



1st Half Results 2006

3 August 2006



Agenda

- **Progress Update**
- **Financial Performance: H1 2006**
- **Questions and Answers**



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Progress Update

Strong Overall Performance



Reconfirmed Outlook for Year 2006

Sales Growth

12.0 – 13.0%

EBITA Margin

18.75%



Divisional Performance

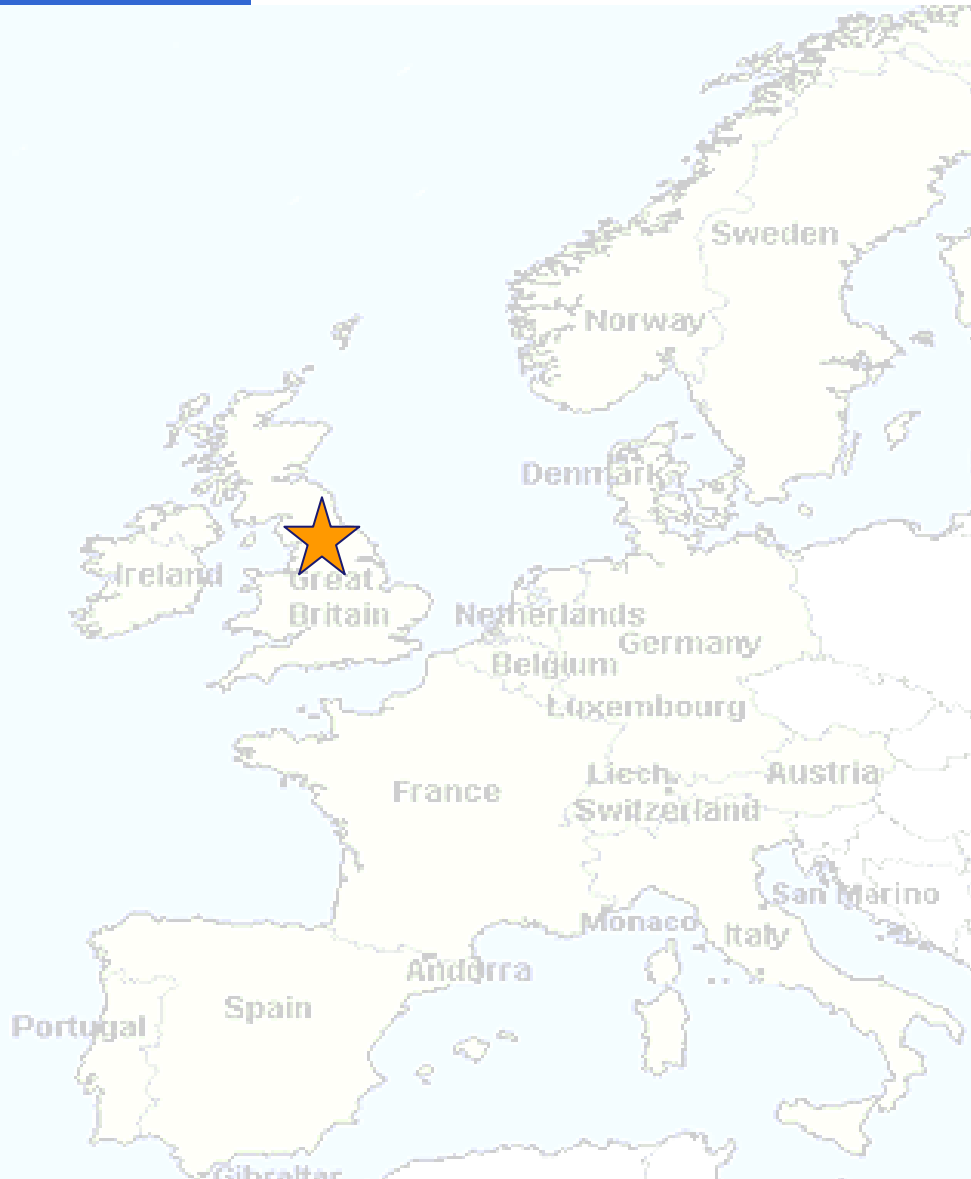
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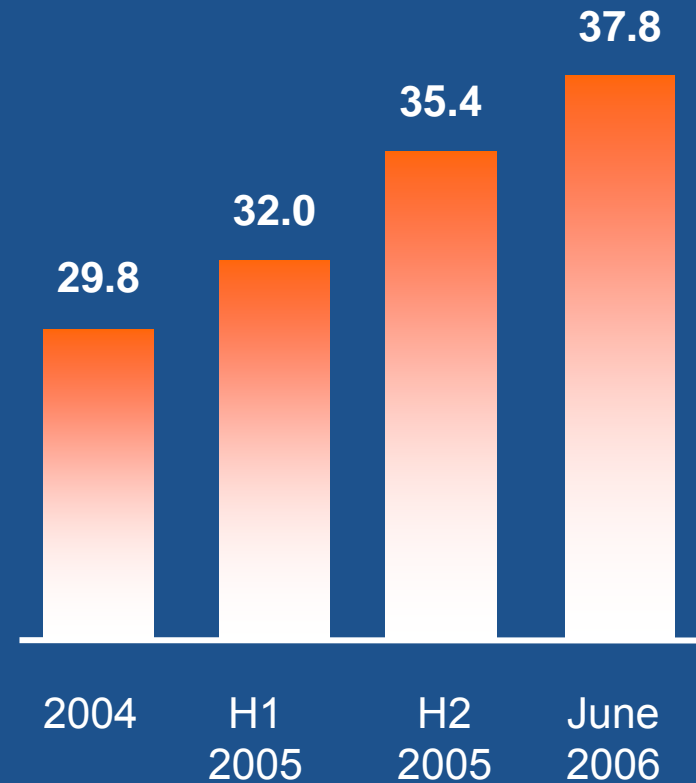
Dumex Integration Completed

