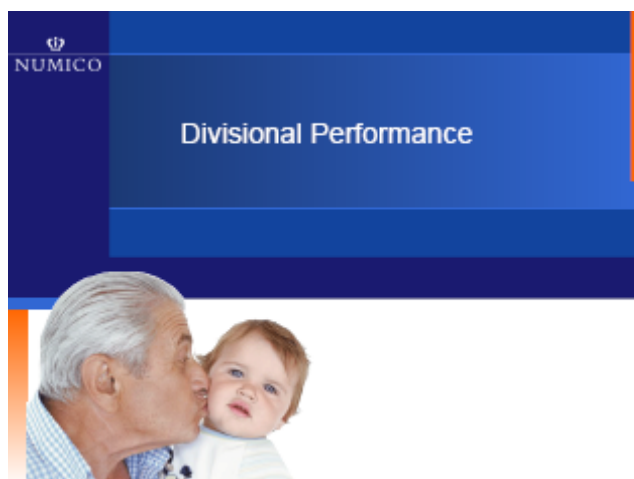
There are two points, which are worthy of note. One was at Q3 the concern of Dumex and its growth underneath 8% back at 24% in the fourth quarter and the second was the trend in Clinical, where you see it going from below of 9% to 10% to 13%. So you see that our second most important market, that being Germany, is really on the road to recovery. Here you see 9.9% in Q4 for Babyfood and for those who are interested: that is excluding the product recall, which is 140 bps that you could add on top of that number. We wanted to be pure and just added 10% for Nutricia Babyfood.



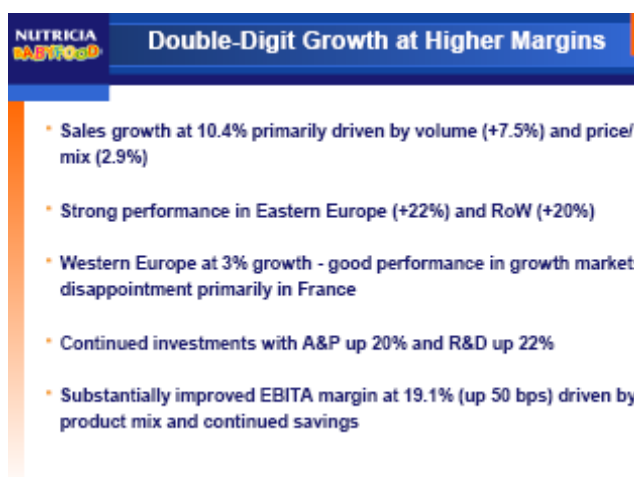
If we look at the margins you see that over the last five years Babyfood has gone from 17%, 17.5% nearly 19%, 18.1% to above 19.1%. So, over the last five years you have seen a good progression of margins when it comes to Babyfood.

We see a slightly different picture when it comes to Clinical. Less than 26%, 29%, 28%, 27.4% and 26.1%. You see a slight deterioration over the last three years in the margin of Clinical. We have invested; we do not see that as a trend. We see that margins will maintain at 26%-26%+, a level in the future.

Lastly Dumex, which has only been in our portfolio this year but for comparability. You will remember that when we acquired the business it was a 14% margin business. In 2006 it was at 16.3%.



Let's go to the Divisional Performance, starting off with Nutricia Babyfood.



NUTRICIA
BABYFOOD

Double-Digit Growth at Higher Margins

- Sales growth at 10.4% primarily driven by volume (+7.5%) and price/mix (2.9%)
- Strong performance in Eastern Europe (+22%) and RoW (+20%)
- Western Europe at 3% growth - good performance in growth markets, disappointment primarily in France
- Continued investments with A&P up 20% and R&D up 22%
- Substantially improved EBITA margin at 19.1% (up 50 bps) driven by product mix and continued savings

We see growth at 10.4%. What encourages us is the fact that volume is up 7.5%. For us that means the market is growing. We are growing our part of the market, so that

is always good. And price mix is at 2.9%. So, a good balance between volume and price mix.

Eastern Europe has done very well. We are number 1 or number 2 in most of those markets. We are talking about Poland, Russia and the other markets which have done very well in 2006 as well as in 2005. The rest of the world is at +20%. We have small but important businesses in Argentina, in Brazil and in the Middle East and that also includes the Asia Pacific business ex Dumex, which has also done very well at +20%.

Western Europe – as Jan mentioned – is at 3%. We should have been at between 4% to 5%. In absolute terms that means we are short of around 7½ mln. maximum € 10 mln. It does not feel like a lot but because we are a small business you see that that in our VLY's quite quickly.

Four out of five of our growth markets have done well, numerically speaking. In the Netherlands we are seeing good signs of progress like Jan mentioned. The milk market share is up to the levels before the price increase. So, that is going well. Mellin is doing well. A disappointment is France, but Jan went into that.

Investments are up 20% and R&D is up 22%, so we are really continuing to invest in the business. We did that in 2006 and despite those investments margins are up 50 bps at 19.1.

Mix: it is the milk side of the business that has helped that as well as savings that are continuing on an annual basis.



		High Level of Investments			
		2006		Q4 06	
(€ mln)			VLY		VLY
Sales		1,506	10.4%	394	9.9%
A&P		203	20.1%	59	22.1%
As % of sales		13.5%	-	15.1%	-
EBITA		283	13.8%	68	5.1%
Margin		19.1%	50 bps	17.5%	(80) bps

Margins and VLY are on a comparable basis and exclude impact of Indonesian earthquake

If we just look at the numbers we see they are up 10.4% for the year, 21.1% in terms of A&P, as a percentage of sales around 13.5% and margin at 19.1%.

If I take Q4 we see 9.9% growth, A&P up 22.1%, A&P as a percentage of sales in Q4 is 15.1%.

