

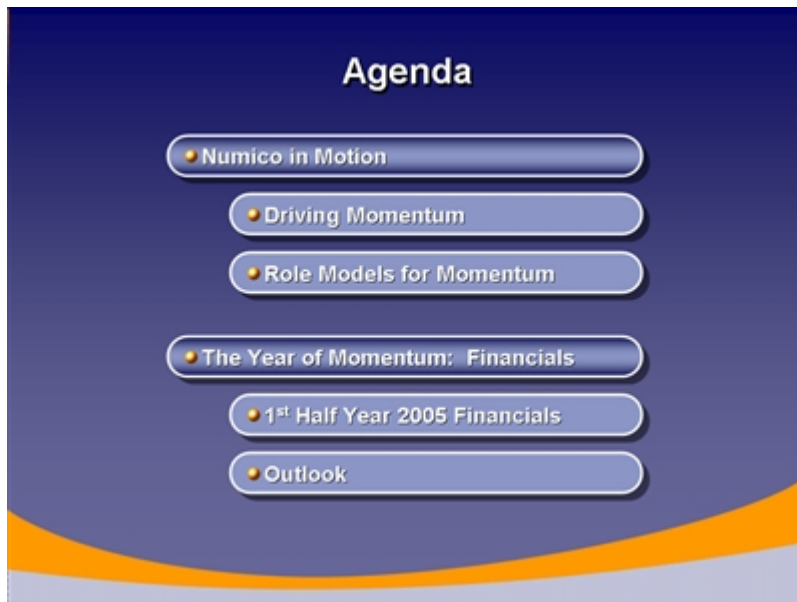


NUMICO

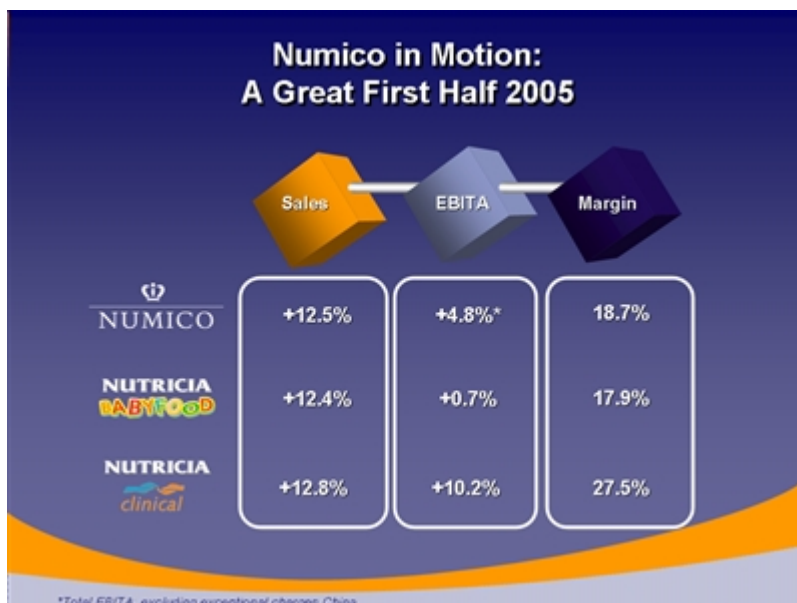
Q2 and H1 2005 Results
Transcript of the Conference Call
held on
11 August, 2005
16:30 hrs (CET)

The slide features a dark blue background with a white crown logo and the word "NUMICO" in white. Below this, the title "The Year of Momentum" is written in large orange letters. Underneath the title, "1st Half Results 2005" is written in white. On the right side, there is a square inset image with an orange border showing a person's foot stepping on a surface. At the bottom right corner, the date "11 August 2005" is printed in small white text.

Mr. Bennink: Good afternoon and welcome to our 1st Half Results of the Year of Momentum. First of all I would like to give you some qualitative information about a few countries rather than to go into the numbers. Jean-Marc will take you through all the financials at length and go into the outlook in very much detail.



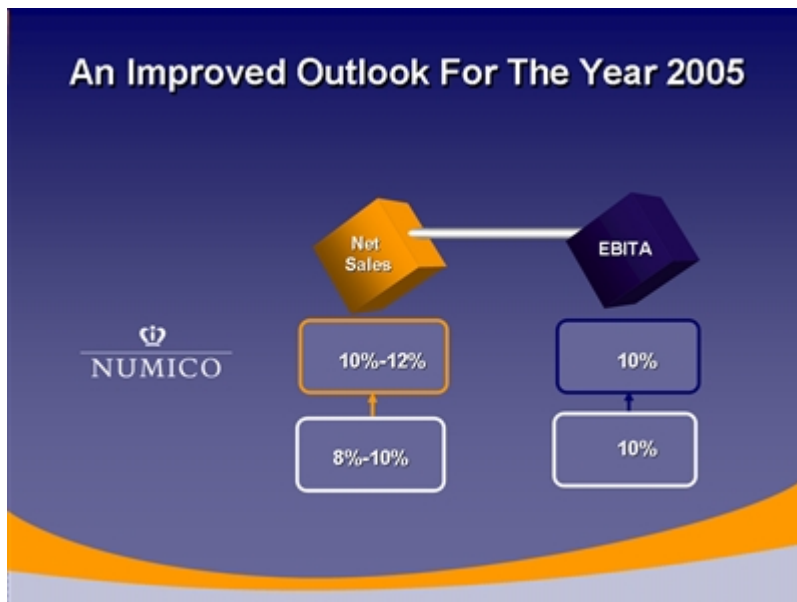
The overall part of my introduction will be about Numico in motion. We are really moving and the momentum has begun.



Personally I am very pleased with the results of the first half year. More specifically our top line growth showed an increase of 12.5% over the overall company. The growth of 12.4% percentage in Baby is surprising to everybody compared to six months ago. We also had a fantastic

percentage of 12.8 in Clinical and even in the second quarter it shows a record of 13.3%. As far as we can go back this is a record for Clinical.

In terms of EBITA we have had 4% growth, exactly in line with what we had anticipated. It has something to do with the phasing but as I said, Jean-Marc will get back to that in more detail. Margins stay high.



We have had 12.5% in the first half. It does not make much sense to stick with the outlook of 8%-10%, so we have raised the outlook in terms of net sales to 10%-12% whilst sticking to the 10% EBITA. Jean-Marc will tell you exactly what is in the EBITA and why it remains at 10% rather than moving up with the net sales prospectives.

What have we done during the last six months in terms to drives this Momentum?



There are a couple of elements. In Q1 we already mentioned to you that we have changed and put in place nine new general managers, split between Baby and Clinical. As you can see on this slide there are now fourteen new in total. Five general managers have been added, both in Babyfood and in Clinical.



In Babyfood we had two important vacancies, one in Holland where our former general manager has been replaced by the new Dutch general manager coming from Masterfoods. Another important addition to our team is the new general manager in Russia. He comes from a very well-known company in France. I have worked with him very closely. He has done a fantastic job for his previous company and we hope he will do the same for us in Babyfood in Russia.

We also have appointed a new general manager in Holland in Clinical Nutrition. He comes from Baxter and he will be responsible for our big development in Home Care.

The organisation is more and more getting into place. An organisation is never perfect, but we are getting much closer to perfection than we were six months or even one year ago.

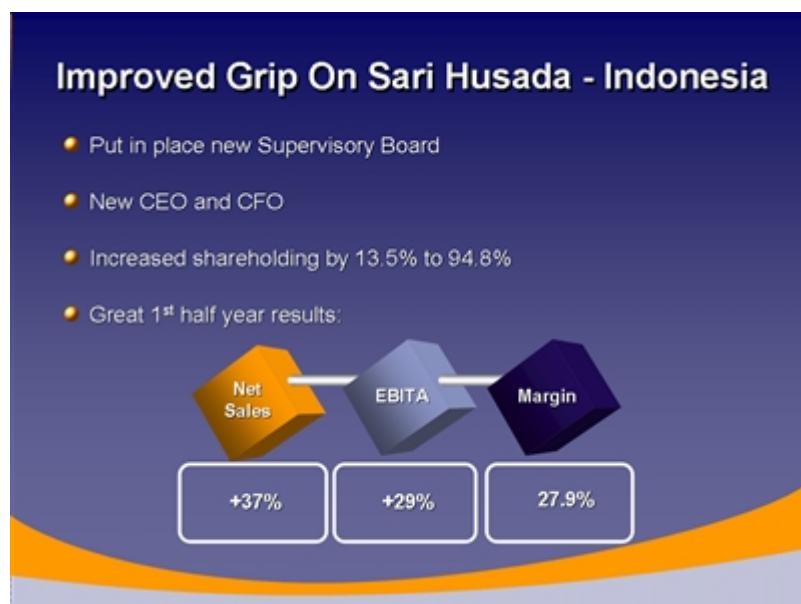


The Mellin acquisition has officially been finalised. It officially became ours on 23rd June so we have one week of results in the financials. We will become the number 2 player in Italy. Again, Jean-Marc will get a bit more into detail but so far, after five or six weeks in the company we see the things we had anticipated. Some are even better and nothing worse; there are only positives and upsides rather than the negatives we usually see after an acquisition. We really bought something very interesting and with a lot of upside. During the next few weeks we will integrate our business in Italy with the Mellin company.

We have finished the divestiture of China. We have sold the factory and the brands that were of no interest to us. We stick to our key, premium priced brand Cow&Gate that we sell in Shanghai and together with Hutchison we sell it in Guangdong. We have only had one month of sales in Shanghai without all the other assets. The first share pickups are becoming visible already. So far so good, but it is too early to be too optimistic.

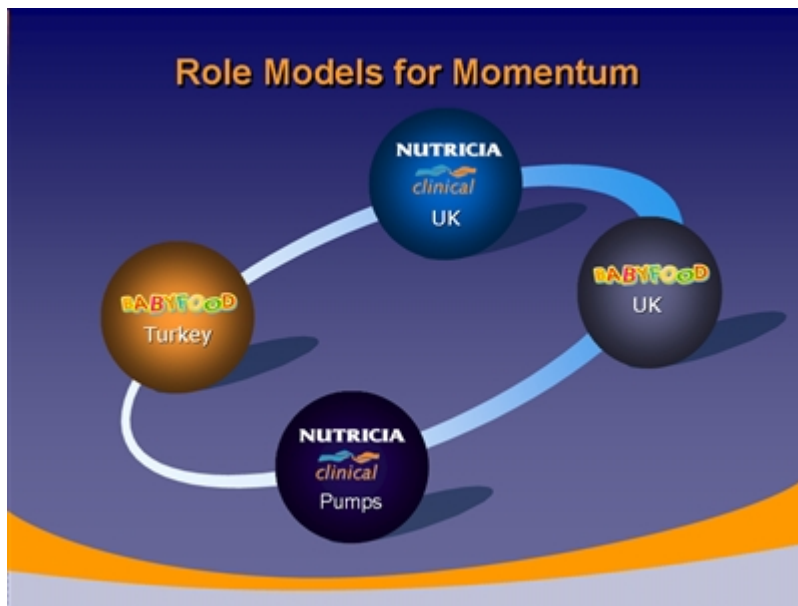
We are negotiating the final closure in Brazil and we foresee to close it in the next six months.

We have finalised Project Focus as you can read from our press release. All factories are closed and the last products in line are being transferred. By the end of November this will all be done.



There have been some discussions and upheaval about our company in Indonesia. In the last few months we have installed a new Supervisory Board. The President-Director is the number 2 in terms of finance next to Jean-Marc. We have put a new CEO and CFO in place. The CEO comes from Coca Cola and is highly specialised in distribution. There we see a big opportunity for the Sari Husada factory. Our CFO of the Clinical Division has been put in place as the CFO of Sari Husada. So there are some clear indications that we are improving our grip on this very important company to us. We have increased our shareholding, so what we have basically done is we bought out the founder family Wijaja and we have now 95% in terms of total shareholding. So again, we have improved our grip on the company by having complete control over it.

In the end it is important how Indonesia will do in terms of sales and results. The first half shows that results do not suffer from all that is happening. We have a 38% growth in terms of sales and 89% EBITA-growth and the EBITA-margin is at an interesting level, 28%. Despite being in a developing country this company will do well and will help us tremendously in pushing Baby Food as a division forward.



Rather than taking you to one country we have developed some role models in the different divisions for driving our growth. We have already talked about the UK before and this country has become our role model in terms of BabyFood. We have put the organisation and the innovations in place and I will mention a few elements of what exactly we are doing there.

The same goes for Turkey. Turkey has become our role model for development in the Eastern European region and more in general for the developing countries.

