

# First Quarter 2007 Results



**Schiphol**  
**2 May 2007**

# Agenda

- Summary Highlights
- Financial Performance Q1 2007
- Questions and Answers

# Update on the HIV Project

- Numico is developing a proprietary nutritional product for individuals with HIV who are not yet on a pharmaceutical therapy (pre-HAART)
- The product is designed as “Food for Special Medical Purposes”
- Aim of the product is to slow down a.o. the decline in CD4 blood count
- An international Advisory Board of key opinion leaders has endorsed the programme

# Update on the HIV Project – Status and Next Steps

## Key results:

- Clinical trials confirm safety and tolerance
- Initial results are encouraging

## Next steps:

- Initiation of phase III clinical trial (multi-centre, multi-country) involving up to 1,000 patients
- Trial expected to be completed by end of 2010


# Financial Performance First Quarter 2007






# Financial Highlights – Q1 2007

- Total Numico sales up 9.6%; EBITA margin at 18.9%
- Baby Food sales up 8.0%; EBITA margin at 18.8%
- Clinical Nutrition sales up 14.1%; EBITA margin at 26.2%
- Normalised profit for the period up 18.1% and normalised EPS up 16.7%
- Trade working capital improved 370 bps to 8.6% of sales versus Q1 06

# Strong Overall Sales Growth

<i>in %</i>	<b>BABYFOOD</b>	<b>NUTRICIA</b> <i>clinical</i>	 <b>NUMICO</b>
<b>Organic growth</b>	8.0	14.1	9.6
Currency translation	(2.2)	(0.7)	(1.8)
Acquisitions / divestments	0.3	(7.3)	(1.7)
Continued business	6.1	6.1	6.1
Business to be divested			0.4
<b>Reported growth Numico</b>			<b>6.5</b>

# Divisional Performance Overview

	Sales €mln	EBITA €mln	EBITA Margin	Margin Development
	485	91	18.8%	(20)
	184	48	26.2%	(20)
<b>Non-Allocated</b>	-	(13)	-	-
<b>Constant Scope</b>	669	126	18.9%	0
<b>Discontinued</b>	5	1	-	-
	674	127	18.8%	30

# Continued Growth at Healthy Margins



- Sales growth at 8.0%, despite record-high growth of 14.6% in Q1 06
- Growth driven by Eastern Europe and good performance in Asia Pacific
- Encouraging underlying performance trend in Western Europe – French market recovery completed by Q3
- EBITA margin at 18.8%, despite significant spend in A&P

# Excellent Growth at Stable Margins



- Strong sales growth at 14.1%, driven by Southern Europe, Northern Europe and Rest of World
- Strong top-line performance also reflects continued recovery of Germany
- Growth supported by all product categories, particularly GI Allergy
- EBITA margin stable at 26.2%