- **The sale/closure of all discontinued businesses is now finished**
 - Sale of Indian and Huangzhou cereal plants
 - Closure of Philippines and Copenhagen offices, as well as Cow & Gate Shanghai
 - Integration of Nutricia Malay office
 - Reduction of ±500 employees
- On track for savings of €5 mln for 2006 and €10 mln beyond
- Cross-pollenization of people well underway
- Growth in key business continues, particularly China and Vietnam

Western Europe Well on Track



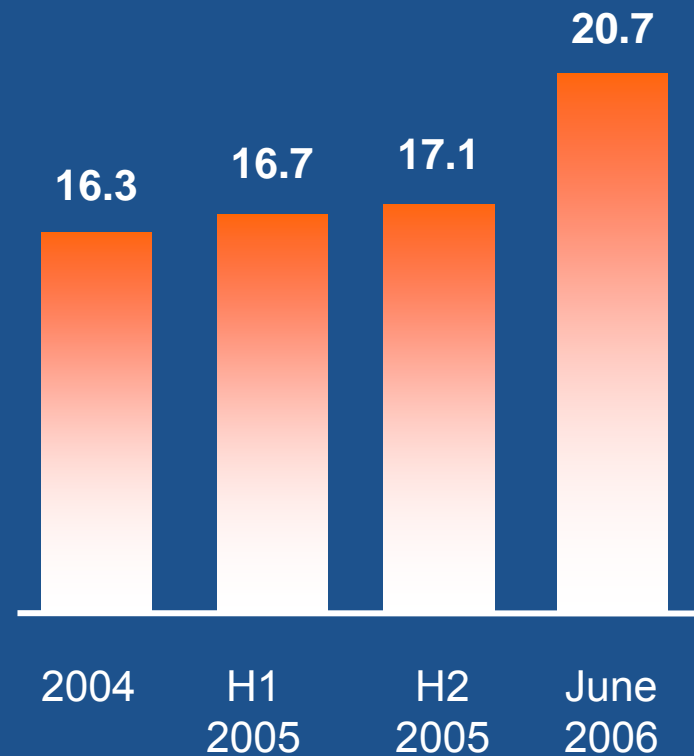
UK - Continued Success (Value share %)