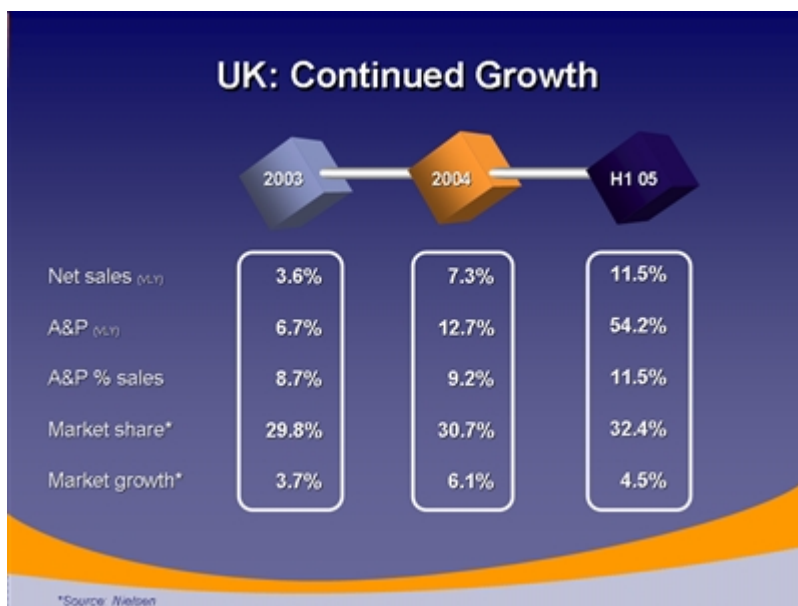
The UK again is the role model for further development for all countries in Clinical. You have heard it all on our Clinical Day last September.

The last one is tube feed, the core business in Clinical. We talk about disease specifics or about the nice and fancy things, but our base business is very important. We have done some interesting things there, which I would like to take you through.

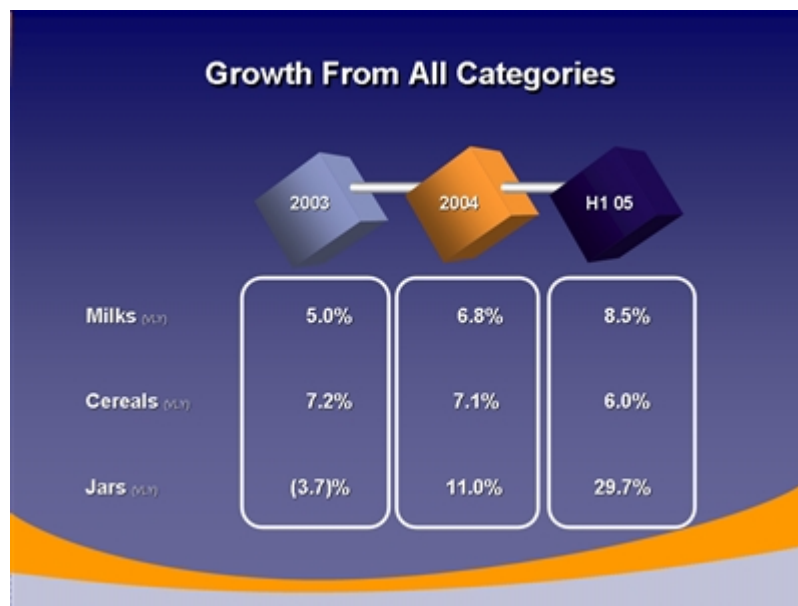
These are four role models for growth on which we base much of our future and sustainable growth in Momentum for the Future.



Last year we had a 7% growth in the UK. In the first half of this year we see 11.5% growth with an acceleration from Q1 to Q2 with a 12.9% in the second quarter.



We see a steep increase in advertising as we always said. We support the brands and we support the company. Our A&P increased with 54%, getting us to levels of 11.5% of net sales which is in line with the total Babyfood Division. But you see that we underspent in the past; we are getting to the level where it needs to be. The market, the market share and our own sales react very positively.



For the first time in history we have become market leader in the UK with a 32.4% share coming from 29%. The market is going at a rate of 4%-5%. For those of you who remember last year's presentation I like to point out that the market numbers are different from last time's. This is because Nielsen changed coverage (included more channels) and we take the number from Nielsen's as we did the last time.

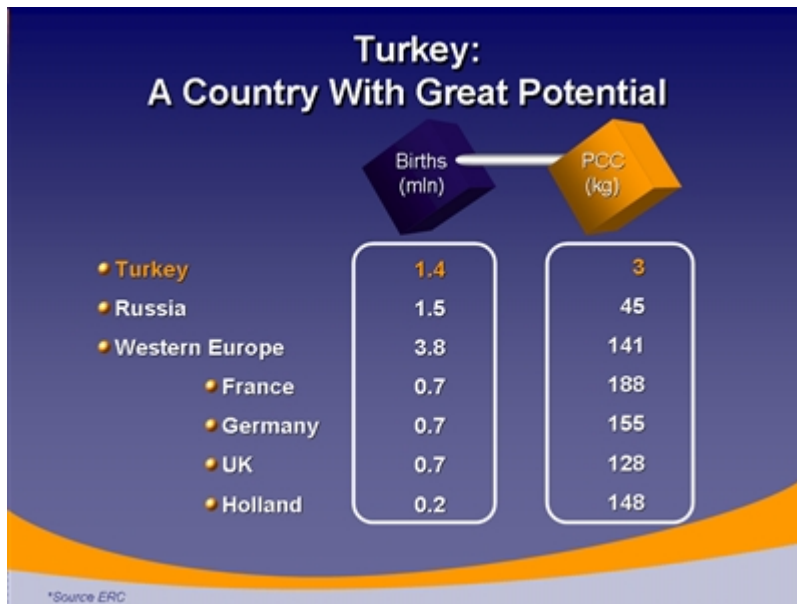
As you can see on the slide, 8% comes from IMF, the highest margin category with 5%, 7% and 8.5%. Cereals had a stable level but is growing. When you look at what we have done in Cereals both in renovation and innovation you see that nothing much has happened. It is the focus on the Cereals business that makes it grow. This also shows in weaning food where you see a tremendous growth of 29% to almost 30%. All categories are contributing to growth in the UK.



If you look at the portfolio as 100, 65% has been renovated. Most renovations have taken place in Infant Formula. We have put in prebiotics about two years ago and we have rolled it out over all of our IMF-ground. In March we put the Easypak in production and 65% of the product range has been upgraded. You see 32% from our growth comes from renovation and coming from the organic range introduction, both in IMF as well as jars and from the Toddler milks we introduced in March and the Fruitpurees we introduced last years.



We have not yet talked about Turkey. It is a very interesting country with opportunities for us in Babyfood.



We are the number 1 player and that is very important in the market. In terms of the number of babies born in Turkey it equals Russia and is about 40% of Western Europe. So there is a very large number of babies in Turkey every year. The consumption per capita in Turkey is probably one of the lowest in the European world and even lower than in Indonesia. There is a per capita consumption of 3 kgs per head vs. 45 kgs in Russia and 188 kgs in France. There is an enormous amount of upside in this country, where we are a clear number 1 player.



In hard numbers: we have 66% growth in the first half getting to about EUR 50 million. If we continue at this rate we will gradually improve to much higher levels. In terms of A&P we have doubled our spending in the first half of last year so you see levels there that are even higher than in

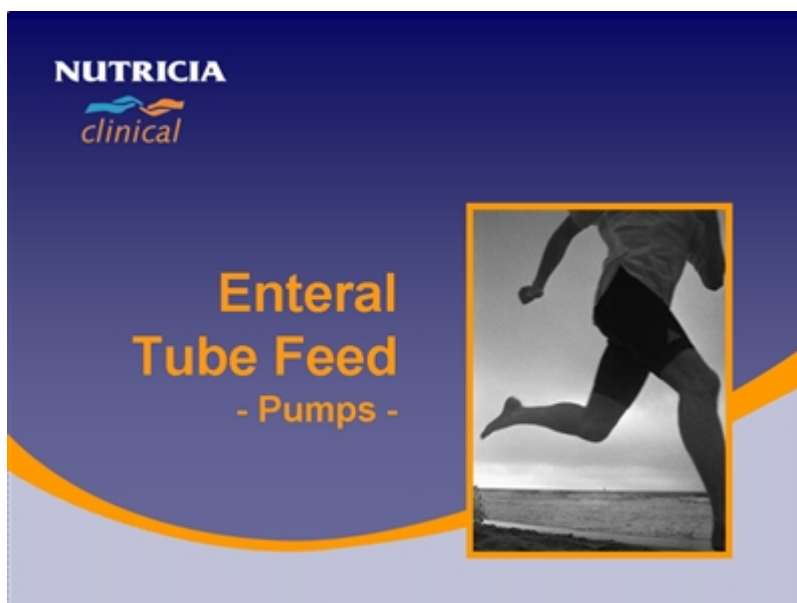
the UK. We fully believe the opportunity is there. We had a 57% market share in 2003 to currently 65% of share. We are really gaining momentum in that market. It was growing at 18% in 2003 and as far as we can face back into 2001 this market is growing at a pace of 7% to 8%. We therefore see an acceleration of market growth to currently 25%.



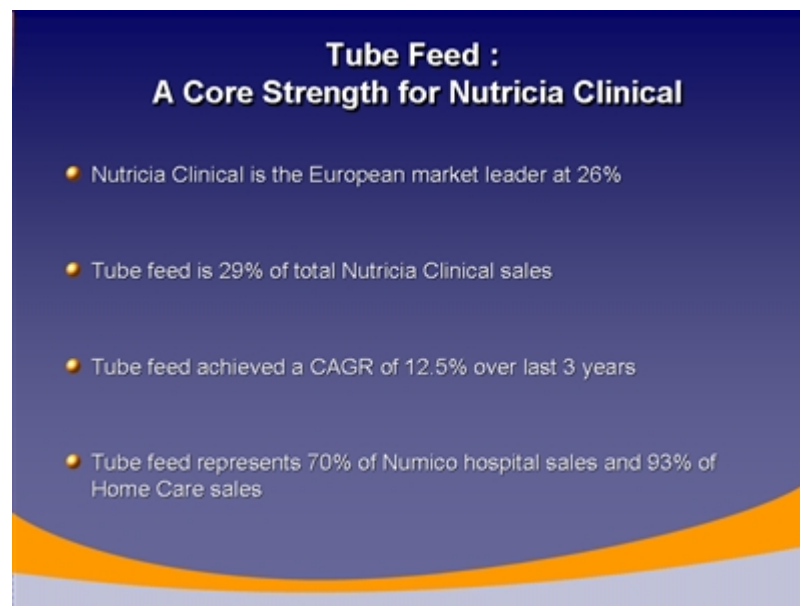
We learned from Indonesia where we have a premium brand and a lower priced brand. Sari Husada is a lower priced brand and the Nutricia brand in Indonesia is the higher priced brand. Here we have Milupa as the premium price brand with a price 19% above the average in the market and we have a 59% index for our Bebelac-brand with a much cheaper price. The share in the premium brand remains stable and de facto this means it is growing by the rate of the market and the additional market is coming from the introduction of a lower priced brand, which gets a lot of market share from competition.



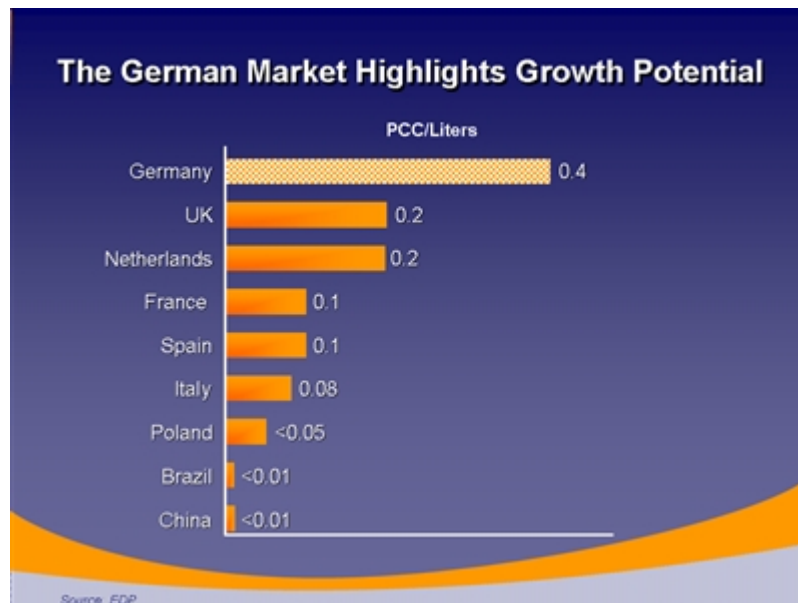
This is a very positive development and we will introduce the full range. So here we are not only talking about IMF, but also about jars and cereals in different prices. It is the full range and a two-tier brand strategy and this model we will apply to most of the countries in the developing world where we play a role. It is a successful model in Indonesia, Turkey and to a lesser extent in Russia. These are big opportunities for growth.