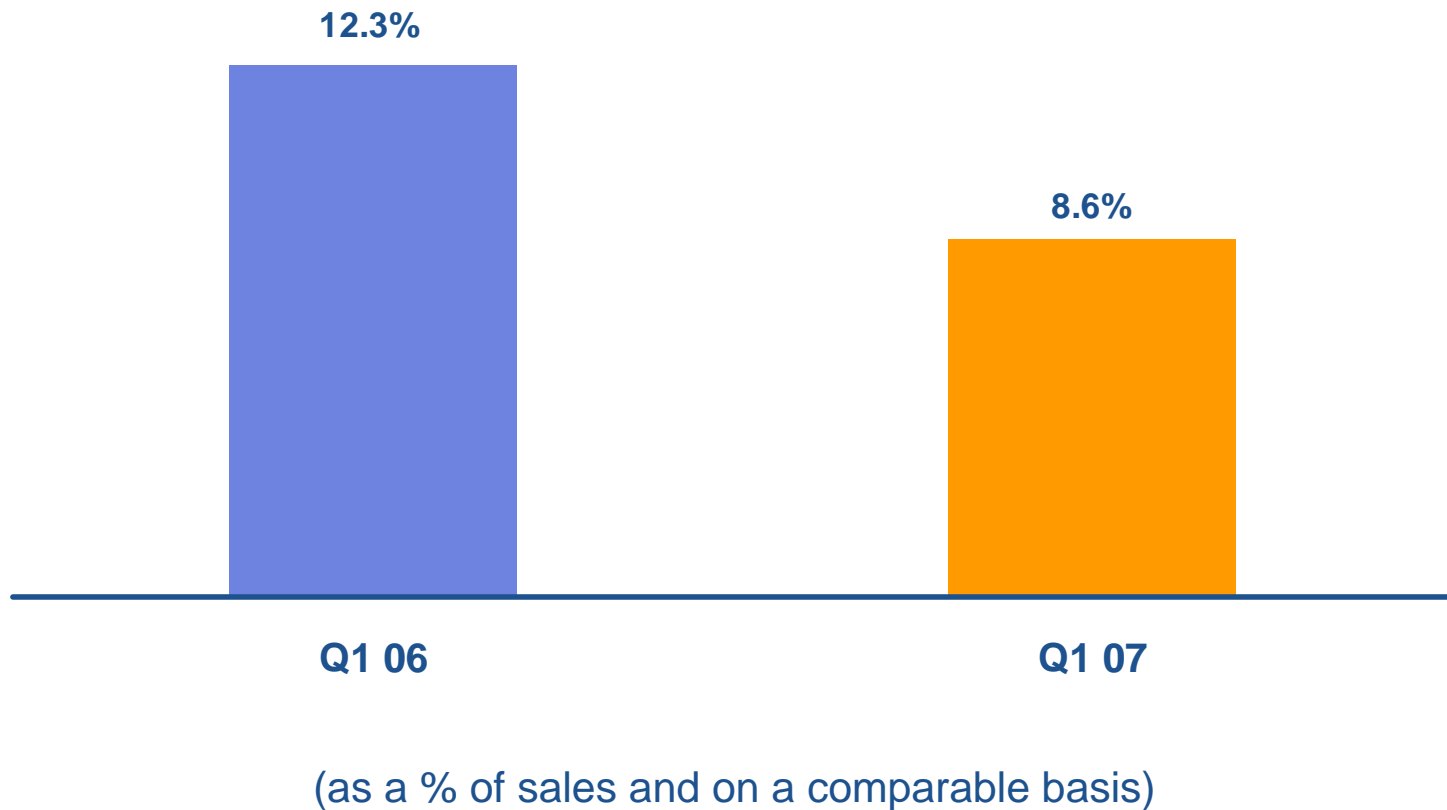
# From EBITA to Profit for the Period

<i>in € mln</i>	Q1 07	Q1 06
<b>EBITA</b>	127	118
Amortisation and impairment	(4)	(4)
Exceptionals and result divestments	0	(17)
<b>Operating profit</b>	123	97
Net finance costs	(20)	(28)
Share in profit joint ventures	-	1
Income tax expense	(28)	(21)
Net loss from disc. operations	-	(1)
<b>Profit for the period</b>	74	48
Minority interests	0	0
<b>Profit attr. to equity holders</b>	74	47

# Increased Momentum in Earnings Growth

<i>in € mln</i>	Q1 07	Q1 06	VLY
<b>Profit attr. to equity holders</b>	74	47	56.6%
Net loss from discontinued operations	-	1	
Exceptionals (net of tax)	(0)	14	
<b>Normalised profit attr. to equity holders</b>	74	63	18.1%

# Continued Improvements in Trade Working Capital



- Substantial improvement of receivables ((110) bps) and payables (+360 bps) and slight increase (+90 bps) in inventory levels