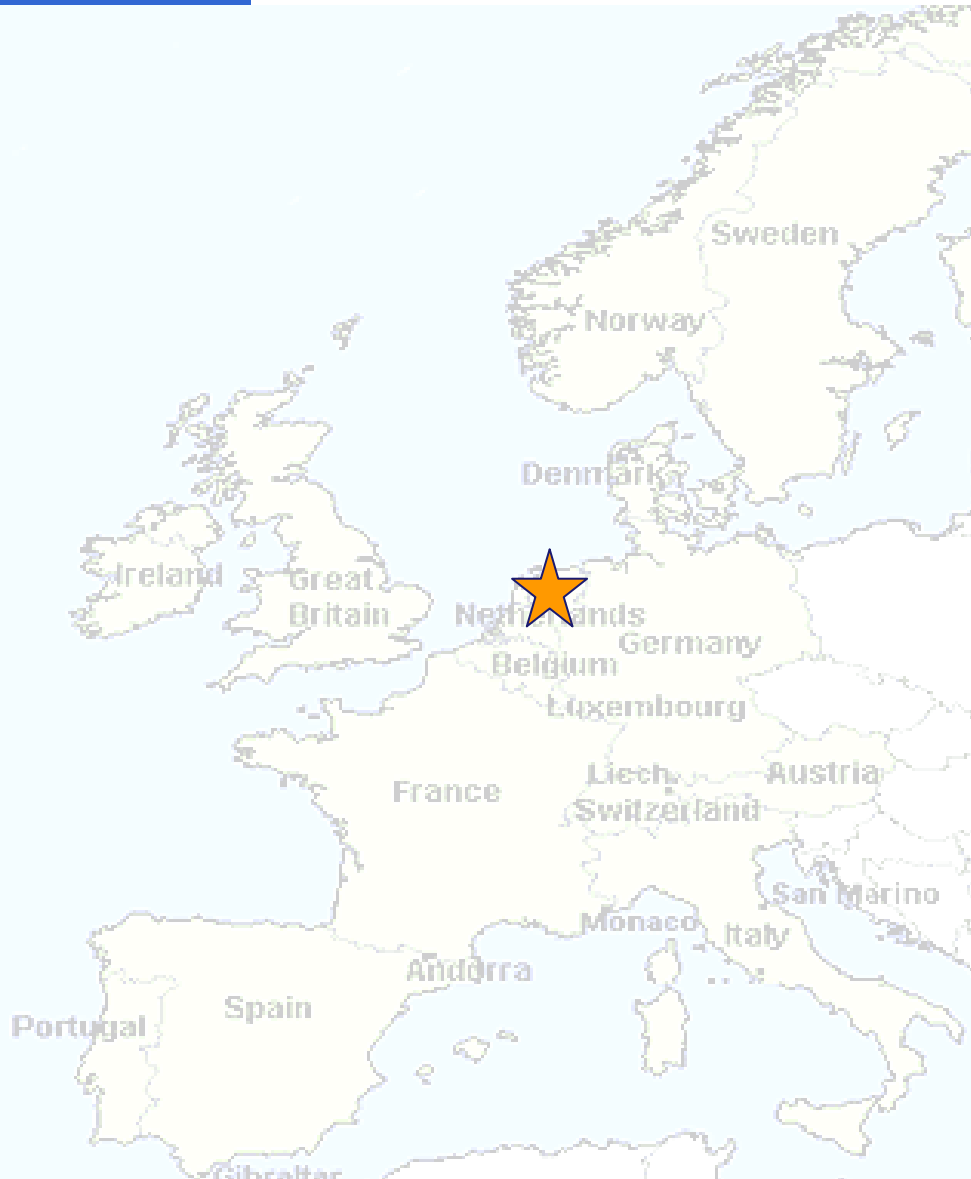
Western Europe Well on Track



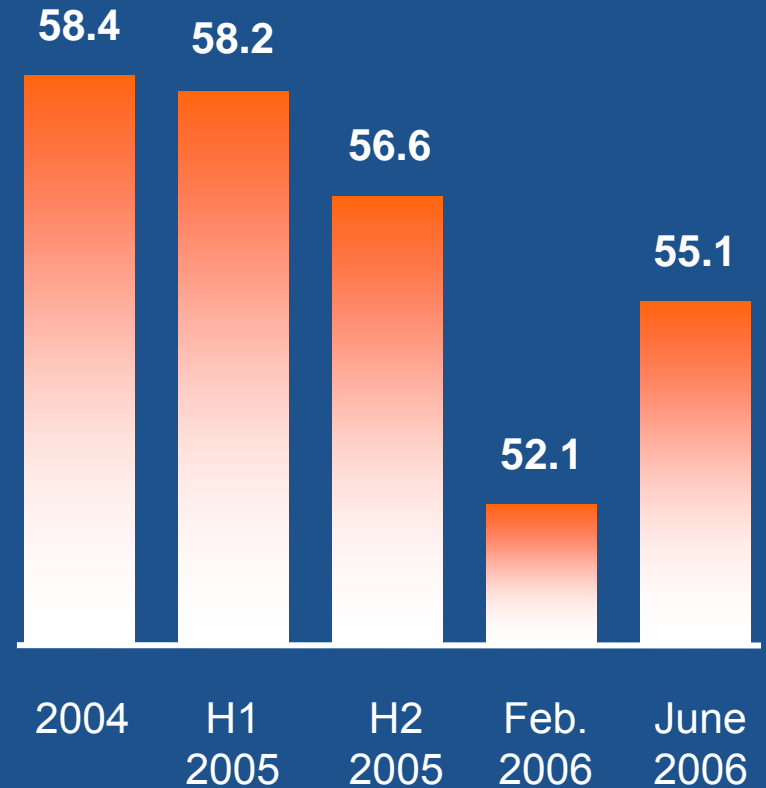
Mellin Italy – Strong Growth in Milks (Volume share %)



Western Europe Well on Track



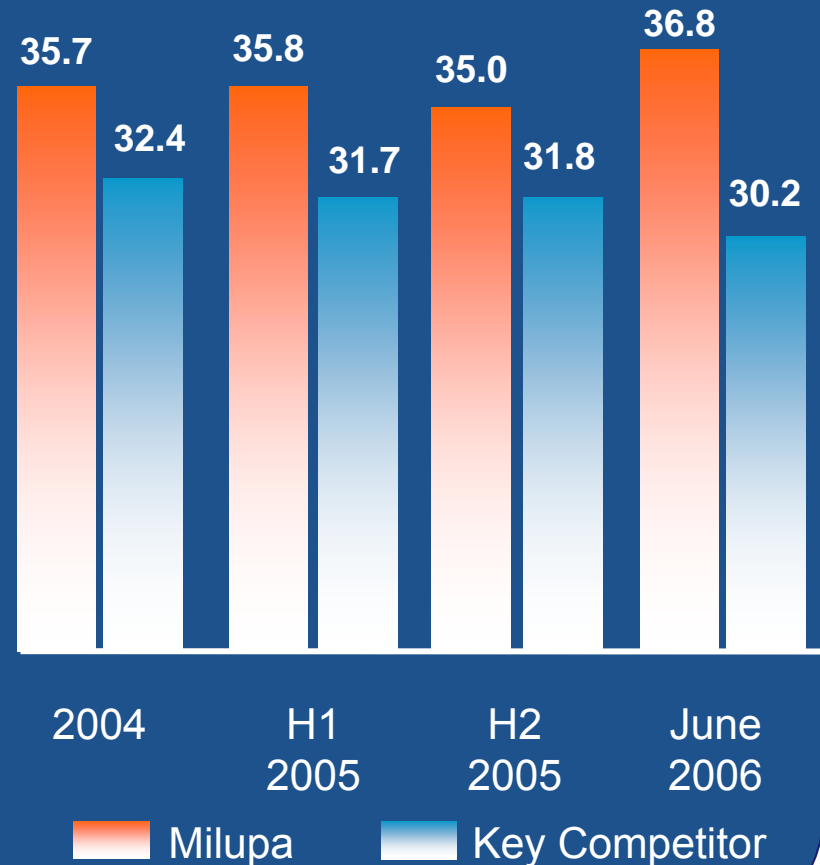
The Netherlands – Market Shares Starting To Pick-up
(Volume share %)