Again, tube feed is our core business and a very important part of Clinical.



We are market leader in Western Europe with a 26% market share in tube feed. It is approximately 30% of our total business and we have a CAGR growth rate of 12.5% over the last three years. So it is very important to continue the growth and ideally improve the growth of 12.5%. In the end that is the sustainability of our total business. With 30% we will remain big and we have to make sure that this continues to grow. This is not only because it is very strong in hospitals – 77% of tube feed is in hospitals – but also because of the opportunity and the much more profitable area of Home Care, where it has 93%. So Home Care basically is a tube feed market. Being strong in tube feed and being strong in Home Care has a strengthening effect on both segments. That is why this element is extremely important.



If you look at Germany as our biggest market and the market in terms of 0.4 per capita kgs consumption you see there is no reason why there should be any difference in the different countries. Ideally I would have put a bar on the US, which is substantially bigger than Germany but I could not get reliable data. There is no Nielsen in the US but you may assume that the market in the US and the per capita basis is much higher than in Germany. Germany by the way is not the end of our growth. There is opportunity for all the markets in terms of growth.

NUTRICIA
clinical


Introduces a Superior Pump

- 5%** **Unbeatable accuracy**
5% vs 10% for competitors
- Easiest to clean**
One and only pump washable under running water
- 3x** **Largest display**
Largest screen and font size
(3x bigger than competitors)

A tube in itself is not important. It is more important that you have the pump to get the feeding into the body. A pump is very similar to a Senseo- or an espresso machine. Once you have the pump, the tubes are only applicable to your pump and therefore the feed is only applicable to your pump. The pump is a way to create an additional growth in tube feed. As you will remember we outsourced the pumps in November last year. We closed our factories and went to Zevex in the United States, a small company but focused on very specialised things. We developed a pump together. So we have our own pump, which is far more superior to the pumps from our competition. It has unbeatable accuracy and accuracy is important. If you give too little feed it is not good, but giving too much can be dangerous. The accuracy of the pump is critical. We have the most accurate pump here. It is easy to clean. You open it and hold it under the tap and it is clean. Very simple to handle and easy to read. This is important for the nurses but also for the patient itself. The patient does not need help for this and this is a major advantage. We try to roll this out to all our areas as quick as we can. There are more production capacity constraints than anything else to make sure that we get this pump into our markets as quickly as possible.

The New Pump Will Further Drive Market Share

- By increasing the shift from TPN to ECN through ease of use of the Floccare Infinity Pump
- By gaining market share in hospitals
- By further strengthening our position in the homecare market



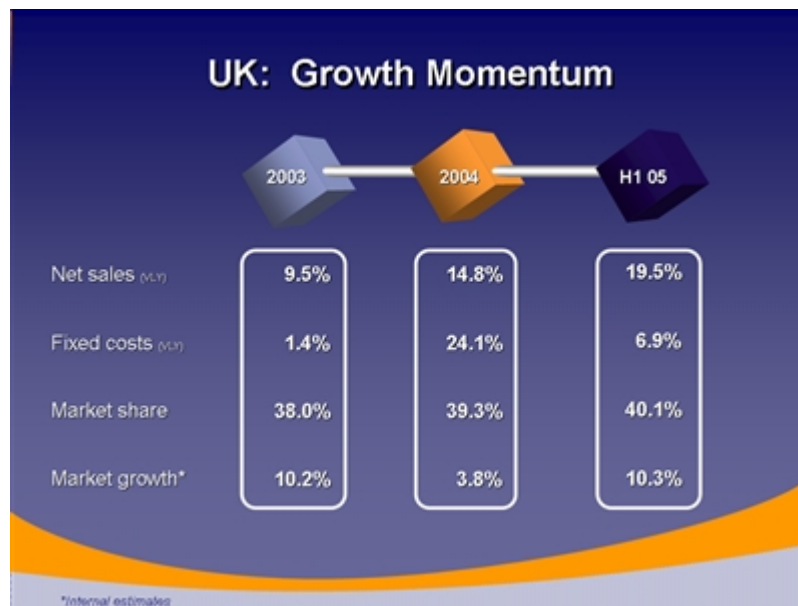
The image shows a colorful Nutriogen bag connected to a Floccare Infinity pump. The pump has a digital display showing '125'.

This is an example of where we could increase the movement from TPN to ECN, which will expand the market in itself because it is another opportunity and gaining market shares in hospitals and Home Care. It is a model to show where we are working on the base business of Clinical rather than talking about the fancy products that tend to make people dream. It will become the icing or the little cherry on the cake rather than the cake itself.

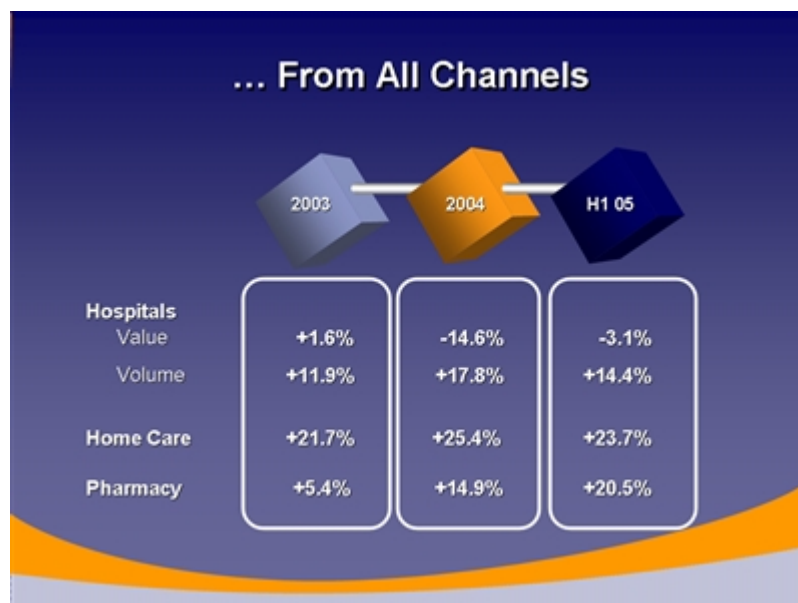


The image features the Nutricia clinical logo in the top left corner. In the top right corner, the letters 'UK' are displayed in a large, bold, orange font. Below the 'UK' text is a framed photograph of a person walking on a beach with mountains in the background.

As I said the UK has become our role model.



We launched the plastic bottles in the UK and the results are astonishingly well. We have grown 19.5% in the first half and that is a record performance for the UK and this makes it one of the best, if not the best performing country in Clinical.



Rather than A&P we show you fixed costs because fixed costs are a better driver than A&P, though you might debate it after more knowledge. Fixed costs definitely is Home Care, feet on the ground in terms of sales force and we measure our success by them. You see that there has been a large investment last year in terms of an increase of 24%, which continues this year in terms of getting more feet on the ground and getting better Home Care.

We are still number 2, but we are gaining market share every period. Take these numbers of market growth with a grain of salt because – again – they are industry data. I would say the market is growing at approximately 10%. I do not understand the 3.8%, but again I have given the numbers as good as we could get them. This is the approximate growth of the market. It is a very positive development of our net sales coming from all our channels.

Home Care and the hospitals grow with 23% and 20%. Hospital is the portal to getting people into your system and therefore we invest in hospitals. That is why we put value as well as volume there. You see the volume growth at 14% so we are getting more hospitals and more patients in hospitals. The value is going down but that more than pays out because the patient once in hospital is a very profitable patient. The profit per patient is what counts rather than the profitability per channel.



As far as the signs of success are concerned we basically have three things i.e. the introduction of the plastic bottle. The sip feed went up in the first half by 37.5%. We have some capacity issues and we have to get all of our capacity both inside as well as outside to make sure that we make all the sip feed as well as all the toddler milk that you see around here.

The next element is specialisation. Rather than having the same Home Care for everybody we have introduced the Kids' Home Care in 2004 and a Home Care for metabolic patients in 2005.

The last element is very important. It is getting the awareness of patients being underfed and avoiding costs for the social security system rather than creating costs. This system has been developed in the UK and is

currently being rolled out in other countries. We get a lot of positive effect from the medical world in general.

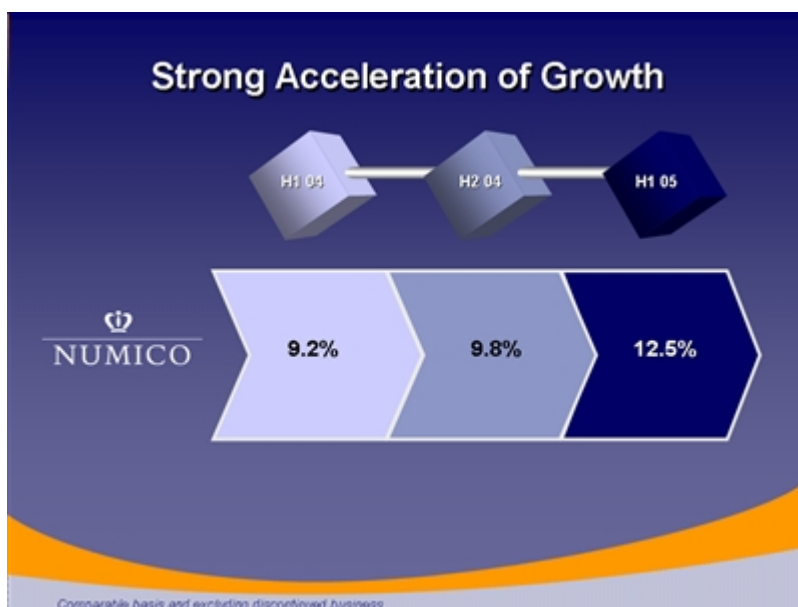
These are the three elements where we have seen success on which we can build further our Clinical Division.

Our present growth is not a half year spurt. It is not a 2005 spurt. It is the Momentum of Growth. The growth you see in this company is sustainable growth and that is something you can expect going forward.

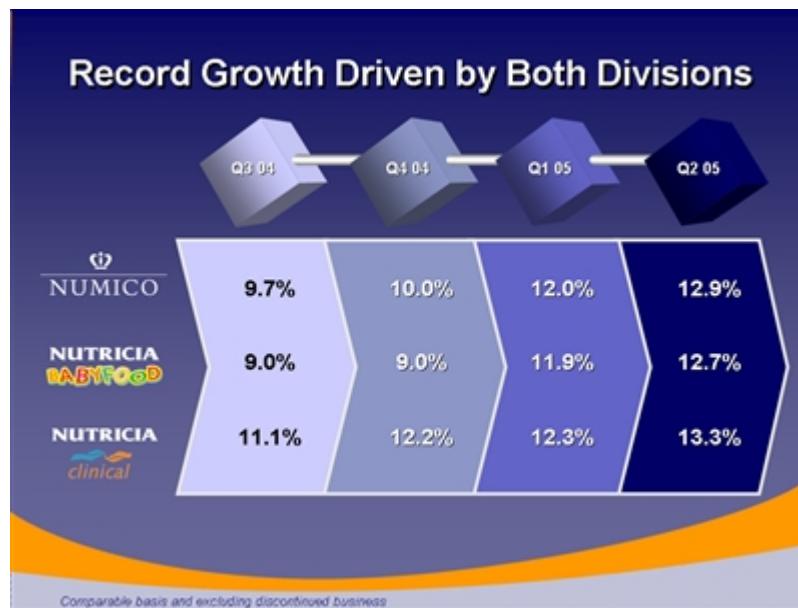
Let me now hand over the microphone to Jean-Marc!