# Healthy Generation of Cash Flow

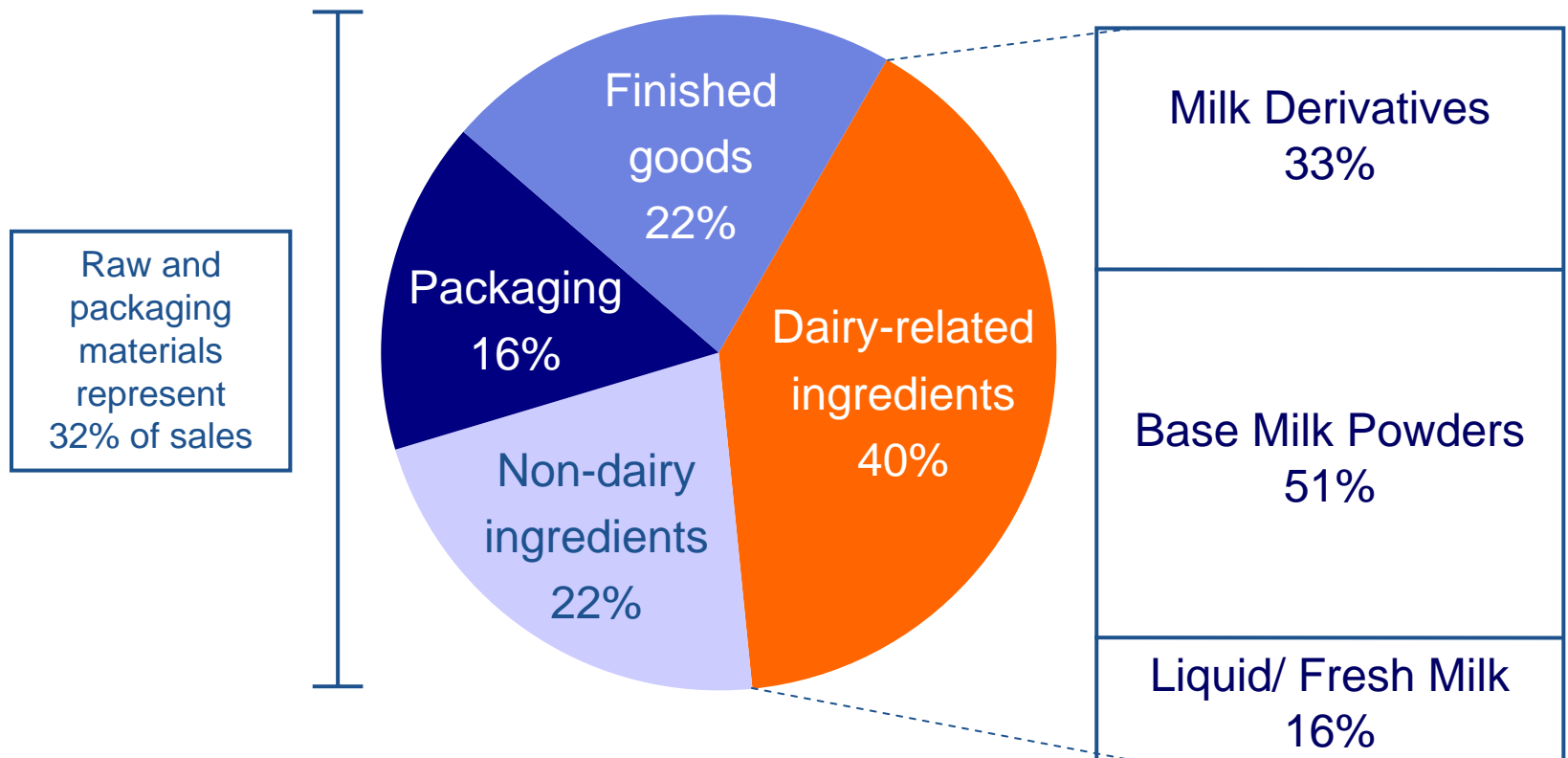
<i>in € mln</i>	Q1 07	Q1 06
<b>Operating profit</b>	123	97
Depreciation / amortisation	17	15
Movement in provisions	-	5
Net change in trade WC	(37)	(29)
Net change in non-trade WC	(15)	1
Other	7	5
<b>Cash generated from operations</b>	95	94
<b>Free Cash Flow</b>	(4)	49

*Actual rates*

# Update on Raw Materials

- Prices of dairy(-related) ingredients show a strong upward trend across the board
- Particularly sharp rises in Lactose, Whey and SMP
- Price increases will primarily impact Baby Food
- Impact to be largely offset through price increases and additional cost savings