So, the difference between 13.5% and 15.1% is the only explanation for the difference between 19.1% and 17.5%. The lower margins in Babyfood in Q4 is purely driven by the phasing investment. Do not forget the immunity claims, specifically China, which we rolled out in the fourth quarter and which we flagged in Q3, is also a main driver behind those investments over the last three months of the year.



Dumex A Very Strong First Year

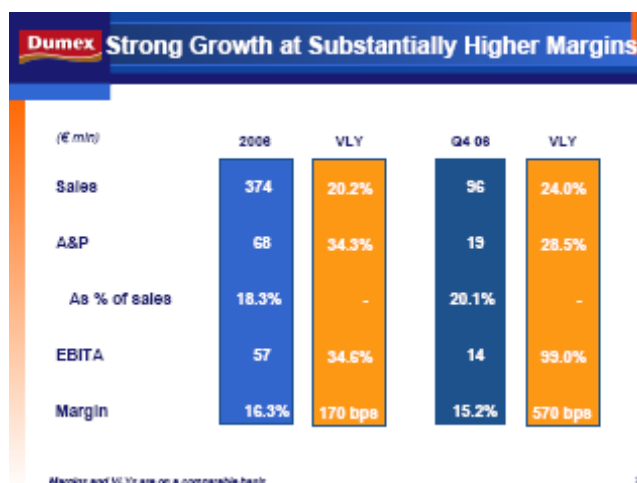
- Strong sales growth at 20.2%, particularly driven by China and Vietnam
- Sales growth primarily driven by volume (+11.6%) and price/mix (8.6%)
- Sharp improvement in EBITA margin at 16.3% (up 170 bps) driven by successful premium strategy, integration savings and fixed cost management
- Continued investments in A&P at 18% of sales (+up 34%)

If we go now to Dumex we see it is up 20.2%. The volume is 11.6%. There is much more in price mix. Most of that mix. It is a premiumization which is really what we are adding to the portfolio driving around 20% to 30% of that portfolio and making sure that we have a very good premium position. So, that is a split that is very consistent with the strategy that we have taken for Dumex.

The margins are higher up than we said at the beginning of the year. We said they would be around 15% with 20% growth, up 170 bps at 16.3%. We have integration savings of €5 mln. for 2006, €10 mln. which are anticipated for 2007 and we have had some pretty good fixed cost management, which we will also continue to look at in the future as it becomes part of the Asia Pacific division. As you know from now on we will be only reporting Baby and Clinical. Dumex will be part of Asia Pacific when we reported the top line growth of that region.

Investments are at 18% of sales, up 34%, so we are continuing to invest in the business.

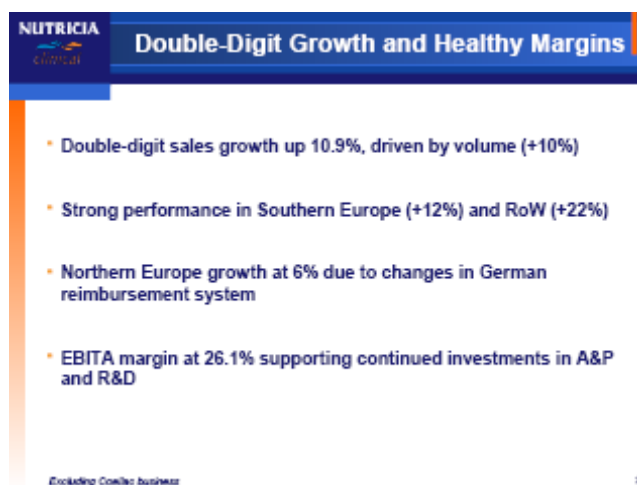




Let's just go quickly through the P&L. Sales were up 20.2%, A&P up 34.3%. Despite that increase EBITA is up 34.6% at a margin of 16.3%.

Even more so for the fourth quarter where you see that sales were up 24% on an organic basis. Our A&P was up 28.5% and basically our EBITA doubled to get to a margin of 15.2% in the fourth quarter.

So, we are investing, it is growing and we are investing and yet you are seeing the leverage in the Dumex business model.



Now turning to Clinical: double-digit – again – at 10.9%, less than the year before. That is due to Germany. You have seen acceleration over the last nine months from a low in the second quarter. Nearly all of it is driven by volume. There is more that we could do on price but specifically also on mix. It has been like this for the last three or four years; a reflection of the market growth of Clinical at around 8%, 8%+ but it is something that Fleming and his team will be looking at in the months and quarters to come.

Southern Europe has done well, at +12%. It can do better but it has done well for 2006. The rest of the world is at +22% and that is driven by countries like Brazil, the United States and the Middle East that has had a very good performance over the last twelve months.

Northern Europe is lower than usual, at 6% as a result of Germany but if we were to disclose this on a quarterly basis you would see a very nice increase. Acceleration up to 13% in Q4 is driven by improvements in Germany.

Margins are at 26.1%. That is the low end of what we have always characterised as a 26% - 28% business. We reiterate that this is the type of business. We do invest and have been investing in the short term but there is leverage again in this P&L to be higher than 26%.

So, lots of A&P and R&D investments and that I will show on the next page.



NUTRICIA
Clinical

Improved Sales Growth in Q4

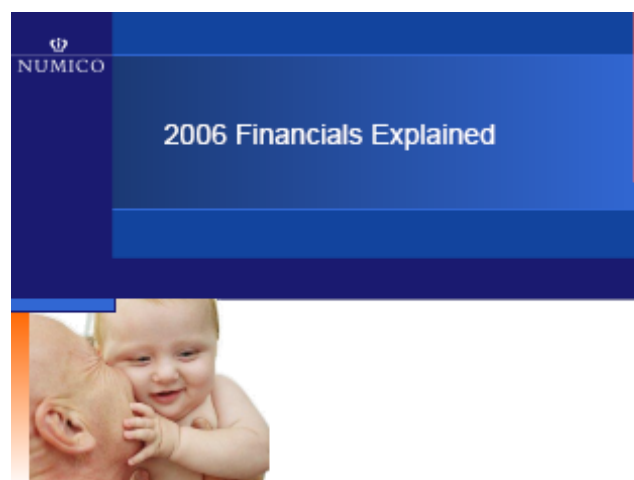
In € mln	2006	VLY	Q4 06	VLY
Sales	743	10.9%	200	13.0%
A&P	50	17.4%	13	34.0%
R&D	22	18.6%	6	18.0%
EBITA	192	4.8%	51	(1.1)%
Margin	26.1%	(150) bps	25.7%	(360) bps



Margin and VLYs are on a comparable basis (excluding CoAct)

Here you see the A&P in the fourth quarter 34% up, A&P up 18% and as a result dilution in the margins for the first time just south of 26%, which we do not want to see happening too often in the future.