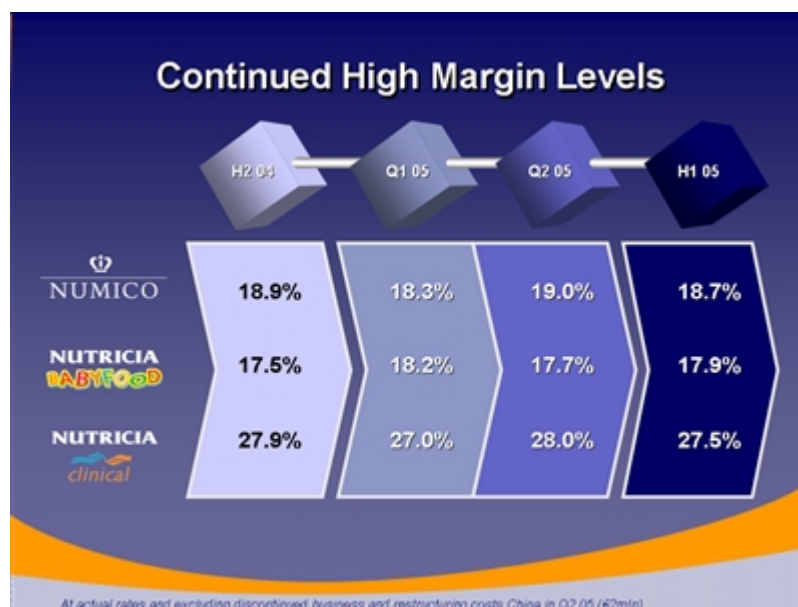
Mr. Huët: Thank you very much! Let me take a step back and look at the growth.



2003 was our transition year, 2004 our building year and now we are in the year of Momentum. I will just take you back to 2004. We grew as an overall company at around 9.2% in the first half of 2004. That became 9.8% in the second half of last year and we are now at 12.5%. So we are very much going from building into Momentum.



We see the acceleration on a quarterly basis. We had a record sales growth in the first quarter for Baby as well as Clinical and we repeated that in the second quarter. Nutricia Clinical is at 13.3% which is the highest since we have been around and Nutricia Babyfood is at 12.7%, getting to an overall growth of the business of 12.9%. Over the last four quarters you see how this acceleration on all three lines has actually taken place.

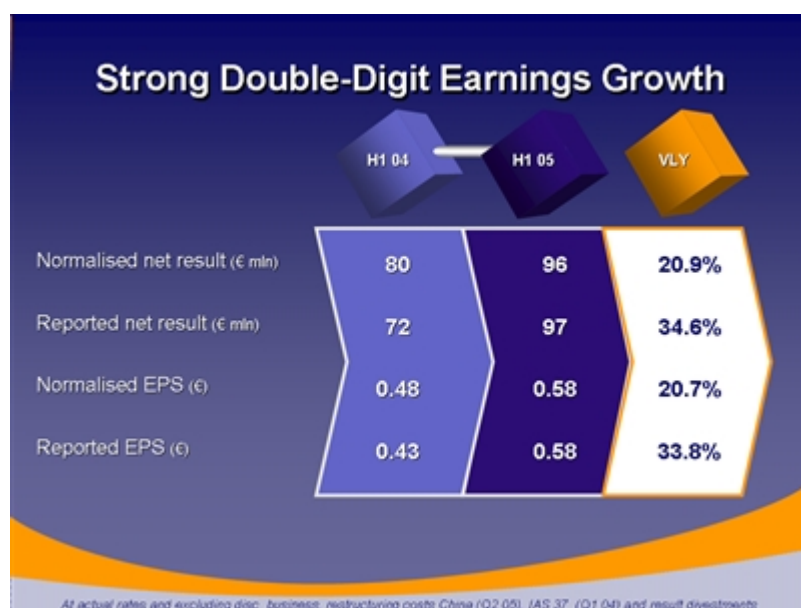


Our third point is obviously margins because the growth has to be profitable. I will spend a bit more time just explaining some of the margin evolution over Q1 and Q2 as well as in the Outlook. Over the last twelve months i.e. the second half of last year our margin was at 19% and in the first half of this year 18.7%. If you compare the second half of last year with the first half of this year you see a very good and stable high margin.

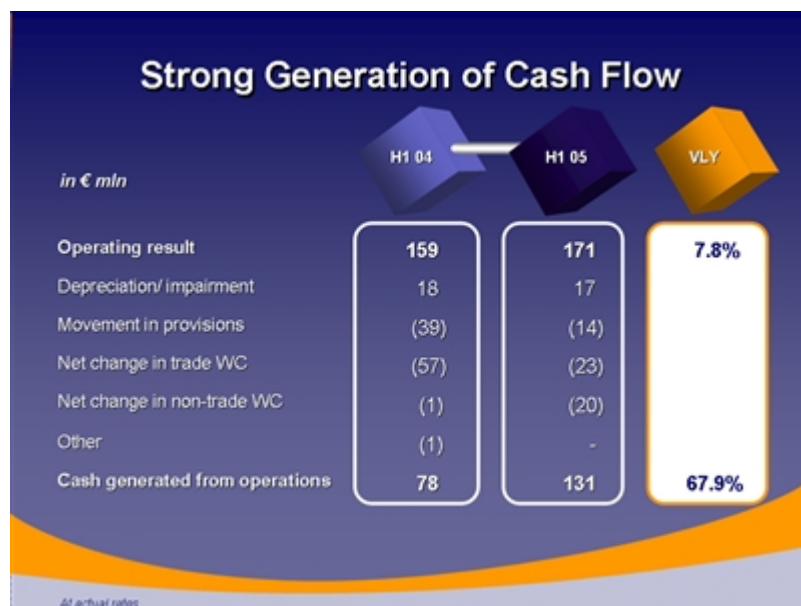
In actual fact for the overall company you see a slight increase in the margin Q2 upon Q1 if you compare the second quarter with the first quarter.

Babyfood had 17.5% in the second half of last year and 17.9% in the first half of this year. There is a slight increase but let us just call that stable. You see a small decrease at 17.7% compared to the 18.2% in the first quarter. I will come back to that in the divisional overview.

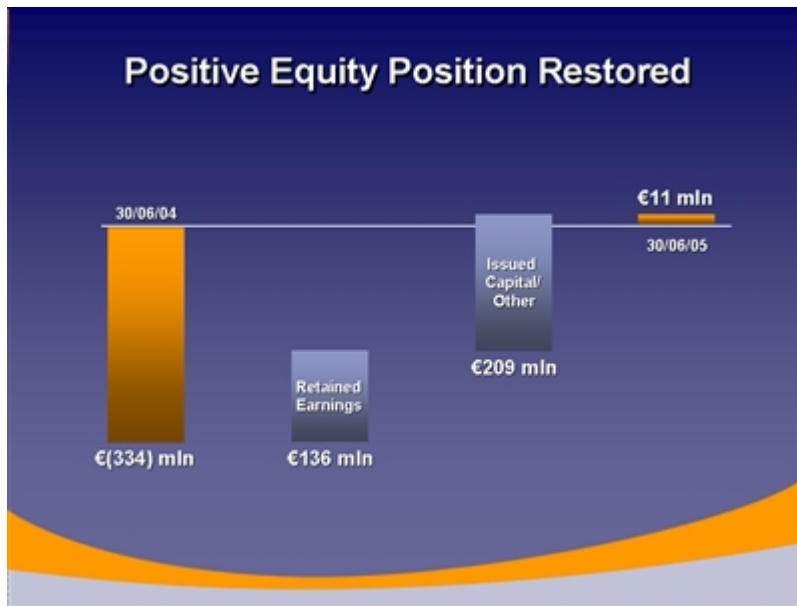
Clinical has been very stable over the last four quarters at around 27% to 28.5%. For the first half of the year you see 27.5%.



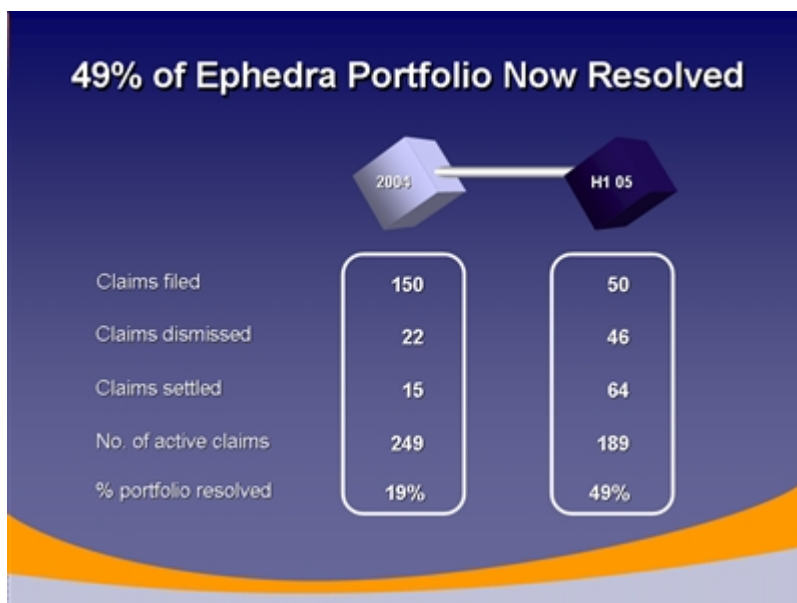
A very important point when it comes to these results is earnings growth. Given the fact that we had net losses in 2003, this is not something that we could focus on. On a normalised basis we saw above 20% growth for our normalised net result and 34.6% for our reported net result. The same goes for EPS, be it on a normalised or a reported basis, at 20.7% and 33.8% respectively. So we have a good double-digit earnings growth for the first six months.



Obviously cash flow is very important. I will go through the entire cash flow statement later on. Focusing up until the level cash generated from operations where we grew at 68% our operating results as defined by IFRS went up to 7.8%. You see the big improvement in trade working capital where we had EUR 57 million in the first half of last year and only EUR 23 million in the first half of this year. So we have seen a very good cash flow trend in terms of operations. Again, I will come back to the other parts of the cash flow statement later on.



The fourth point, important for many of you especially in retail as well as in the media, is the issue around the equity position connected with dividends. At the beginning of the year, again under IFRS, we were at EUR (334) million. Given the retained earnings but also the issued share capital for the acquisition of Mellin means that we at EUR +11 million at 30th June, which is a little bit better than we had actually anticipated.



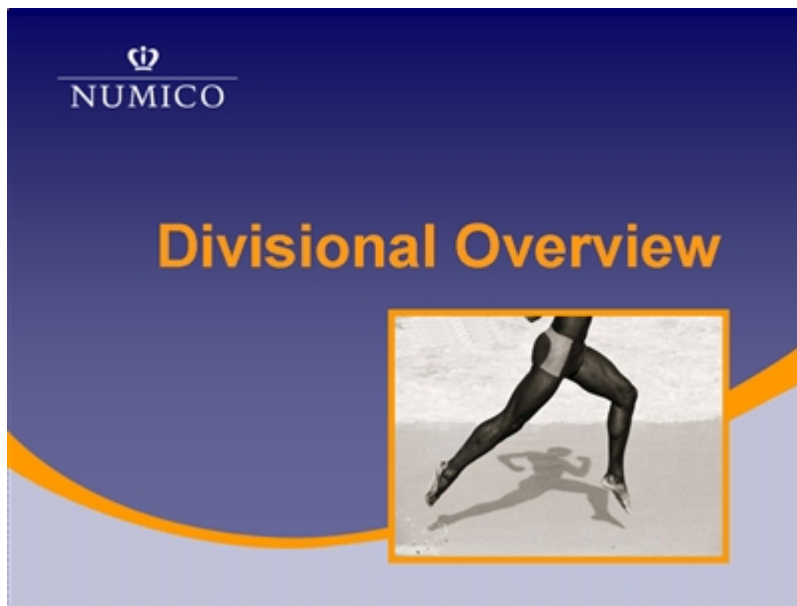
Our last point is Ephedra. As you know we inherited and retained post the sale of GNC and Rexall. Here again you see a strong acceleration improvement in our actual portfolio of Ephedra over the last six months. Let me just take you through these lines. In 2004, 150 claims were filed and in the first half of this year only 50. So when you look at the number

of claims coming in, you see it is going down and it continues to do so. In the appendix you will see the number of claims coming in per month and there again, especially in the last months, you see very few claims coming in.

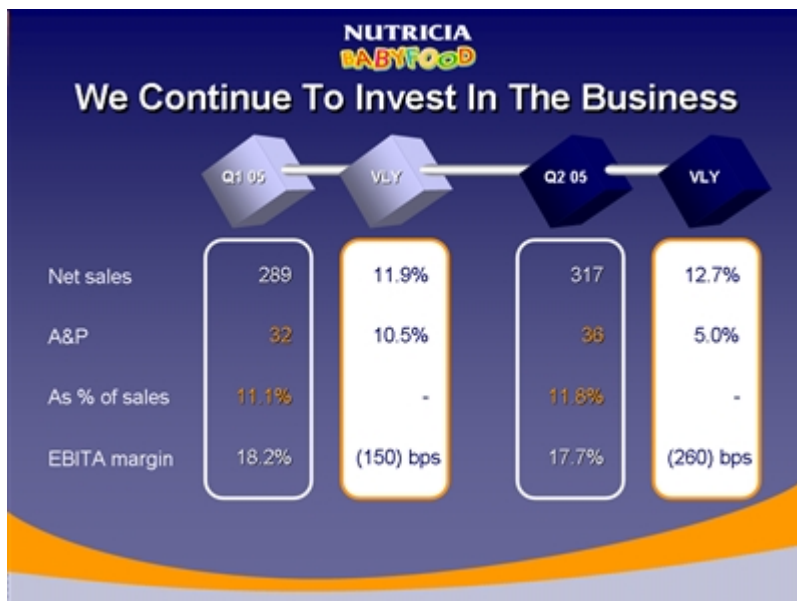
Claims dismissed is also a very important indicator. In 2004, 22 claims were dismissed because they just did not have any value. That number is now 46 in the first half, so the actual quality of claims and the law courts going through the claims is such that there are many more dismissals now than there have been in the past.