Western Europe Well on Track



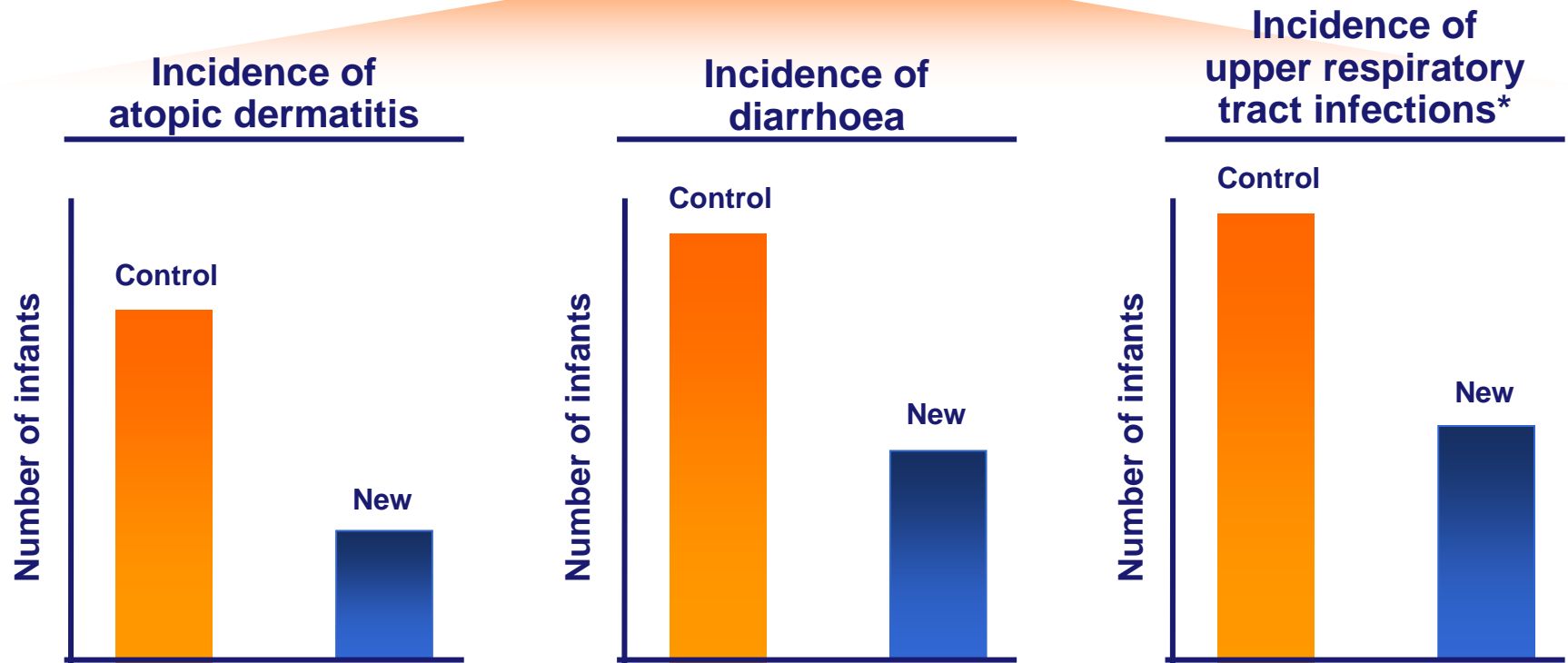
Germany – Fortified Market Leadership In IMF (Value share %)





*Naturally
strengthens
your baby's
Immune
System*

Key Indicators Prove Immunity Performance



* Among children with three or more incidents of URTI

Aggressive Roll-Out of New Immunity Product

- **Already introduced in 20 out of 31 countries, roll-out to be completed by mid 2007**
- **70 publications and 11 clinical trials to-date**
- **Results presented in more than 200 Medical Congresses and Seminars worldwide**
- **26,000 HCPs in 20 countries have been presented the results**

Indonesia Fully Operational

- **Earthquake-affected basic manufacturing plants returned to full operation in July**
- **No decline in market share anticipated**
- **Minimal loss of sales in Q3**
- **Total costs will amount to less than €10 mln**



Divisional Performance



High-Potential Business

- **Market leadership positions in a fast-growing sector**
- **Have begun the charge to increase organisational marketing ability**
- **Have identified selected disease areas for focus:**
 - **Oncology**
 - **Diabetes**
 - **Paediatrics**
 - **Metabolics**
 - **GI Allergy**

German Market Remains Unsettled

- **Driven by change in reimbursement (Oct 1st 2005)**
 - General malnutrition recognised for reimbursement
 - Disease-specific products require clinical evidence
 - Emphasis on total diets vs. supplements
- **Time required to adapt portfolio, adjust organisation, register new products, create clarity with HCPs**
- **Recovery of German market expected early 2007**

The Alzheimer Project

- **Nutritional product designed to improve cognitive functions, including memory performance, targeting mild and moderate Alzheimer's patients**
- **The result of 8 years research on nutrition in relation to brain development**
- **Pre-clinical research has been completed in collaboration with leading Alzheimer's disease experts and institutions such as M.I.T.**

The Alzheimer Project – Status and Next Steps

Key Results

- Pre-clinical trials confirm improved learning and memory ability
- Toxicological evaluations show that the product is safe

Next steps

- The last stage of clinical trials is underway involving over 200 patients in 4 countries expected to end Q4 2007 with results expected to be published mid 2008