For the year up 17.4% A&P. It is from a lower base; it is around 6% - 7% of sales and R&D up 18.6%. A lot of that is also driven by clinical trials and really getting the clinical evidence that we need for our disease specific portfolio.





Let me now go through the financials explained.



Sales and EBITA Overview		
In € mln	2008 Sales	2008 EBITA
	1,506	283
	374	57
	743	192
Non-Allocated	-	(49)
	2,623	483

Here is it very easy: just adding up the absolute sales to get to our absolute top revenue levels. €1.506 bn. for Babyfood, €374 mln. for Dumex, for Clinical we had €743 mln. of sales, coming to a total of €2.623 bn.

EBITA is shown on the right hand: 283, 57, 192 and non-allocated costs of just less than €50 mln. getting to an EBITA of 483. These are the actual numbers.

From Reported to Comparable Basis				
		Sales	EBITA	Margin
	Continued	1,500	285	19.1%
	Acq/dlv	6	(3)	
	Total	1,506	283	
	Continued	373	61	16.3%
	Acq/dlv	2	(3)	
	Total	374	57	
	Continued	715	187	26.1%
	Acq/dlv	28	6	
	Total	743	192	
	Continued	2,588	484	18.8%
	Acq/dlv	35	(1)	
	Total	2,623	484	

Adding everything here we have continued and totalled for those that are focussed on comparable numbers: there is very little difference except for Cllinical, where you see we sold the Coeliac business. On this page you see our total numbers as well as our comparable numbers.

		From EBITA to Operating Profit			
		2006	VLY	Q4 06	VLY
in € mln					
EBITA (reported)		483	29.2%	122	17.4%
Amortisation		(17)		(5)	
Acquisition and integration costs		(35)		(8)	
Exceptionals and result divestments		(2)		1	
Operating profit		429	19.4%	110	15.7%

Let me go through the P&L. Our EBITA on a reported basis is at €483 mln., amortization of €17 mln. We announced at the beginning of the Dumex acquisition that acquisition and integration costs would be around €35 mln. We are alright within that €35 mln. You see that number right here. We finished all the costs of the acquisition, so you will not see that again in 2007.

Exceptionals and results divestments is minus 2. There are some plusses and negatives behind that number but on a net basis – and that is what we are trying to do on an annual basis – the exceptionals amount to a small number. It gives us an operating profit of €429 mln.

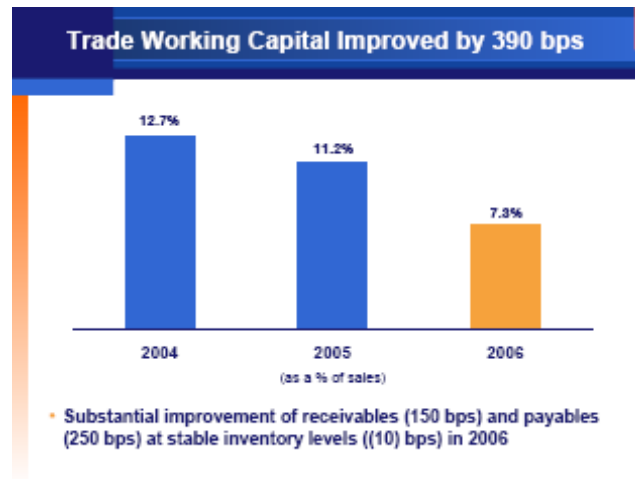
Let me go to the profit for the period.

NUMICO		
Profit for the Period		
In € mln	2006	Q4 06
Operating profit	429	110
Net finance costs	(90)	(22)
Income tax expense	(100)	(26)
Impairment DTA	(36)	(36)
Other	(0)	1
Profit for the period	203	27
Minority interests	1	0
Profit attribute to equity holders	202	27

If you take of our net finance costs at €19 mln., income tax expense at a rate of around 29.5% for the year, we had an impairment on our deferred tax asset because the Dutch corporate tax rate went down to 25.5%, giving us a profit for the period of €203 mln.

NUMICO		
Strong Double-Digit Earnings Growth		
In € mln	2006	VLY
Profit attributable to equity holders	202	2.0%
Impairment DTA	36	-
Acquisition and integration costs (net of tax)	31	-
Net loss from discontinued operations/ exceptionals	5	-
Normalised net profit attr. to equity holders	274	28.7%
Normalised EPS	1.43	15.9%

Just to explain on a normalized basis: if you start off with the profit, you add back the DTA, you add back the acquisition and integration costs, you then get to the normalised net profit to equity holders at €274 mln., which represents an increase of approximately 30%, 28.7% to be exact.



Working capital improvement, something that we internally spent of time on over the last 12 to 16 months. We actually have an individual who is fully dedicated to driving working capital at the headquarters as well as in the division. If you went back to 2003 we were at much higher levels but here you see the decrease in working capital to 7.3% at the end of 2006, coming from improvement in payables, improvement in receivables and – relative the last year – real structural improvements at stable inventory levels. In the next 12 to 24 months, when we have sufficient confidence in terms of systems infrastructure forecasting and inventories will be one of the areas where we will be spending more time to reduce those levels.