Also important is the number of claims that we have actually settled: only 15 last year and in the first six months of this year 64. That includes the 35 from Twinlab, but that also is a very good trend. Very consciously we decided not to settle too quickly around a year ago because then we would send the wrong message and would be honey pot for lawyers. Now that we start to settle, given the fact that we feel that we are over the hump, there will probably be another six to twelve months where we will still have the risk of Ephedra but it is obviously going very much into the right direction. The number of claims we had only six months ago were 250 and now we have less than 190. As a percentage this means that 49% of our portfolio has been resolved compared to 19%-20% at the beginning of the year. It is a very good improvement and we expect this improvement to continue.

So these are just the highlights in terms of top line growth, high stable margins, EPS growth, double-digit, good cash flow generation as well as improvement in our portfolio of Ephedra.

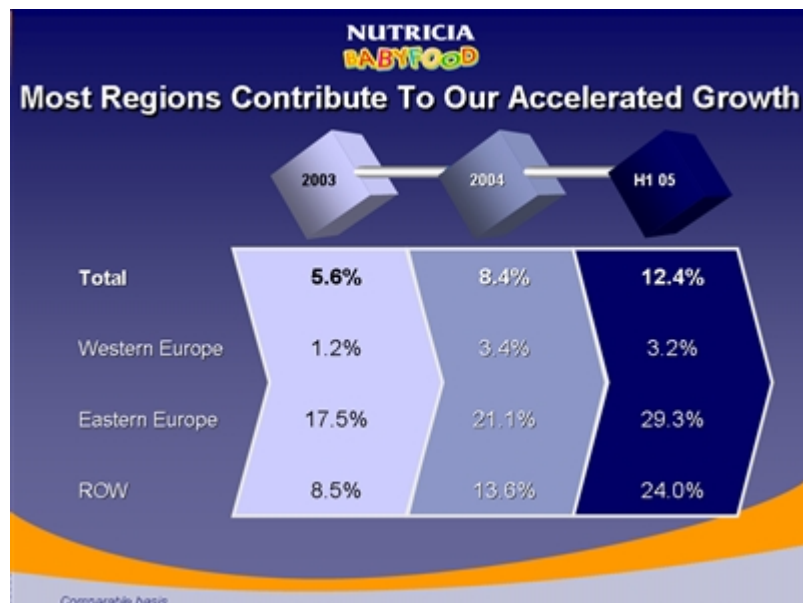


If I now go to the divisional overview I will start with Babyfood.



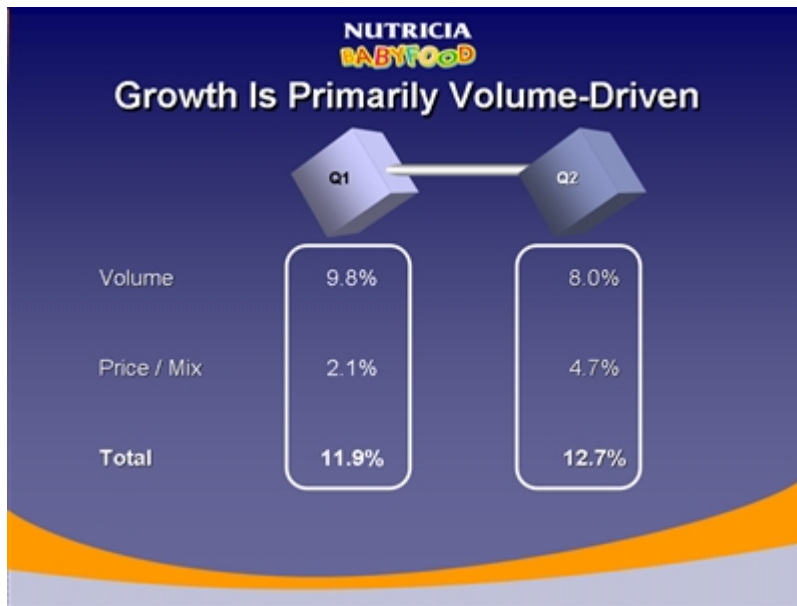
We continue to invest in the business which is so critical when it comes to sustaining the top line growth. In the first quarter we spent EUR 32 million on advertising and promotion and in the second quarter EUR 36 million as a percentage of sales. That is an increase and it will continue to increase. You saw a like for like increase of 10.5% in the first quarter and to a lesser extent in the second quarter. That is a question of comparables; the percentage of sales is only going up from 11.1 to 11.8. Again, that will increase in Q3 as well as in Q4.

In terms of margins we see 18.2% and 17.7% for the second quarter. I will come back to that in just a moment.

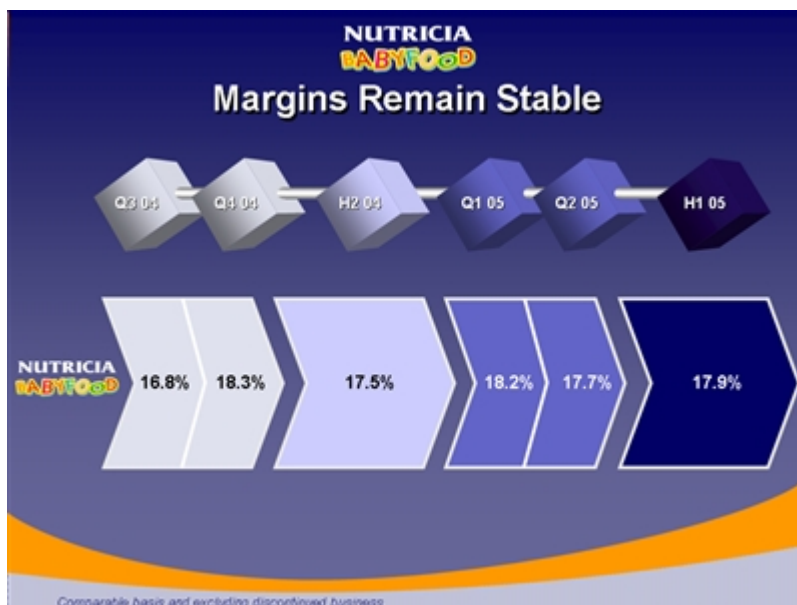


Where is our top line growth coming from? There is a very serious acceleration in the rest of the world, which includes Indonesia, Eastern Europe – Turkey, Poland and Russia – where you see an increase from 17.5% in 2003 and 21.1% in 2003 to nearly 30% in H1 of 2005. In Western Europe we have talked about the good performance in the UK and Ireland. The Netherlands did better in the second quarter than in the first but we cannot yet speak about structural improvements. Now that we have a new general manager in place it is something that hopefully in the next six to twelve months will improve. Things were slightly soft in Germany and Italy but better in France. All in all, the real structural improvements continue to take place in the UK and Ireland and the other important countries remain a point of focus and attention for the next six to twelve months.

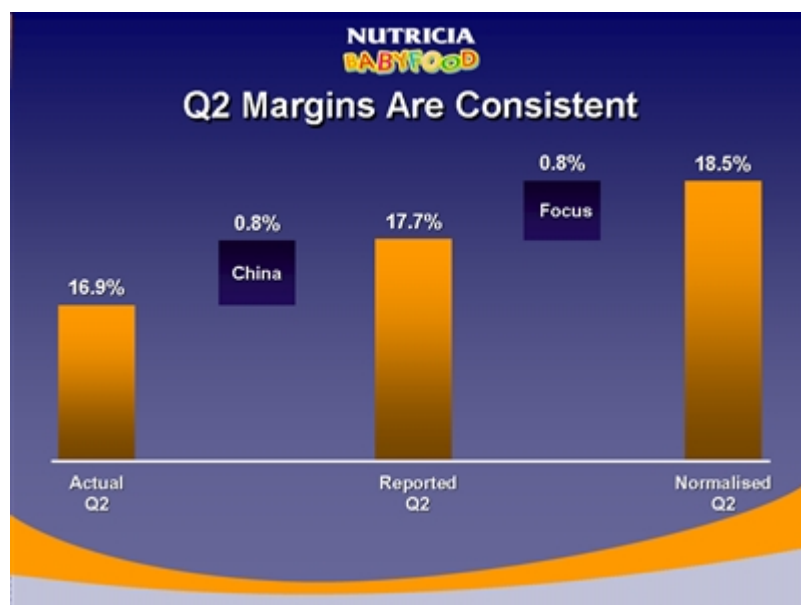
Just to go back two years: we were growing 5.6% two years ago, 8.4% last year and now 12.4%.



What is the quality of this growth? Obviously a quarter is only three months so we should not compare too much. The main point here is the fact that the primary, the lion share of our growth is volume, be it 10%, be it 8% and to a much lesser extent price. Obviously we try and follow inflation in some of the countries and therefore prices increase but we are very much focused on volume. Mix is also important and we just take to heart the fact that the lion share remains to be volume. That means we are growing the market and that is exactly what our intention is.



Let me talk a little bit about margins. The third and the fourth quarter of last year were at 16.8% and 18.3%. That gets you to 17.4% for the last six months of last year. The first and the second quarter were 18.2% and 17.7% and this gets us to approx. 17.9%. So margins have remained stable over the last four quarters, the last twelve months.

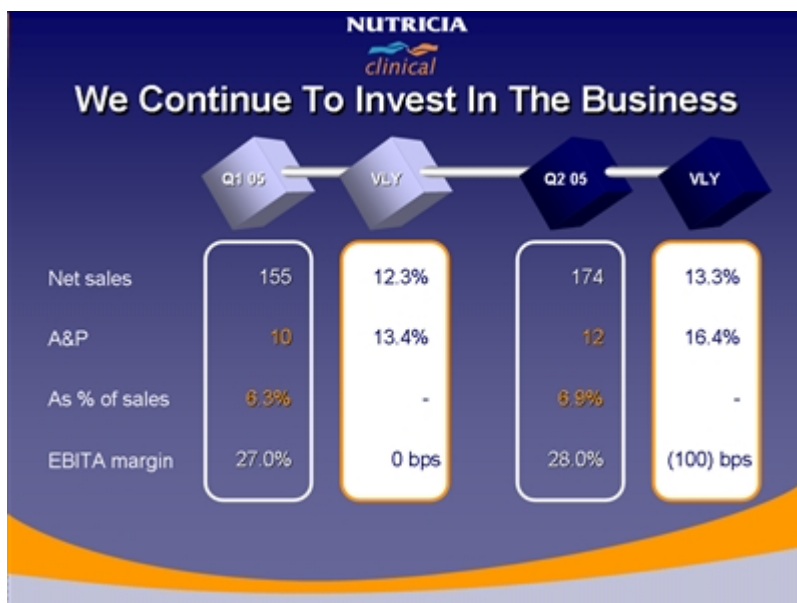


If you look at the margins in the second quarter reported this was 16.9%. On a normalized basis it is taking out China, 17.7%. China is a one-off cost that we took in the second quarter, as we also announced to you. It is not an operational loss, it is a one-off loss that we took when we actually closed the deal of selling the factory as well as two brands. If you remember in the fourth quarter we took a one-off charge of around EUR 17 million of which EUR 10 million was impairment. We had to take an additional one-off cost with a couple of million and as such our normalised margin was 17.7%.