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Financial Performance

1st Half 2006



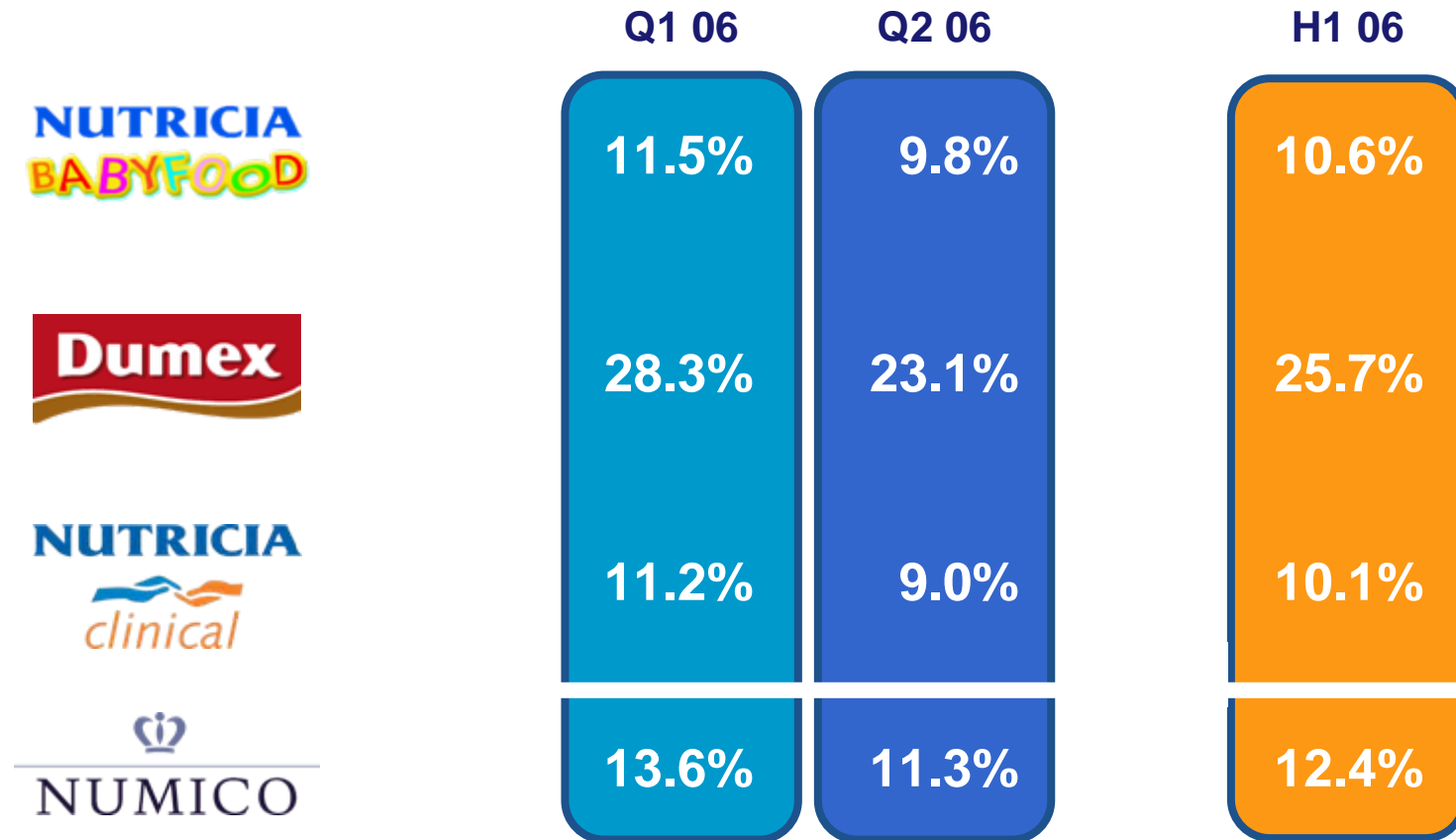
Financial Highlights – H1 2006

- **Net sales up 12.4%; EBITA margin at 19.2%**
- **Nutricia Baby sales up 10.6%; EBITA margin at 19.7%**
- **Dumex sales up 25.7%; EBITA margin at 18.0%**
- **Nutricia Clinical sales up 10.1%; EBITA margin at 26.1%**
- **Normalised net result up 37.8% and normalised EPS up 20.6%**
- **Working capital improved 310 bps to 10.9% of sales**