NUMICO			Very Strong Cash Flow Generation	
In € mln	2005	2006		
Cash generated from operations	380	568		
As % of sales	19.1%	21.7%		
Capex	(100)	(132)		
As % of sales	5.0%	5.0%		
Change in working capital	18	90		
Free Cash Flow	100	294		
As % of sales	5.0%	11.2%		

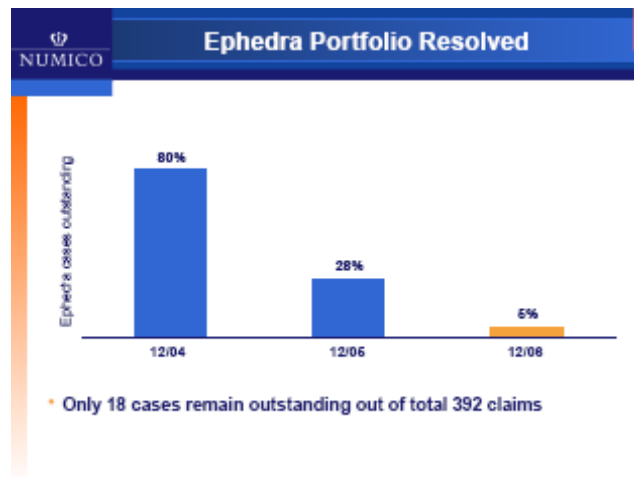
Actual/2005

Cash generated from operations goes from €380 mln. to €568 mln. Obviously, we add Dumex to this number but as a percentage of sales it goes up from 19.1% to nearly 22% for 2006.

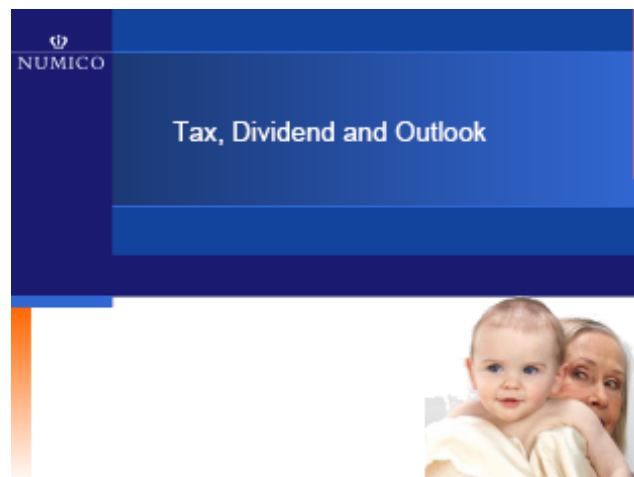
We have been able to manage Capex quite well in 2006. You will remember that at the beginning of the year our anticipation was higher, at 6% to 10%+. We ended up at 5%, very similar to 2005.

If you look at the change in working capital it gave us an addition of cash of €19 mln. in 2006.

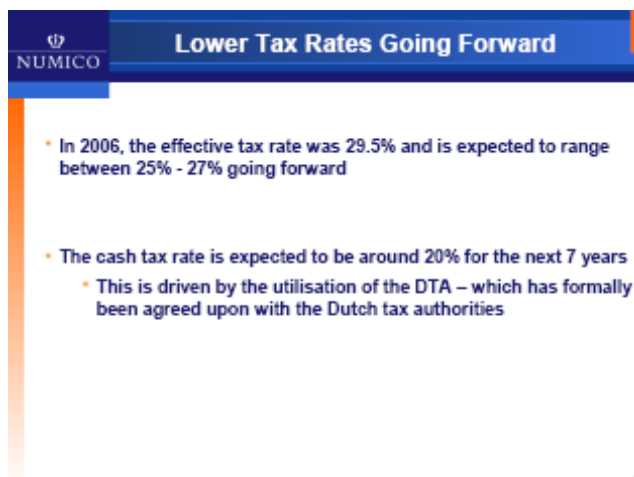
Lastly, free cash flow: 5% of sales two years and 11.2% in 2006 and as a result net debt of around €1.4 bn. at the end of the year.



Ephedra is something for those who have followed us for a while still remember quite vividly. I think that now we are in a position where we can say that the Ephedra-issue is resolved. We now have only 18 cases that remain outstanding as of 31st December. Every month we are solving claims. If you look at the settlement you see it really is a very small amount. We have 5% left over, so this is probably the last time that we will report back to you on Ephedra. As we see it today the whole situation is now being solved and is behind our backs.



Let's now just go through tax, dividend and outlook, the three points on the future.



Lower Tax Rates Going Forward

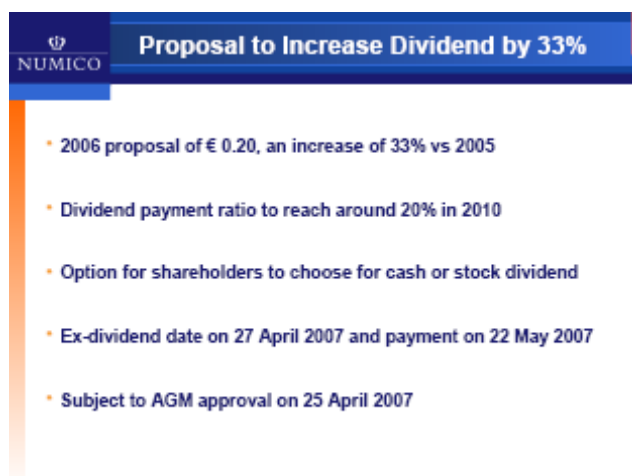
- In 2006, the effective tax rate was 29.5% and is expected to range between 25% - 27% going forward
- The cash tax rate is expected to be around 20% for the next 7 years
 - This is driven by the utilisation of the DTA – which has formally been agreed upon with the Dutch tax authorities

The first point is in that in 2006 we had an effective tax rate of 29.5%. That will decrease somewhat to 25% - 27% going forward, that as a result of the change in mix of our business as well as the reduction in the tax rate in the Netherlands. So, those two elements help us to have an effective tax rate, which is lower than in the past.