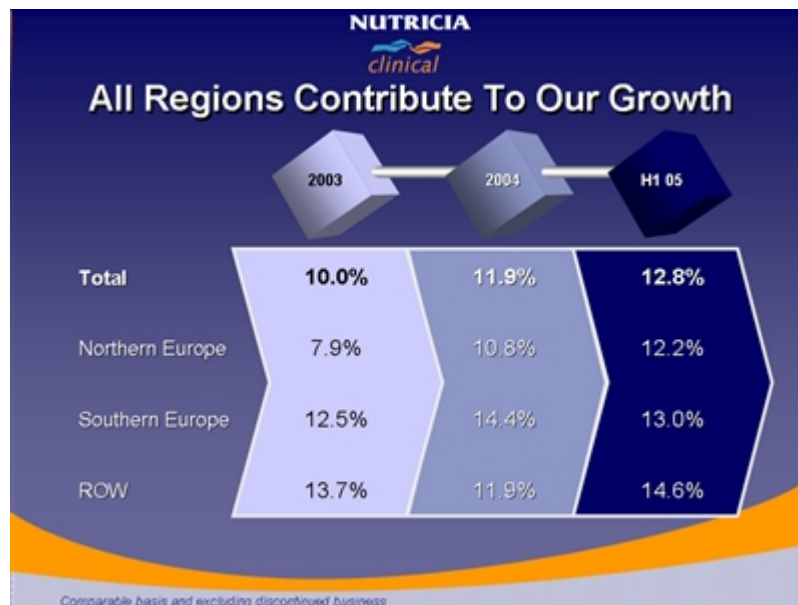
Jan also mentioned Project Focus that actually went quicker than anticipated. These are not incremental costs, but just an issue of phasing. Between Q1 and Q2 our normalised margin would have been 18.5%. There again, if you look at the evolution of margins over the last two, three to four quarters we see the margins of Baby at approx. 18%. In the third and the fourth quarter, given the fact China is sold and given the fact that project Focus is over, we will see a growth in EBITA especially vs. the second half of last year.



Let me just give you a quick overview of the performance of the Clinical division. Here again we continue to invest in our business, be it Home Care in the UK or in terms of advertising and promotion. A lot of the talents that the Babyfood division has, we are also increasingly deploying on the Clinical side.



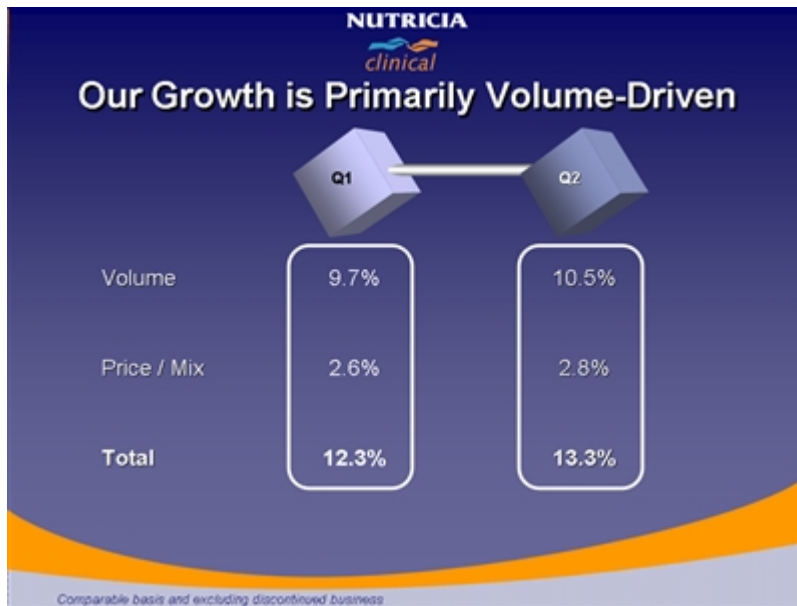
You can see that here. A&P was up above top line growth in the first quarter, a lot above top line growth in the second quarter and we continue to invest in advertising and promotion, from 6.3% of sales to 6.9% of sales. Here again, the margins are stable. You see 27% and 28% for the second quarter i.e. 27.5% for the first six months.



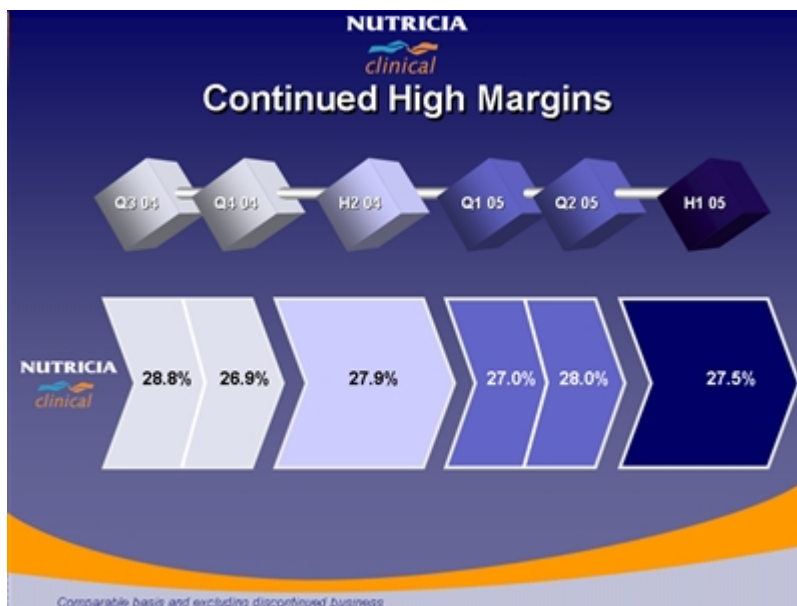
Here you see an acceleration in all the different regions. Two years ago we were at 10%, last year we were at 11.9% and now we are at 12.8%. You see a very good performance in Northern Europe. We do not have any definition of a mature developed market. These markets can all grow and as you will remember from our Clinical Day last year we said the market is going at 8%. It could be growing a little bit higher than that but in any case you see the good performance of the UK, the continued performance of Germany and the picking up in the Netherlands. That is the reason why in 2004 we were at 10.8% going up to 12.2%.

Southern Europe is stable. There we could have seen a little bit more acceleration but there again we cannot complain with 14.4% in the second half of last year and 13% in the first half of this year.

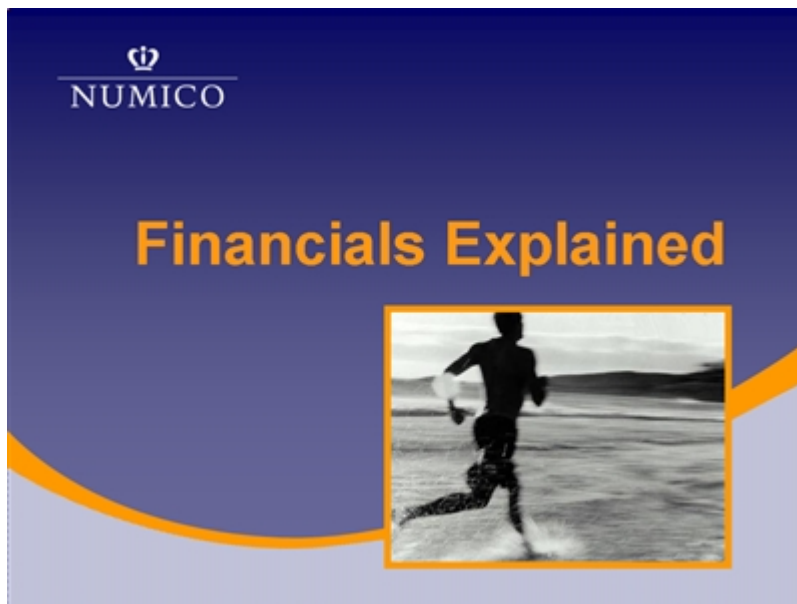
The rest of the world, which is primarily China as well as Brazil, have smaller businesses but have also accelerated their growth in the first six months.



Here again you see that our growth is primarily volume and to a much lesser extent price and mix. You see that out of the 13.3% in the second quarter 10.5% was through volume. Again, I would not compare Q1 too much with Q2. Q2 but it suffices to say that 9%-10% is very good volume driven growth, also in the Clinical business.



We have high margins: in Q3 we had 29% and in Q4 27% and 28% for the second half of last year. For the first and second quarter of this year we had 27% and 28% so the margins continue to be stable and high. We introduced the plastic bottles at around this time and so taking into the account the cost of the plastic bottles we think that these margins have actually developed in a very good and stable manner.



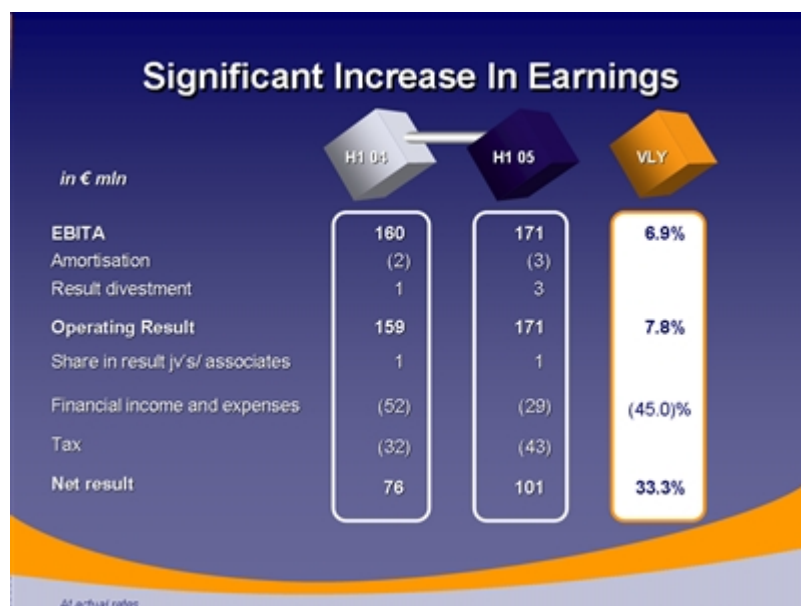
Before going into the Outlook, let me spend some time on the Financials themselves.



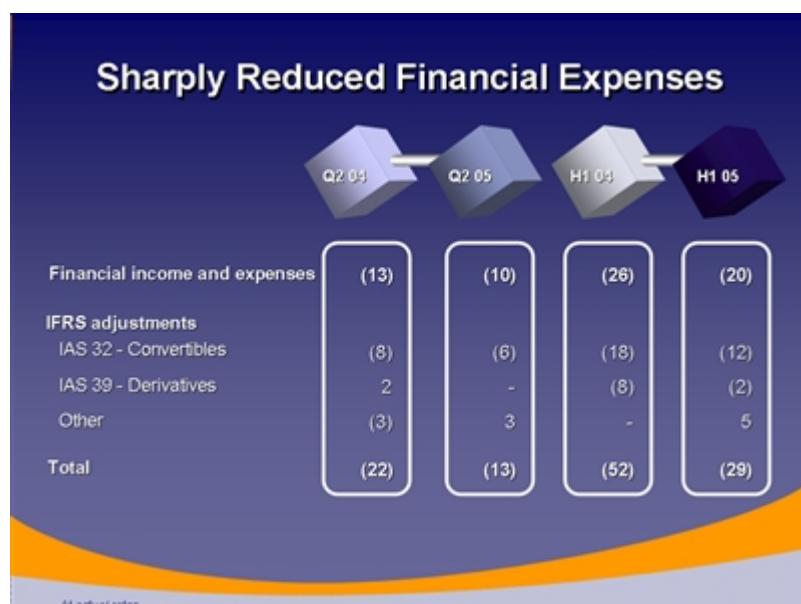
Let me show you a very simplified P&L. We start of with Babyfood at EUR 317 million and Nutricia Clinical at EUR 174 million. That brings us to a turn over of EUR 491 million. Here you see the growth vs. last year.

In terms of EBITA: EUR 56 million for Babyfood – that is before the EUR 2 million loss of China – EUR 48 million from Clinical and EUR 11 million in non-allocated costs, which is a good improvement from EUR 12.8 million – EUR 13 million where we were in the first quarter. That also included some exceptional one-off costs within non-allocated. I

remind you of the Tsunami-effect and one or two others, mounting up to approx. EUR 1 million to EUR 2 million. So we have a normalised EBITA of EUR 93 million in the second quarter, which equates to a margin of 19%.



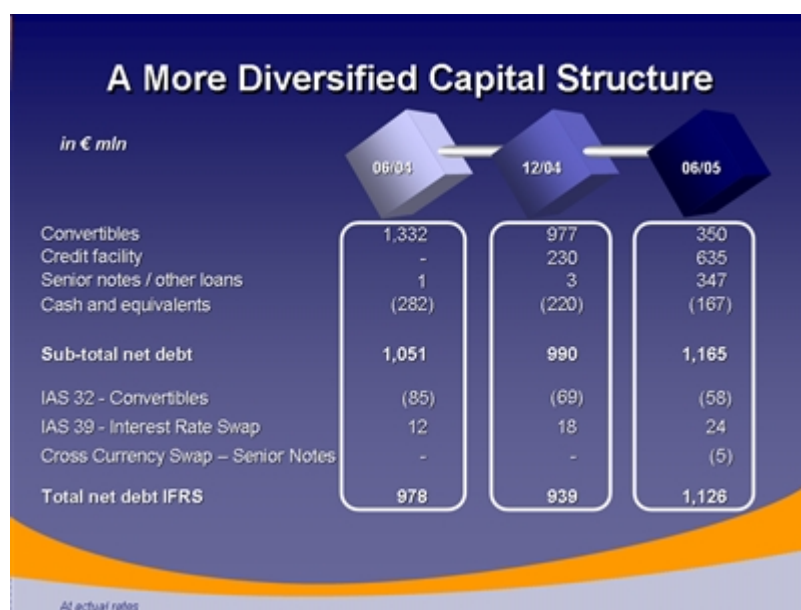
EBITA grew at 6.9%. The operating result is at 7.8%. Here you see the big deleverage coming from financial income and expenses of 45% down. That is the reason why we were able to have net results – not normalised – at 33.3%. These numbers are not normalised; they are just the actual reported numbers and hence the growth is above 30%.