# Raw Material Split 2006



# Outlook 2007 Reconfirmed



## Organic Sales Growth

10 – 12%

## EBITA Margin

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



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# Questions and Answers





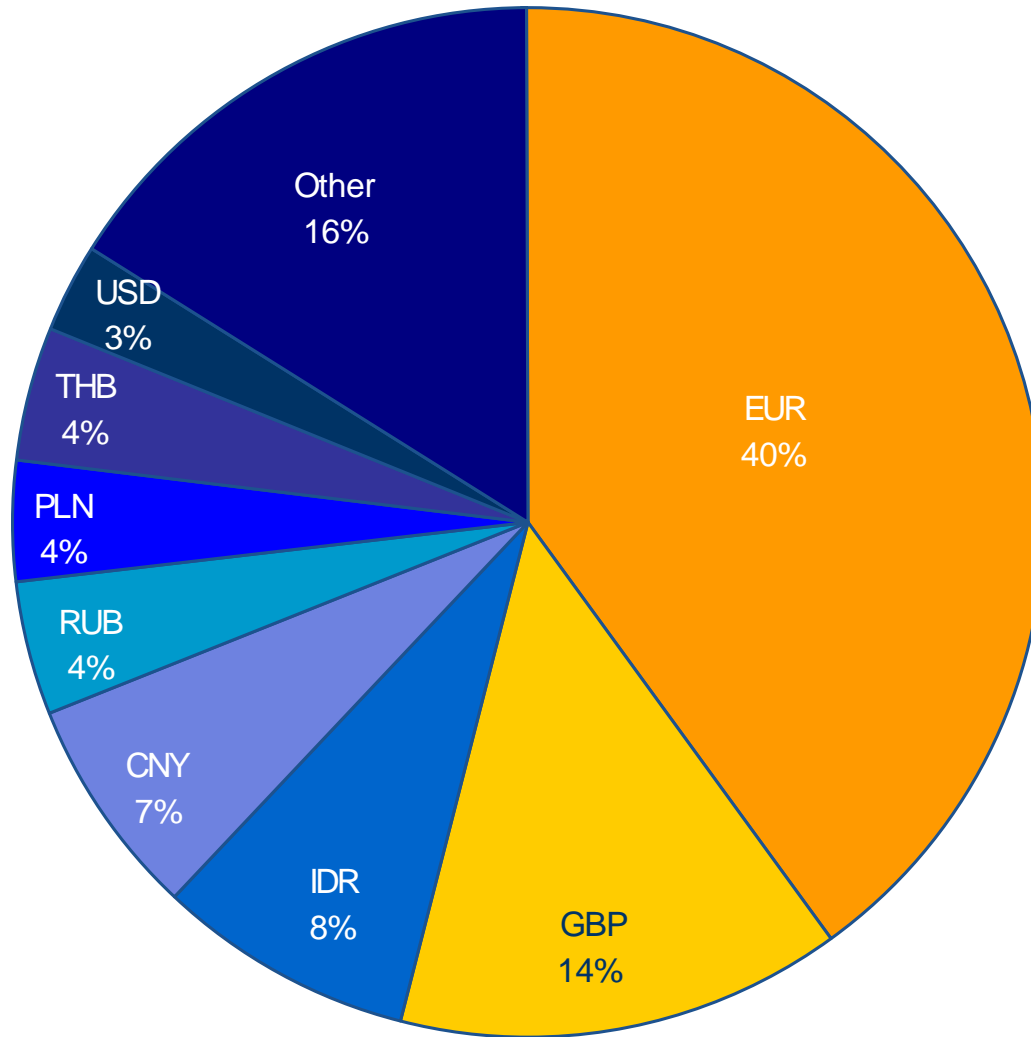
# Balance Sheet

	31 March 2007	31 Dec. 2006
<i>in € mln</i>		
Intangible assets	2,142	2,132
Property, Plant, Equipment	450	438
Financial assets	9	12
Deferred income tax assets	292	303
Derivative financial instruments	-	-
<b>Non-current assets</b>	<b>2,893</b>	<b>2,885</b>
Inventories	291	252
Trade receivables	321	312
Other receivables	91	89
Cash and cash equivalents	235	280
<b>Current assets</b>	<b>938</b>	<b>933</b>
Non-current assets classified as held for sale	22	23
<b>Total assets</b>	<b>3,853</b>	<b>3,841</b>

# Balance Sheet

	31 March 2007	31 Dec. 2006
<i>in € mln</i>		
<b>Total equity</b>	<b>960</b>	<b>873</b>
Borrowings	1,410	1,491
Employee benefits	101	101
Provisions	4	6
Deferred income tax liabilities	377	377
Derivative financial instruments	32	30
Other liabilities	76	67
<b>Non-current liabilities</b>	<b>2,000</b>	<b>2,072</b>
Trade payables	385	374
Other payables	233	251
Current income tax liabilities	58	80
Borrowings	200	171
Provisions	16	14
Derivative financial instruments	1	6
<b>Current liabilities</b>	<b>893</b>	<b>896</b>
<b>Total equity and liabilities</b>	<b>3,853</b>	<b>3,841</b>

# Numico Sales 2006 Split by Currency



# Warning about forward-looking statements

Some statements in this document are "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied.

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