Secondly, the cash tax rate, which is for us obviously very important because we are talking about real money. The cash tax rate is expected to be at around 20% for the next seven years. We have given guidance in the past to 20%, 25%, closer to 25% and we can now ascertain that it will be around 20%, also because we formalized all the agreements with the Dutch tax authorities, so that is again part of the past. It is solved, formalised and we can look to the future.

The DTA will be used over the next seven years, so this type of cash tax rate will last for the next seven years until 2013.

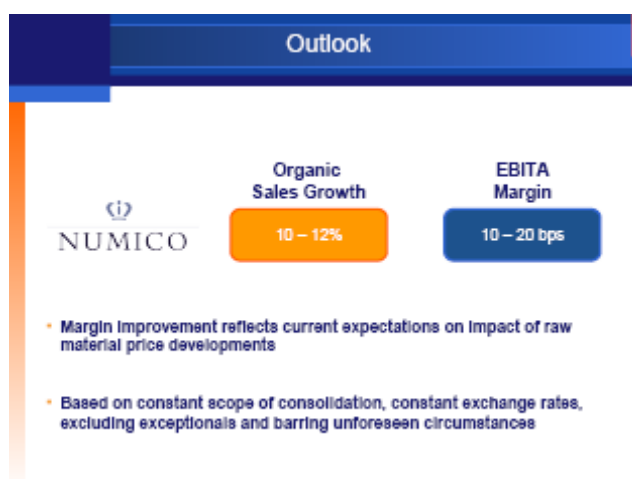




Proposal to Increase Dividend by 33%

- 2006 proposal of € 0.20, an increase of 33% vs 2005
- Dividend payment ratio to reach around 20% in 2010
- Option for shareholders to choose for cash or stock dividend
- Ex-dividend date on 27 April 2007 and payment on 22 May 2007
- Subject to AGM approval on 25 April 2007

Now, on to dividends. At our AGM we will propose an increase of 33%. It is from a low base. We have a dividend pay out ratio depending on how you calculated the 13%-14%. Our aim is to be at 20% in 2010, so granted it is from a low base but it is from a low base but it is an important increase. Year on year you can choose either cash or stock, payment on 22nd May, ex dividend on 27th April. This proposal will be given to the AGM on 25th April.



Outlook

NUMICO

Organic Sales Growth	EBITA Margin
10 – 12%	10 – 20 bps

- Margin Improvement reflects current expectations on impact of raw material price developments
- Based on constant scope of consolidation, constant exchange rates, excluding exceptionals and barring unforeseen circumstances

Let me now get to the outlook. 10% to 12% organic sales growth for 2007. That would represent the third year of double-digit growth and a margin increase of 10 to 20 bps.

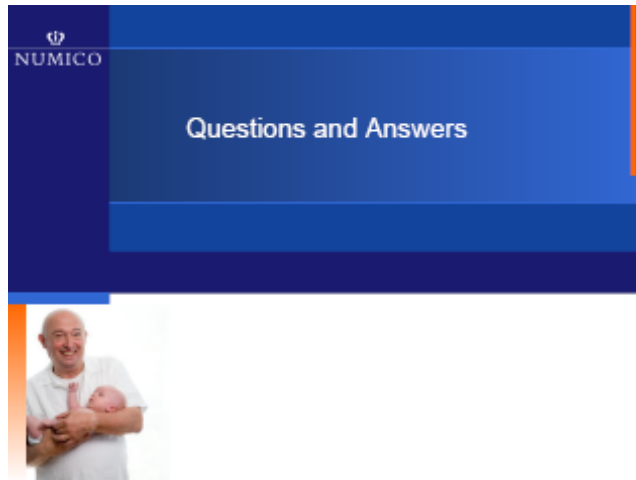
We are in the middle of February, so it is the beginning of the year. So, from our vantage point right now we believe that this is a reasonable and realistic outlook to have, as it sounds right now.

I can obviously answer any questions that you have to try and give you a little bit more colour, but given that we are in mid February and we still have many months to go. We feel that this is a realistic way to approach our outlook for the year 2007.

EBITA margin improvement of 10 to 20 bps. The point I would like to underline is that this is taking into account all the developments in raw material prices that have taken place over the last two to three months. We are a high gross margin business. Otherwise said: our COGS at a percentage of sales is low, so we are less exposed, less sensitive to changes in raw material prices and we have always said that whenever there are big fluctuations we will use savings projects to neutralise that volatility in our cost of goods sold. If, however, you look at weigh and lactose, you see that the increase has been 30%, 40% and 50% over the last two to three months. We take those increases into account in coming up in our margin guidance of 10 to 20 bps. Things can change over the year and as a result we could change our view, be it in the positive way. If there are further negative developments in raw materials we will do our best to make sure that our saving initiative neutralizes any adverse impact in our P&L.

These are the most important points on the outlook. Let us now go for Questions and Answers.





Question

I would like to jump in with a question on the outlook. Obviously, you improved by 11.9% in 2005, 11.9% in 2006 and your fourth quarter was 12.6%. You fixed Germany Clinical and we have lagged the Italian price reductions. Is there something going wrong with the first quarter or why is your 2007 outlook so low?

Answer

Mr. **Huët**: Again I would like to emphasize the fact that we are at the beginning of the year. The message behind the outlook that I would like you to take away is the fact that we think that this business can grow on a double-digit basis. We were at 11.9% last year, we were at 11.9% two years and that is just within the 10%-12% in terms of the outlook, but I think it is important for us to be realistic where it stands right now. There is now message that growth is slowing down in any single way; it is just where we are at the beginning of the year. We are confident about the business, we are confident about the performance, we looked at Q4 and say it is a good year but on the other hand you should also know that we had a very strong Q1 in 2006. We grew at 13.6%, so we will have a difficult comparable in the first quarter. Then we will grow nicely into our range of 10%-12%. So again, I think it is just being realistic at the beginning of the year.