So what is happening with the financial expenses? You see a comparison of the first half of last year with the first half of this year. On the financial income and expenses line you see a very healthy reduction. You also see

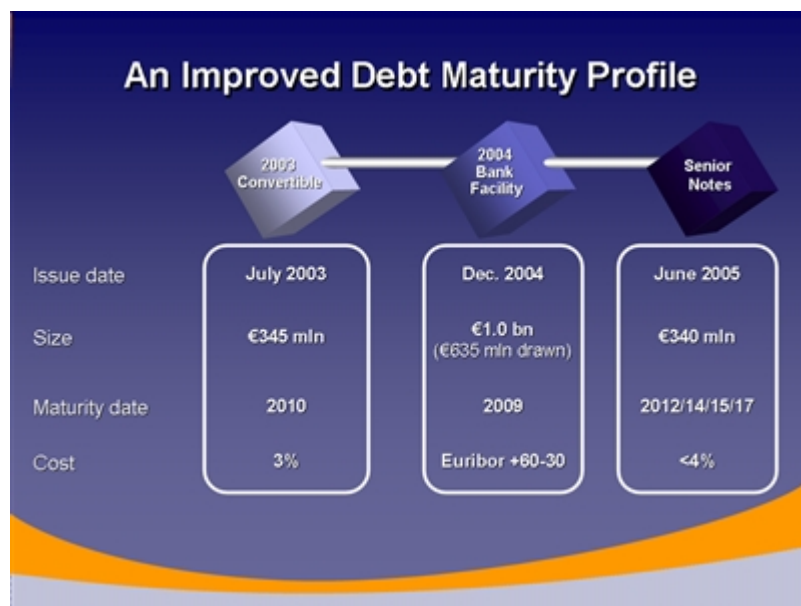
that between the quarters as the balance sheet delivers. Here we have given just the line items in terms of the IFRS-adjustments. Why is that important? We paid down the last convertibles that we had to issue to finance the acquisitions in the US and as such, going forward this number should be going down.

In terms of total financial income and expenses we went from EUR 22 million in the same period of last year down to EUR 13 million. We will have some additional costs in the third and the fourth quarter as our interest rate swap will be effective but those are not very large amounts.

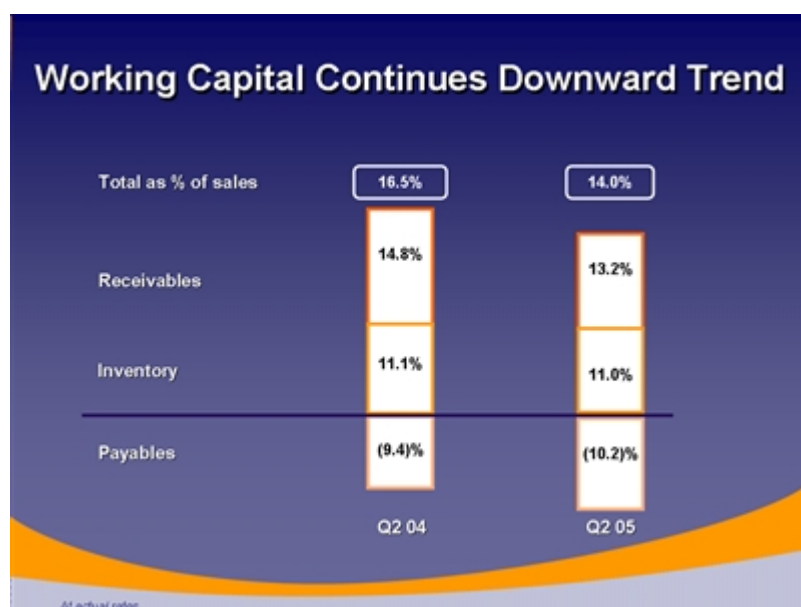


Let us take a look at our capital structure. You see we had EUR 1.3 million. We then paid down one convertible. The last convertible we paid down at the end of June, which is the reason why we only have EUR 350 million in convertibles. That was the convertible that we issued in July 2003.

We have drawn from the credit facility around EUR 635 million and we now have the Senior Notes of EUR 347 million. Our capital structure is much more diversified. It is not just a credit facility and the convertible, but they are also Senior Notes from the US.



I will just give you a brief overview of those three different instruments. We have a much better maturity profile today than we did in the past. The maturity of our balance sheet is approx. six years or so. The coupon on the convertibles is 3%, the bank facility is +60 to 30 basis points, based on a leverage grid. So these are very good investment-grade type expenses and the Senior Notes had an all-in cost of less than 4%. We have improved our capital structure. It is better diversified, it has a better maturity and it is more efficient.

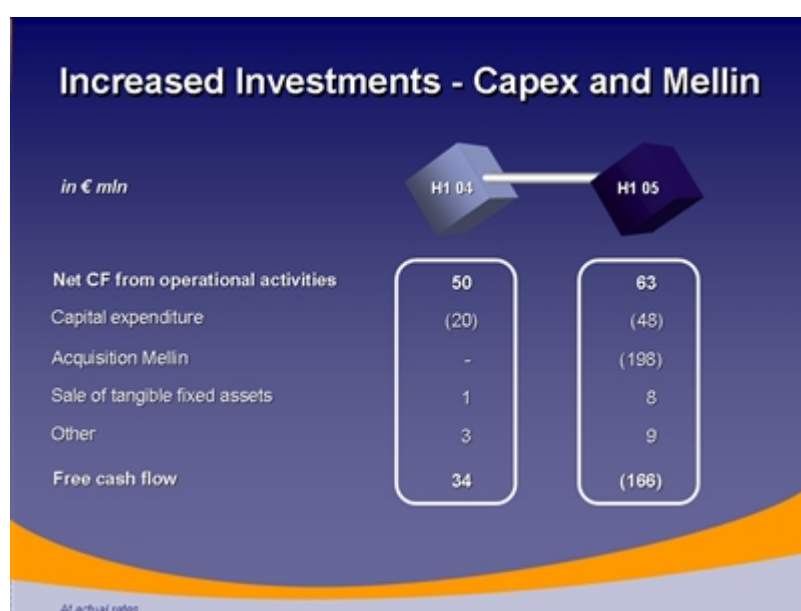


Working capital is a very important source of cash as we improve it. Last year we were at 16.5% and now we are at 14%, so that is an improvement of 250 basis points. In our 2007 outlook we had a target of

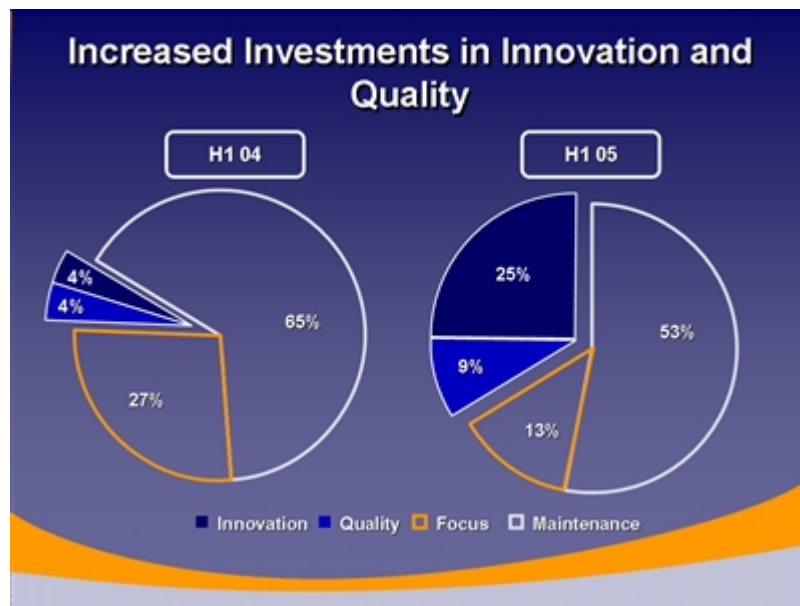
10% working capital as a percentage of sales and we reiterate that this remains our target. We are confident that there will be good improvements in working capital in the second half of this year.

The improvements have taken place amongst others in receivables. Around twelve months ago we told general management in all the different countries that it is not only revenue and profitable growth but also working capital management. That is going to be of increasing focus and that is why you see this improvement.

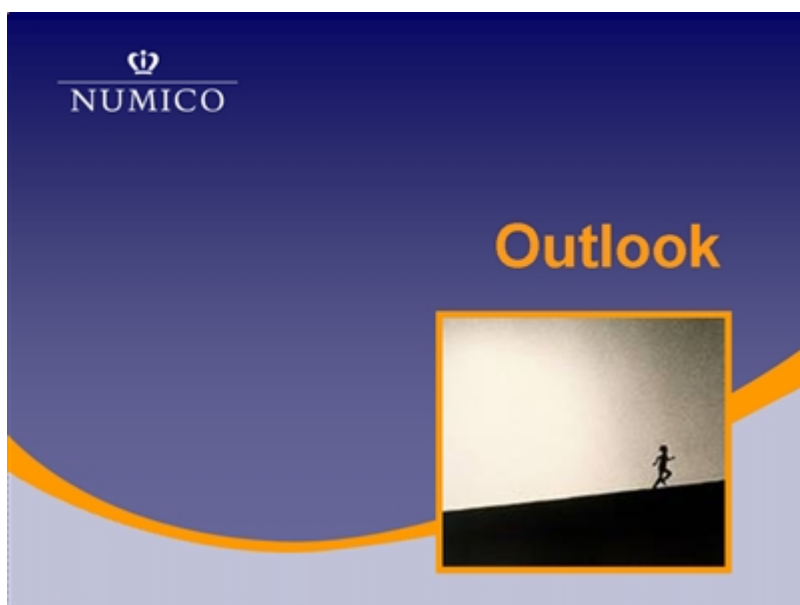
Payables have also improved and inventory levels have remained stable. We are just at the end of Project Focus. The transfer of goods as well as innovation that is taking place in countries like the Netherlands, is the reason why we have been careful with the actual levels of inventory.



We are going to continue to invest in the business. We mentioned that our Capex, which did not come as a surprise to ourselves, would be approximately 5% of sales. Here you see Capex going from EUR 20 million up to EUR 48 million and you see the cash out as a result of Mellin of around EUR 200 million. We paid EUR 200 million, based on the closing price of Mellin in equity and the remainder of around EUR 200 million in cash. That is where you see the cash out of EUR 198 million and the free cash flow of EUR 166 million negative. The point is we are increasing our investments, be it either in acquisitions or in the business itself.



You see a pie chart going back twelve months where we will be spending our Capex on. Innovation and quality are incredibly close to our heart today as well as going forward. Twelve months ago we spent 8% of our Capex on innovation and quality; today that is 34%. There you see that in terms of Capex we are not only spending more but also that out of the amount we are spending it is much more focused on innovation as well as quality and to a lesser extent maintenance as our manufacturing platform is more efficient.



The first point is that we revise our sales outlook from 8% to 10% and from 10% to 12%, given the fact that we had 12.4% in the first half. It is the middle of the year but we are very confident that we will be able to achieve this raised outlook on the top line growth.

Raised Outlook For Sales Growth

- Comparable sales 2005 growth target raised from 8-10% to 10-12%
- Comparable 2005 EBITA to grow at 10%
 - Includes one-off non-allocated costs in Q1
 - Includes one-off costs related to China Baby in Q2
 - After IFRS adjustments
- Costs related to actions taken in Indonesia (approx. €4 mln) will be incurred in Q3 - not included in outlook

In terms of EBITA we stayed at 10% comparable growth. Why are we doing that? Firstly, that 10% growth for 2005 includes the one-off losses of China in Q2. Secondly, it includes the one-off costs that we took in the first quarter within our non-allocated costs. As you will remember that was at EUR 13 million and in Q2 at EUR 11 million. We take that into

account and also the losses for China in Q2. Despite those costs of EUR 2 million we expect to grow at 10%.