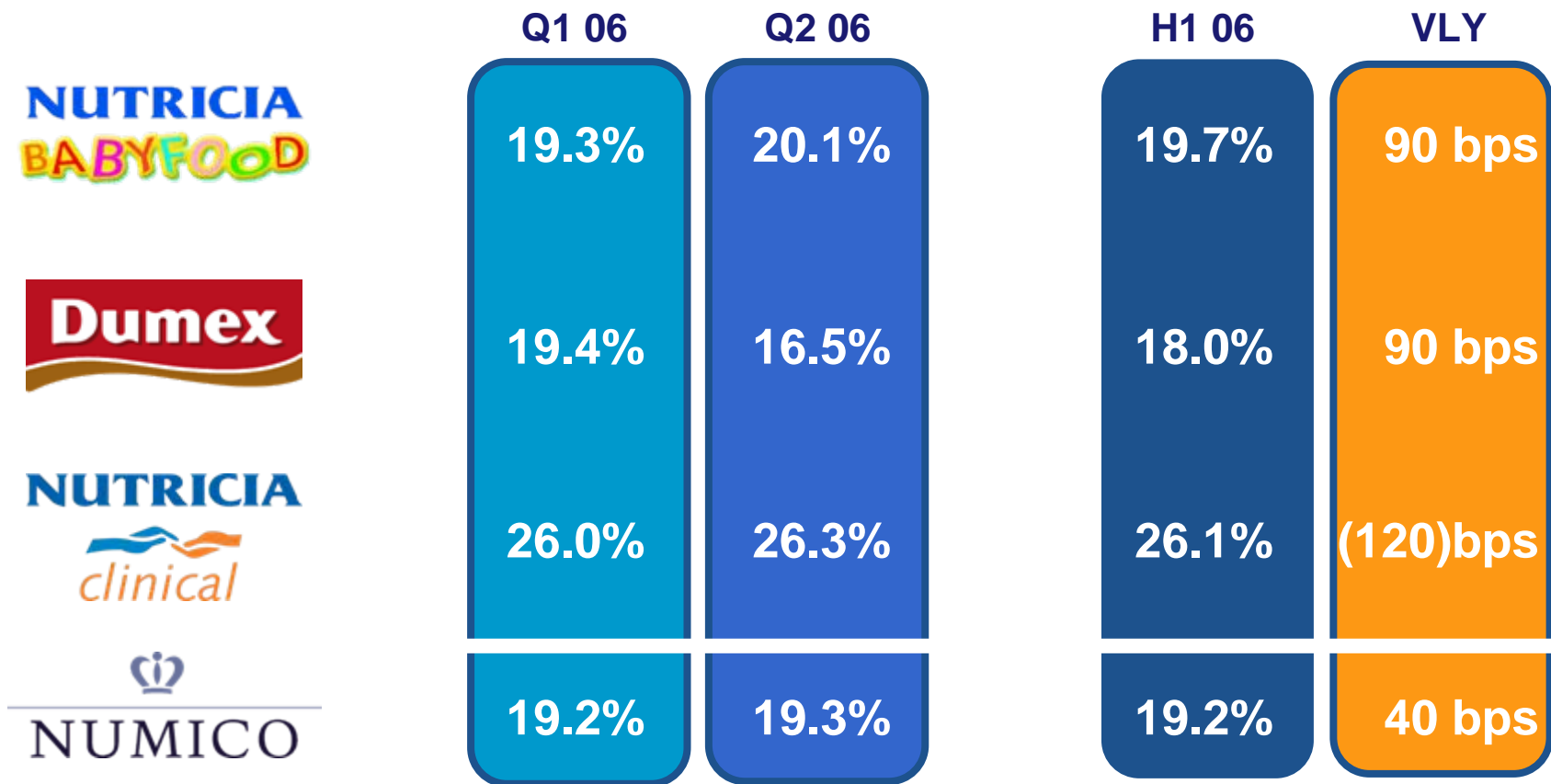
Financial Highlights – Q2 2006

- **Net sales up 11.3%; EBITA margin at 19.3%**
- **Nutricia Baby sales up 9.8%; EBITA margin at 20.1%**
- **Dumex sales up 23.1%; EBITA margin at 16.5%**
- **Nutricia Clinical sales up 9.0%; EBITA margin at 26.3%**
- **Normalised net result up 33.2% and normalised EPS up 16.7%**
- **Cash generated from operations amounted to €148 mln**

Double-Digit Organic Sales Growth



High EBITA Margin Levels





Divisional Performance

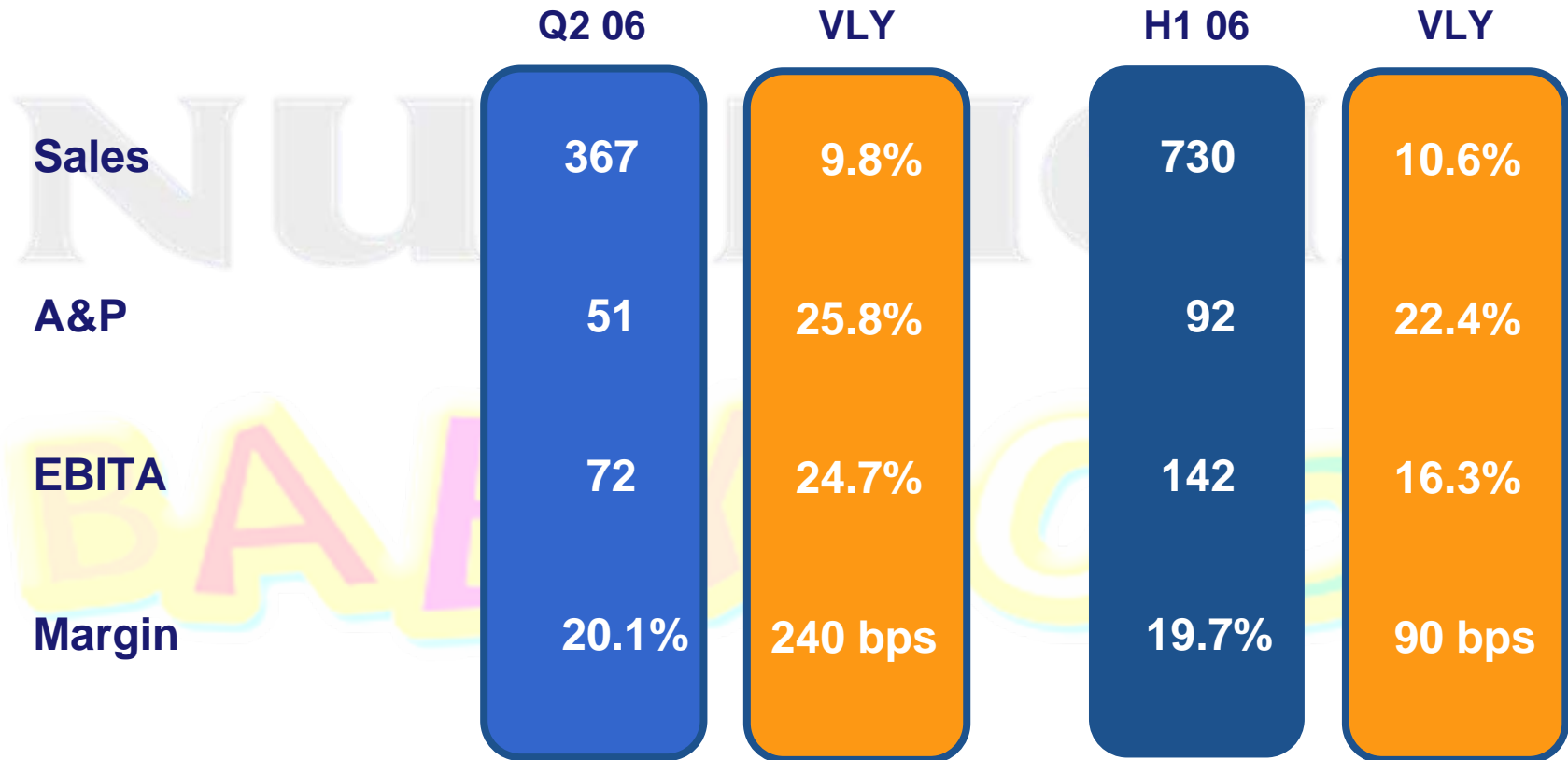
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Strong Growth at Higher Margins – H1 2006

- **Organic sales growth at 10.6% driven by volume (+6.1%) and price/mix (+4.5%)**
- **Growth driven by all regions – Eastern Europe (+21%), RoW (+20%) and Western Europe (+3.5%)**
- **High EBITA margin levels at 19.7% (up 90 bps), driven by favourable product mix, lower raw material prices, and continued savings**
- **Continued investments with A&P up 22% and R&D up 13%**