Mr. **Bennink**: We felt very comfortable about our business in 2006 and we still feel very comfortable about our business in 2007.

Question by Mr. Kalker (ABN AMRO)

I have a couple of questions, firstly on the margin guidance. I know you have mentioned raw materials as one of the factors that is on your guidance. Could you just walk us through any other sorts of positives or negatives that are likely to effect the margins and will that be on a divisional basis?

The second question is on UK Babyfood. Now, my perception here is that your growth has been driven by some very strong market share gains in a relatively static market. Some of your competitors sound as if they are waking up after being quite dormant for the last few years. Is that a correct perception and could you talk about how you view the UK Babyfood market?

Answer

Mr. Bennink: Let me start with the last point and then Jean-Marc picks up the first one. On the UK Babyfood the market is growing by 7%-8%. It was not growing before, so you have the share gain effect and you have the effect of the market growth. There are no indications of a slow down in the UK. On the contrary, things are going very well. For those of you who shop in the Babyfood isle you see there is a lot of change in the weaning food at the moment. We had a complete relaunch of the weaning food of Cow&Gates. We had a launch of the immunity sector and so far, so good! Of course we see Wyatt that is estimated to be the biggest. They are doing a good job in terms of their performance. But there are no indications whatsoever that growth is slowing down. The market is growing healthy.

Mr. Huët: In terms of the margins for 2007 it is important to mention that the increase of raw material costs over the last three months – I am talking about the spot market and that will only translate into contracts – will actually be impacting the P&L in the second half of the year and not the first half of the year.



The second point in terms of margin evolution and something that we will be much more focussed on in 2007 is more effective spend in terms of A&P. You have seen some very big increases, 15% and 20% and while A&P and R&D will increase more than top line the differential between our top line and the increase in A&P and R&D will be less going forward. If you go back four or five years ago we did not know how to spend, how to invest, how to innovate and right now, over the last three years, we have done a lot of investments and now we need to make sure that we become a little more effective. We have learned a lot over the last three to four years. So, there are inefficiencies in the system that we will tackle in terms of how we invest in the business. That will also drive margins in the next twelve to sixteen months.

Question

I would like you to come back to the question on the margin guidance. You just said that raw materials are an issue but only in the second Half, but you should look at 2006. You invested something like 250 bps in O&A, in A&P and R&D. If you are talking about what you are spending what are you looking for in terms of potential increase in A&P and R&D next year? If you start growing A&P at even 15% instead of 25% you should be actually releasing a lot more margin, given the assumed operating leverage you should benefit from.

Answer

Mr. Huët: I do not want to give too much direction in terms of what levels of A&P we are going to spend; it will stay above top line growth in 2007. But I think the types of VLY growth that we have had over the last two years will be more modest in the next four to eight quarters. I think we can just be more effective. If you are going to spend more effective A&P hopefully you will also get a better return on what your investments are going to be.



In terms of raw material prices: they have been pretty dramatic. If you have weigh, lactose, the overall dairy segment. This is not impacting Clinical; it is very much more a baby issue. You have increases of 40% to 50%, those are very important. And anyway, where they will go in the next three or four months, we are not aware. This is based on our analysis this week of where those materials are. But there are some very important increases. Again, it is the middle of February so we want to be cautious when it comes to our outlook on where raw material prices can go. We have booster savings on the variable cost phases and we are going to spend a lot more time making sure that we superboosterize our savings to make sure that it does not have an impact.

Question

I have another question, this time on Capex. Capex is much lower than what you guided in 2006. Is it a sustainable right?

My next question is whether you can give us the absolute R&D number for 2006. We saw some increase in the numbers but I would like to have the absolute number.

Answer

Mr. **Huët**: I don't know the absolute number for R&D from the top of my head but we will look into that. In terms of Capex we will not give guidance on where our Capex-levels will be specifically for 2007. Two years ago we were at 5%. We will be at 5% this year and on a sustainable basis we should plus/minus, around the levels that we are today.

Question



My question relates to Western Europe, the performance in 2006. You mentioned that you were disappointed with 3% because you were in for 4% - 5%. I am surprised that it is simply a portfolio clean-up exercise in France, which is such a small business for you and has such a big impact. I think you mentioned a figure of €12 mln. Did I understand correctly? Surely, that cannot be the reason for 3% opposed to 4% - 5%!

Answer

Mr. **Huët**: I should then perhaps be clearer. Were we to achieve 4% rather than 3% the difference would be around €7 mln. to €10 mln. maximum. Had we been at 4% all you need to achieve is €7 mln. to €10 mln. maximum. So, the message really is that it is a very small difference because the absolute numbers are not very big. So, a little something can happen. France, by the way, is not a very small market for us. The market itself is very big. We do not have a number 1 or number 2 position but our actual business is big; it is not small at all.

Mr. **Bennink**: It is not very far away from Holland in terms of size!

Mr. **Huët**: All you need is a small adjustment of €7 mln. to €10 mln. and then you are into 3% rather than 4%. Then the overall picture looks different. That is the reason also why we try to emphasize that four out of those five growth markets are actually doing very well. We talk to each other and look at Western Europe. It is not fantastic but there is progress and it is going into the right direction. It just so happens that France is something that we wanted and needed to fix, so it impacts quite quickly.

Question



Just one follow up question with regards to the 5% - 7% for next year. I was under the impression that was an objective for 2007.

Answer

Mr. **Bennink**: In 2007 we might not make the 5% - 7%. We might have a slight delay. That is what we said.

Mr. **Huët**: The main message is that it can grow and that it will grow at 5% - 7%, but let's come back to that once we have achieved those numbers rather than promise to you and then have to deal with the timing.