There is one one-off – we do not like one-offs and we do not like them too often, especially if they are negative – which is not included in the outlook and that is related to Indonesia. As Jan mentioned we have improved our grip in Sari Husada. It involved advisory fees and terminations and that is a cost that we will be taking most likely in the third quarter. That will approximately be EUR 4 million. That is specifically related to the actions that we are taking today and have taken over the last month and a half.



Our First Major Deal Is Now Complete - Mellin

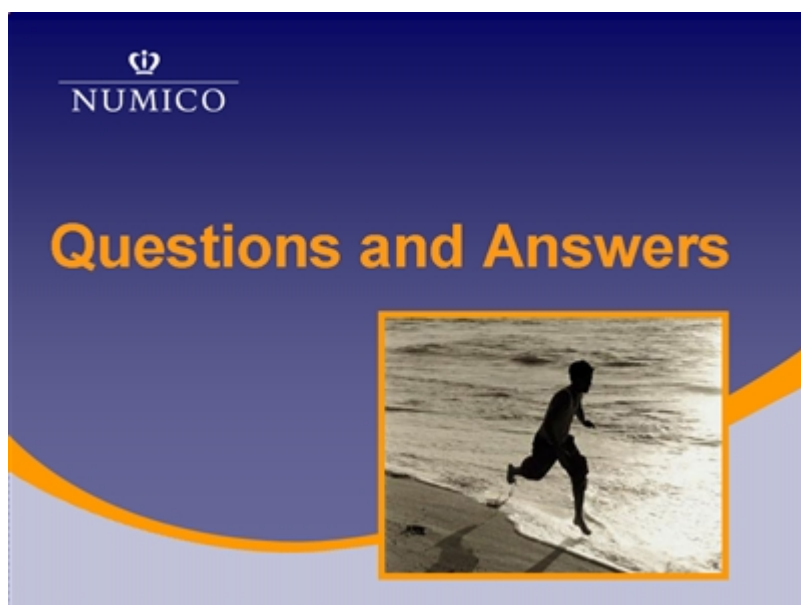
- Mellin has become part of the Numico organisation as of June 23th 2005
- All elements of business plan are confirmed – further details to be disclosed at announcement of integration (Q3)
- Numico - Mellin will be reported as a separate line item from Q3 onwards

Our first major deal is now complete. That is Mellin. As Jan said, we had completion on 23rd June. It took a little longer given the fact that we needed anti-trust approvals but Mellin is now formally part of the Numico organisation. Post completion we have looked at our business plan, be it top line, be it bottom line. All elements of the business plan that we put together before the acquisition remain absolutely intact; even actually potentially better than we thought. We will be giving more details on Mellin when we announce the integration itself. You can imagine that on 23rd June you close. We could not do anything because it was not legally ours. We could not do any work in terms of integration until that time. It will be just a question of weeks before we announce to you exactly what the savings will be which gives us the confidence that the return on invested capital within three years will actually be achieved. We will give you more information about Mellin, the costs, the results and the savings in a matter of weeks.



Lastly, just to make sure that you can follow the progress made by the new operations of Milupa, Numico and Mellin we will put both businesses outside our numbers from Q3 onwards, so that you can measure the actual progress with this acquisition. Once it has been with us for twelve months we will then consolidate it back into our business. Then you can see and you can measure the type of progress we are making with the acquisition itself.

Given the fact that we actually achieved a positive equity position quicker than we anticipated we can do nothing else but reconfirm the fact that we will pay dividends in 2006. We are very confident that before the year end we will be at a sufficient level where we can pay a dividend. But again, every single time when we are asked a question we do not have a policy as it is but we do want to prepare people. We are a growth stock and our dividend policy is expected to be more in line with growth rather than anything else. As such we will be modest.



Questions and Answers

Question:

There was a very substantial increase in raw materials in the second quarter. Can you give us an indication of what that is? Are they one-offs? They are certainly higher than in the first quarter. How will this continue in Q3 and Q4?

Answer:

Mr. **Huët**: If you look at our gross margin expectations for Q3 and Q4 you will see they will be stable. If you compare the gross margin between Q1 and Q2 there is a deterioration but it is a slight one. There is nothing structural whatsoever. You do see a decrease in the gross margin of our second quarter this year compared to the second quarter of last year. That is actually a noticeable difference. There are a bunch of reasons for this. The first one is China, which only really became loss making in the second half. It is now out of our books, which was not the case in the second quarter of last year.

The second reason is that the introduction of the plastic bottles was only in the second half and continues. That is also the reason for the evolution of margins in Clinical but also in Baby over the last twelve months. We see stable margins. We have a higher reliance today than we had in the second quarter of last year on third-party supplies and finished goods. So there is a higher all-in cost in our gross margin. It does not affect our EBITA but it is changing the actual gross margin profile. Mellin for example relies on third-party supplies and there the gross margin is less whereas the EBITA-margin is very much in line with our Babyfood Division.

Coming to your point in terms of raw materials: the increase in raw materials only really took place in the second half of the year. We see on most of our raw materials a stability so that also, through a lesser extent, makes a little bit of a difference.

If you look at gross margins going forward, be it either on the Clinical or on the Babyside we see them roughly stable in Q3 and Q4. There will be an improvement and please do not forget that Project Focus is now done. China losses are behind our backs and there we will benefit, be it on the gross- as well as on the EBIT-line.

Question:

You see gross margins roughly stable in Q3 and Q4 and the expectations for a huge operating profit margin. Where is the big margin jump coming from?

Answer:

Mr. **Huët**: Like I said, there will be an uplift in the second half. If you think that we are growing at approx. 4.8% to 5% in the first half to get to 10% we need to grow at 15% in the second half and there will be uplift in gross margins. That is primarily because of China. Project Focus will be gone and we will be continuing our top line growth. We will be profitable.

Question:

When I look at your Q2 Western European infant nutrition growth and given the acceleration in the UK, could you explain exactly where the declines are coming from, Q1 on Q2 and in the other markets in Western Europe?

Answer:

Mr. **Bennink**: There are two companies that jump out. One is Germany and the other one is Italy. Italy had a very bad performance but that is more like in preparation for the operations. They were already bad last year and they became worse. The situation has deteriorated.

In the first quarter we had an exceptional more than 5% growth in Germany. It was above all my expectations, I would never have expected Germany to grow that much. That growth has been considerably less in the second quarter. That comes from Cereals. Cereals are important in Germany and Cereals have a lower loyalty than the Infant Formula. In Cereals there has been some price fighting. We have increased our prices but competition did not follow and in Cereals you are more price sensitive than in anything else. That indicates to us that we have to start to innovate in Cereals where we have not done anything yet. These are the two main drivers.

Mr. **Huët**: The point remains that the UK and Ireland see real sustainable structural improvement in their growths and that we still have a lot of work to do in some of the other markets, including the Netherlands where we saw a slight improvement in Q2. Now that we have a GM installed the type of growth in the UK and Ireland will take twelve to sixteen months before we see that in places like the Netherlands. So, you will have one quarter, which is better than the other but that does not necessarily mean that there is a structural improvement or not.

Mr. **Bennink**: We have five countries that will drive the growth from Western Europe. Ireland and the UK are already on track, Holland and Belgium are not yet on track and Italy is ready to get on track. In the Netherlands we will do a lot of things. We will renovate the entire line, from jars to Infant Formula. Many things will happen in September and we will have new ranges. Old ranges will be taken out and new ranges will be put in. Please do not look at Q3 as a big growth period for the Netherlands and therefore for Western Europe. We are very confident that Holland, Belgium and Italy will follow the UK. It is just a matter of time. As far as growth in Western Europe is concerned I have to reiterate what we have said before. There will be very nice growth in all countries.

Question:

Could you clarify some of the comments in your interview this morning? You seemed to suggest that the UK will be the growth model for Western European Babyfood.

Answer:

Mr. **Bennink**: For those five countries!

Question:

And when do you expect to reach that level?

Answer:

Mr. **Bennink**: Holland has a twelve to eighteen months' time lag between what you see in the UK and Holland. We have a slight delay in that because of the fact that we had a change of management. We are to keep the 12% always at double digit growth. We always use the 9%-10% of France as a base. The UK is doing extremely well. It might be sustainable at 12% but it also might go higher. In my opinion we are looking at 9% to 10% growth for these countries.

Question:

During the reconciliation of the Clinical Nutrition sales number there is a gap between the underlying growth report. Was there some sort of acquisition effect in Clinical at all?

Answer:

Mr. **Huët**: No, what you are referring to is a gap where in totality of sales are included some of the cream sales, but not on a comparable basis. If that is not the right answer then I will come back to you later.

Question:

Can you give us an idea for the speed of integration and the likely bulk part in terms of cost savings at Mellin's? If I can pin you down on Germany what you are likely to do there in terms of upmarketing it has been disappointing for the past few years. Germany is one of your biggest European sales bases and your priorities are clearly on the UK, Ireland, Belgium, Holland and Italy. What are your plans for Germany?

Answer:

Mr. **Bennink**: We will not give you much more information than Jean-Marc already gave you. The integration will happen in the next month. In terms of total cost savings I can tell you that once we do that because it would be unfair and not good to exactly indicate the cost saving and what we will be doing before the organisation even knows. That will happen at the re-entry in September when we will re-integrate the companies. It is not good for companies to stay in a limbo for a long time. We have identified the organisations and we have identified what we want to do. That will happen and we will have things up and running at full speed in the month of October.

We have five countries and in other countries we are the number 3 player, where we follow the market. The optimisation is to follow markets in terms of top line and to increase the margins as much as possible. So they are more profit drivers rather than growth drivers for the markets like Spain, France, Austria and Switzerland. In Germany we are growing with the market. We keep our market share and we do not do anything big. It is a big market but it is also a very expensive market to move in. If you want to introduce toddler milk in Germany – a logic extension to our Infant Formula – we have to be prepared to put a lot of money on the table because it means a lot of advertising spend. Advertising spend in Germany will be very difficult and very expensive. There are two big competitors playing there i.e. Nestlé and the local company Hipp. If I would have EUR 10 million available the choice where to spend them is easy. If I have an opportunity in Germany I will take it but do not expect an explosive growth in the next two years in Germany. We might have a quarter like Q1 but we will see the same 2% or the 3% again.

Mr. **Huët**: As regard to Mellin I would like to add that in the next month we will have the announcement especially on the fixed cost. It will take longer to actually integrate and make sure that it is carved out from the mother company and that is much more from a systems' and IT-perspective. That should take approx. six months or so. Like Jan said, 23rd June was six weeks ago and we want to go as quickly as possible between announcement and completion. We did not want say anything because it was not legally ours. Right now we are also very tight sealed until the actual announcement takes place. Then we will come back to you and give you all the details that we can.

Question:

Do you find the cost driving this business more than you thought? If you go back two years you have not invested in this business. Are the margin expectations being reduced in any way given this performance? Can you give an update on the disease-specific products in any form or shape?

Answer:

Mr. **Bennink**: In terms of going back two years the upside in terms of sales growth is higher than I thought, so it is a question of how much I want to invest in the business and to what growth. It is a matter of margins against growth. 12.5% comes at a certain cost. That is true but on the other hand we stabilised the margins. We once announced we wanted to increase 50 basis points in terms of margins and Babyfood every year to go to 20% and the stabilising level is 20%. Whether it is 20%, 10% or 21%, with the new learnings we have we can look at the right level for us going forward to have a sustainable growth. We did not see any deterioration of the margins. We are at 18%. If we keep it 18% at a certain growth or if we want to go to 20% in another growth we will come back to you at some point in time both in terms of the way we see Babyfood going forward. Then we will have new knowledge about the mix of products and the mix of countries and the opportunities that exist, not only in countries that we know but also in other countries where we are beginning to invest, like in Turkey. I did not see any deterioration of the market. That risk is absolutely absent; it is a question of how much, where and how fast do you want a top line margin at the same speed.

In terms of disease specifics it is not something that changes very much between one month and the other or one quarter and the other. It is on track. We have no results and anything we have said before in terms of disease specific I can repeat.

Question:

You mentioned a couple of times that your main efficiency program is now completed. Are you planning a follow up program to that in order to fund any further investments in the business?

Answer:

Mr. **Bennink**: There is a continuous progress. Would you be able to close another factory at some point in time? Perhaps. That is something we will look at but there are always savings. There are still logistic savings, there is optimisation in that respect and there is a project Booster. There is always room to play. They will not be big things but there might be opportunities.

I see there are no more questions. There are no questions on the conference call either. Thank you very much for you being here!