High Level of Investments



Comparable basis
Margins and VLYs exclude impact of Indonesian earthquake

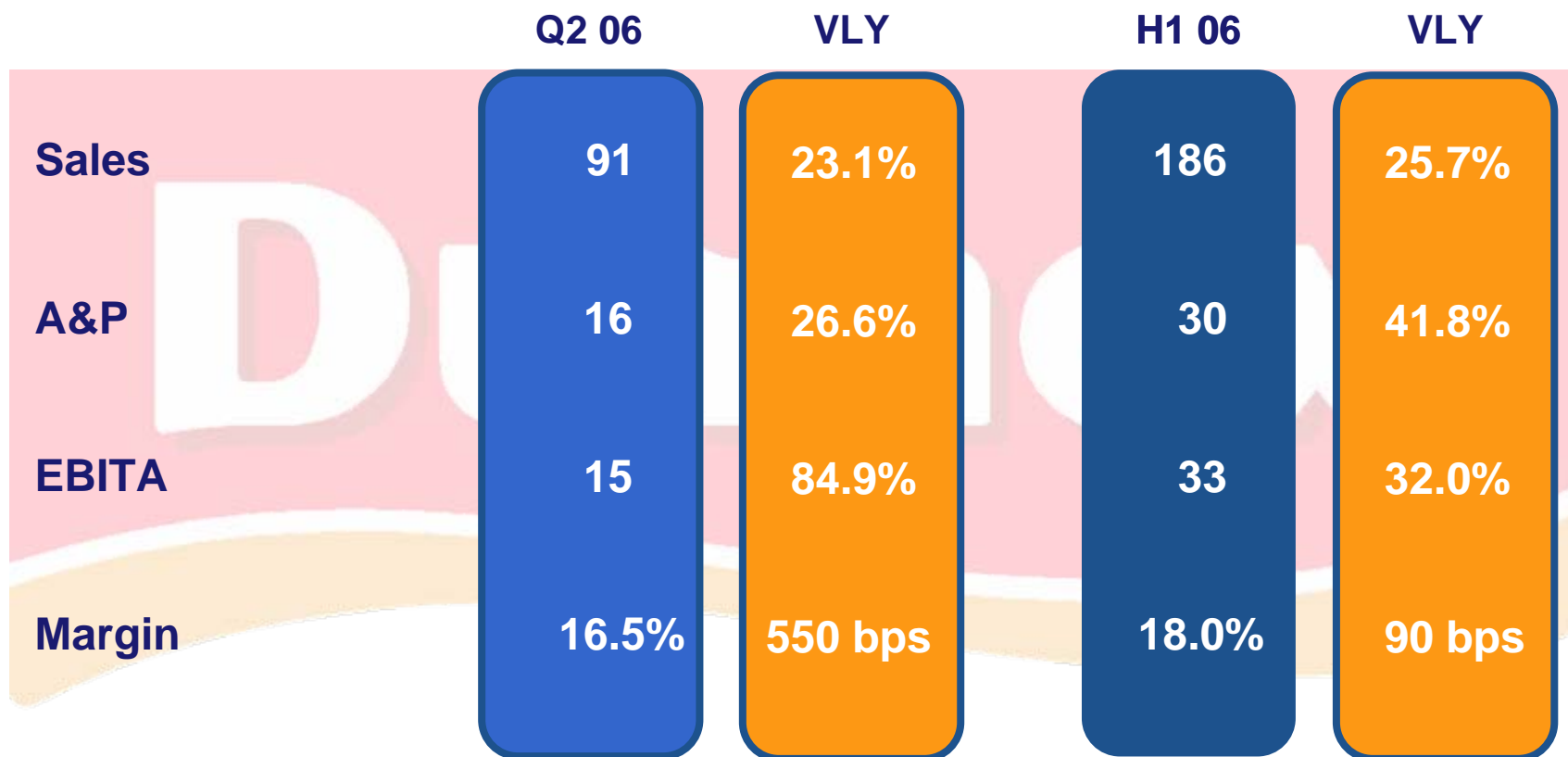
Limited Impact of Indonesian Earthquake

- **€7 mln lost sales and €3 mln lost margin in Q2 – no further material loss of sales expected in H2 2006**
- **Total one-off costs will amount to less than €(10) mln, with €(4) mln taken in Q2 and the remainder in Q3**
- **Lower one-off costs helped by faster, cost-efficient repair process and lesser write-offs than initially anticipated**

Dumex: Growth at Higher Margins – H1 2006

- **Sales up 25.7% reflecting growth in most countries, with particularly strong performance in China and Vietnam**
- **Strong EBITA margin at 18.0% (up 90 bps), driven by premiumisation, stable fixed costs and phasing**
- **Continued investment with A&P up 42%**

Substantial Level of Investments at Dumex





Divisional Performance



Stable Growth and Healthy Margins – H1 2006

- Sales up 10.1% - driven by Southern Europe (+11%) and RoW (+20%)
- Organic growth driven mainly by volume (+9%)
- Northern Europe at 6% due to Germany – changes in reimbursement

Strategic Evaluation of Coeliac

- Coeliac business provides nutrition for individuals with gluten intolerance (sales of €20 mln > 20% margin)

- Future growth will be driven by retail as well as pharma channels

- Strategic evaluation may include sale of business

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clinical

Continued High Level of Investments

	Q2 06	VLY	H1 06	VLY
Sales	184	9.0%	357	10.1%
R&D	6	39.0%	11	32.9%
A&P	13	11.9%	25	16.1%
EBITA	48	3.0%	93	5.6%
Margin	26.3%	(150) bps	26.1%	(120) bps