Question

I have a couple of questions, firstly on working capital guidance. About 18 months ago you said that you saw it at 5% of sales in something like five years' time. Given the very achievement this year, are you going to say anything else about that or does that still stand?

Secondly, are there any timing issues we should be aware of this year? Obviously, you have talked about Q1 comparative being tough but is there anything else?

Answer

Mr. **Huët**: If I go to the first point on working capital I was not the one who said 5%!

Mr. **Bennink**: We actually put it in a book on sustainable growth, that 5% will be the target in 2010!



Mr. **Huët**: That was your booklet! But at 7.3% you are not that far away from 5%, so in five years that has to be achievable. What has surprised us over the last 12 to 16 months is when you start to focus on something like working capital you really do see an as long as you explain it properly to the division and they understand and people are motivated by improvements in working capital. Every year it will get more difficult to make these types of improvements. Do not expect 4% improvement in 2007; we will not give an outlook on where we can be but every year for the next three or four years we can improve our position.

Mr. **Bennink**: We have always said we do not rest until we are at zero but when the zero happens we do not know.

Mr. **Huët**: And now I agree!

Mr. **Bennink**: We have found the right way of communicating!

Mr. **Huët**: You asked whether there are other timing issues. Not really. What you see is the difficult comparability for the first quarter. It is more a technical point rather than anything else. For the rest the actual phasing of the quarters will be ok.

Question

With Mellin is the margin of that business up to the Babyfood average now? I think I recall the Dumex is building or expanding a Shanghai factory. Where are with that and is there a start up cost related to that this year?

Answer

Mr. **Bennink**: Mellin is not dilutive to the Babyfood overall margins and is progressing very well and according to plan, as we said in the Mellin acquisition. The Shanghai



factory is also progressing according to plan. We are in the process of building and it will be ready in about 12 to 18 months. So, that is up and running making sure that we get the full plant in Shanghai running.

Mr. **Huët**: And that Shanghai plant may impact to a certain extent our Capex outlay. But on the other hand we will also make sure that on an overall basis working capital and Capex will not have any impact.

Mr. **Bennink**: And even on the Shanghai factory we are having a very efficient approach of perhaps having an outsource part of the factory i.e. the milk powder blowing facility done by somebody else. So, we are looking at options to really make an efficient use of our cash.

Mr. **Huët**: The absolute amount of R&D is around €45 mln. to €50 mln.

Question

You talked a lot about stepping up ... in weaning food. Could you share with us some of your plans and your ambitions? You said that cereals are now a big feature of the Asian market. You obviously have some good technology with Mellin in weaning foods.

Answer

Mr. **Bennink**: I prefer not to go into detail. We are putting in a lot of effort and what you will see is a lot of smaller things. Weaning food is not about one or two big things; it is about a lot of variety, from jars, to cereals, to variation. There are a lot of efforts being made. In the UK market you see a lot of changes happening. We will keep you informed but I prefer to keep you informed after the fact rather than before because there is some competitor sensitive information that I prefer not to share.



Question

Perhaps just one more on the private label. It is a question you have had before. I appreciate it is quite a small percentage of the food industry but we are seeing Aldi and Albert Heijn increasing their private label penetration in Babyfood. What I would like to know is what your exposure is to that and whether you see that as a risk in other countries or other regions.

Answer

Mr. **Bennink**: On the private label we are very outspoken in all the questions we have had. We still stick to that. Of course we look at all the movements and at everything that is happening on the private label front. We keep a very clear focus on this. Private label, because of the loyalty of the consumer, of the risk the supply chain has and the advantage we have as a result of that will always remain a very small part of Babyfood. On the last two pages of your booklet you see some market shares of private label. If you take for instance France, where the Carrefour, the Casino and the LeClerq all have private label, you see that the private label share does not go above 1.9% i.e. 2% of the total market is in private label where many of the large distribution chains have focussed on. The same goes for Boots. I told this story before; look at Boots and you see the share in the UK is minimal, even with Boots. It does not mean we are not looking at it at all. We follow it very closely. For instance Aldi, you can look at it but if you find it in the store it will be very good because it is very difficult to find it. There are a couple of jars, made by Heinz. There is no progress whatsoever there. It will always remain very small. It has been around for ten year. Albert Heijn is coming with private label but we are talking about a client who has a percentage of that market and in that percentage there is only a small part which is on the jars. You may not think Robin quoted tens of millions in terms of overall sales for Albert Heijn but it is not a big thing.



Mr. **Huët**: It is important to know that private label have been around for a long time. It is not a recent trend in any case in terms of Babyfood. In the Netherlands Bledina is the Danone brand. It was seen on the shelf space as private label. It has not been successful. It has been taken off the shelves and something else was put on top. It really has not changed that much.

Question

I guess what the difference is is that you have taken a 25% price increase in Dutch Babyfood!

Answer

Mr. **Bennink**: On the milk! You are talking about a very small amount. The difference between €0.99 and €0.79 for a jar of Babyfood will not make your consumer shift to another brand.

Mr. **Huët**: In the UK Boots have not really been that successful in their own weaning food. The price differential has been much more towards 10% rather than anything more. The actual price differential between private label and the brand in weaning food is quite small, 10% to 15% maximum.

Question

When talking about the difficult comparability of the first quarter you said you would grow into your 10% - 12% range. Does that imply that in the first quarter you might be outside that ranger?



Mr. **Huët**: You are better at literature than I am. What I am saying is that we will have a difficult comparable in the first quarter. The second, the third and the third quarter will be better than the first quarter. Maybe that is a clear way to say it. It does not mean that we will be outside the range.

Question

I have a question about the A&P and how sensitive the business is to a change in A&P. If you were to grow to 20% in 2006 and you might grow at 15%, how sensitive is the business to that?

Answer

Mr. **Bennink**: That is very much depending of the area. The A&P spending in Western Europe is less effective because of the media than in Asia Pacific. When you invest in Asia Pacific, especially in new regions like China or Vietnam, the effectiveness of your A&P is almost immediate. So, there will be areas where you will invest because it is almost a 1:1 ratio. In other areas it is not as effective. We are looking at that very carefully. So, if you pull it back in some regions I do not think you will see a lower growth rate of sales. We can do a lot of cleaning up in terms of where and how we spend it. If you really go into detail in our A&P, what you spend on media, what you spend on CRM and promotions, you see a lot elements where you can be just as effective if not more effective with the same spending.

Question

The same question about the disease specific products. Any update on that?

Answer



Mr. **Bennink**: There is no further update. We said that we would come back to the HIV in Q1. The process on Alzheimer is still going on and we have no more information than we had three months ago. There is no further news on disease specifics.

On the other more smaller disease specifics we are doing a lot of clinical trials, which will come upstream at the end of 2007. You will see smaller products in terms of diabetes, oncology coming upstream.

Mr. **Huët**: We will also give more detail on some of our disease specific products in the clinical portfolio on our Investor Day, which is on 10th May.

Question

The fact that there is no news does it mean the program is behind to what you thought it might be?

Mr. **Bennink**: No. Especially with Alzheimer we have our sites and the patients are currently trying it. We only know that the sites are going well and that patients are coming in but no data analysis is taking place or can be taking place until the end of all the trials. We are not allowed in. They are done by a third party and definitely I am not allowed to look at it because of the dangers. People say I talk too much. We will know more in the beginning of 2008 or the end of 2007 for the Alzheimer project. In Q1 we will come back on the HIV project because then we will have more of an update.

Question



Are you seeing any signs of price pressure competition in general malnutrition products in UK Clinical Nutrition? Are you seeing any new activity from very low priced product basis?

Answer

Mr. **Bennink**: No, none whatsoever! Hospital contracts of course are critical in the UK as you might remember from the Clinical Day in 2004. We have gained the same contracts again so we are extending the period. We do not see a price pressure currently happening, neither on the general malnutrition nor on the particular hospitals. There is a normal pressure and nothing more than that.

Mr. **Huët**: We have a good competition in the UK. We have Abott, .. and ourselves. That is basically the market. So, if you look at Abott and ... you see that their approach is very similar to ours. It is growing the market and not focussing on price pressure. You see that a lot of our business in the UK is to homecare, so where there is pharmacies next to hospitals. You do see sometimes contracts where prices are becoming important in renewing the contract with hospitals but on the other hand you get leverage from the other two channels. So, overall, if you look at our UK business you do not see any margin pressure.

Mr. **Bennink**: The UK is a star performer in Clinical. There is a nice competition going on who is growing faster, Baby or Clinical. They are both doing very well.

Question

Can you give us some idea of the level of operational gearing in the business in a kind of perfect steady state world without the raw material price increases you have alluded to? What sort of margin growth would you expect, given 10% - 12% revenue growth?



Answer

Mr. **Huët**: Better than 10% - 20% but I cannot give much more direction than that. That is something that you just have to do the analysis. Just make the assumption on what is our exposure to skimmed milk powder and weigh. Look at an increase of 30% - 40% but on the other hand it is a theoretical assumption because it will be that raw material but next time it could be something else. Again, where it stands right now I think that our environment for raw materials has been one of the toughest, especially for Babyfood, than it has been over the last three or four years that we have been around and despite that increase we can increase to 10 – 20 bps. So, it is not a very satisfactory answer but it is the only one we can give to you.

Question

What do you reckon your marginal contribution is on incremental sales? Do you have a feel for that?

Answer

Mr. **Huët**: You have to work it out, but again these prices are 40% - 50% over the last three months, so I think it speaks for itself.

Question

I have a question about your selling prices this year. What are you assuming from that side and are you going for price increases on Baby to compensate the increase in raw material prices?

Answer

Mr. **Bennink**: In Clinical I do not think you should expect big price increases because it is very difficult to implement them. They are regulated in many cases and it takes a long time to increase those. On Babyfood, wherever necessary you will see price increases and we will implement price increases in order to compensate potentially partially for the increase in raw materials. It is not from one day to the other but it is easier to implement. That is also the advantage of Babyfood; it is less price sensitive. I would not do it in Holland at this moment but perhaps there are other areas where prices can be implemented, for instance Asia Pacific where you could partially increase your prices to compensate.

Mr. **Huët**: If you take out Holland and Italy where there have been very specific pricing strategies and if you look at the volume price mix of Babyfood it implicitly tells you that we have not really used pricing as an important tool over the last couple of years. It is something that we look at and which could be quite easily implemented.

Question

What is the level of price baked into your 10% - 12% guidance?

Answer

Mr. **Huët**: There again! This is our top line 10% - 12%. We are not going to start putting it by price volume or mix!

Question

You have talked a lot about the Western European Babyfood business but the Eastern European Babyfood business seems to be flying. Can you elaborate a little bit further? Is it all Russia or is it coming from Central Europe?



Answer

Mr. **Bennink**: Turkey is part of Eastern Europe, a free growth market as are Poland and Russia. They are doing very well. But also the smaller markets, being it Czech, Hungary and Slovakia are opening up. Every area is showing double-digit growth. We are the number one and we intend to stay that. We are doing extremely well everywhere.

Question

(no sound ..) How much do you spend on these things?

Answer

Mr. **Huët**: Again, it is something I do not want to disclose because then I have to get through all of our cost of goods sold. It is important enough that you get to 10 -20 bps if you are going to increase by 40% - 50%. I cannot go into that type of disclosure. We have never given any kind of this guidance.

Question

So, then just as a sort of feel of what matters in the cost base, relative to something like plastics ...

Mr. **Bennink**: That is an important part!

As there seem to be no questions from the webcast I would like to invite you to join us at the bar and talk a bit more. Thank you very much for being here and see you next time!