Comparable basis
Margins and VLYs exclude Coeliac business



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Financials Explained



Strong Overall Sales Growth – Q2 2006

in %

NUTRICIA
BABYFOOD




Dumex

NUTRICIA
clinical


NUMICO

	NUTRICIA BABYFOOD	Dumex	NUTRICIA <i>clinical</i>	NUMICO
Organic growth	9.8	23.1	9.0	11.3
Impact earthquake	(2.0)	-	-	(1.2)
Currency translation	0.2	5.0	(0.1)	0.6
Acquisitions / divestments	8.1	-	(2.5)	20.5
Reported growth	16.0	28.1	6.3	31.2

Sales and EBITA – Q2 2006

	Sales €mln	EBITA €mln	EBITA Margin
	367	72	20.1%
	91	15	16.5%
	184	48	26.3%
Non-Allocated	-	(13)	-
Constant Scope	643	123	19.3%

Operating Profit Explained

<i>in € mln</i>	Q2 06	VLY	H1 06	VLY
EBITA (on a comparable basis)	123	21.8%	244	15.2%
EBITA of business to be divested	(2)		(5)	
EBITA	121	30.7%	239	37.6%
Amortisation and impairment	(3)		(7)	
Acquisition and integration costs	(5)		(23)	
Exceptionals and result divestments	(3)		(2)	
Operating profit	110	22.2%	207	21.0%

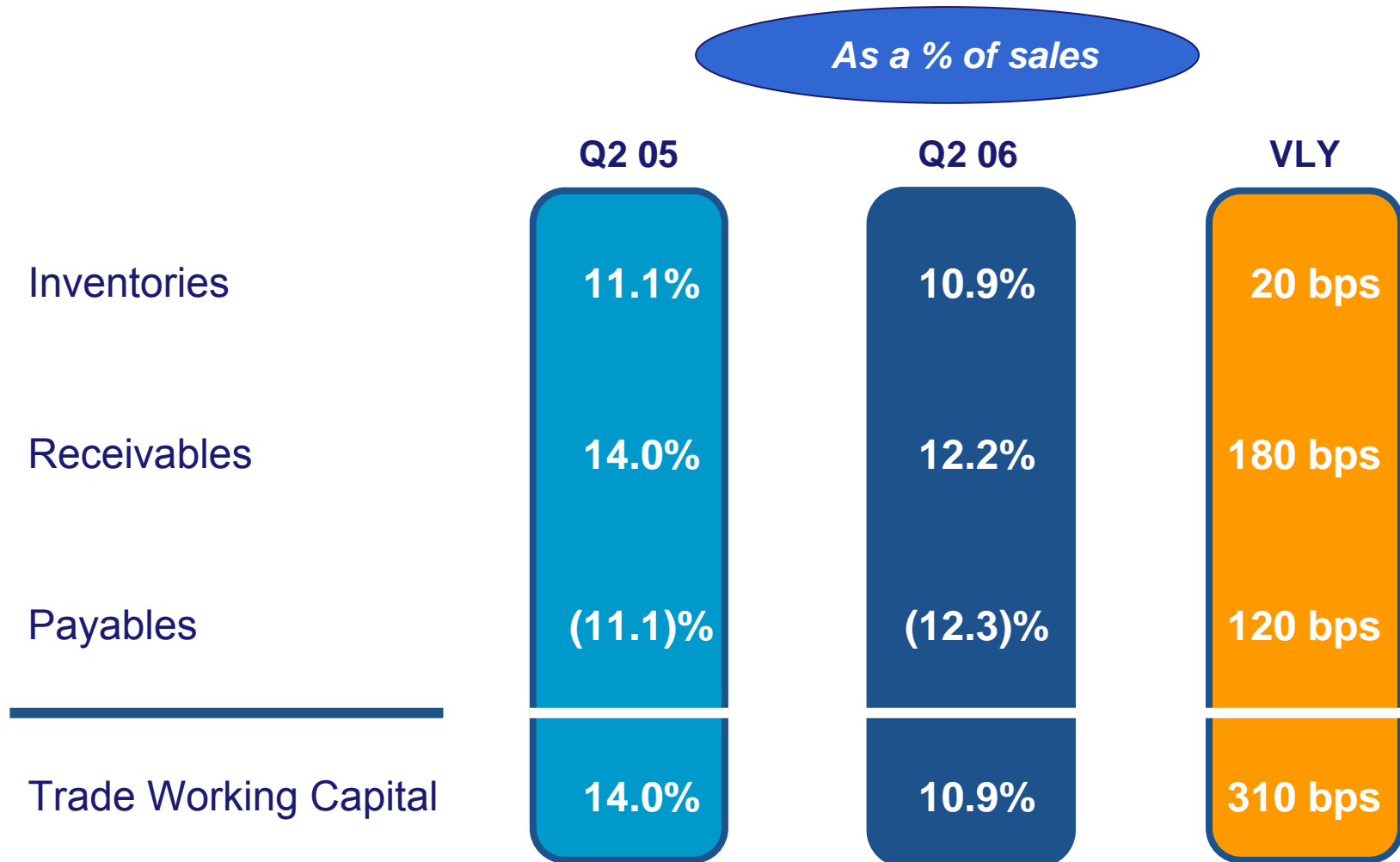
Profit for the Period Explained

<i>in € mln</i>	Q2 06	VLY	H1 06	VLY
Operating profit	110	22.2%	207	21.0%
Net finance costs	(19)	-	(46)	-
Income tax expense	(26)	-	(47)	-
Other	0	-	(1)	-
Profit for the period	65	17.9%	113	11.6%
Minority interests	0	-	0	-
Profit attr. to equity holders	65	20.4%	112	14.0%

Strong Double-Digit Earnings Growth

<i>in € mln</i>	Q2 06	VLY	H1 06	VLY
Profit attr. to equity holders	65	20.4%	112	14.0%
Acquisition and integration costs	5	-	20	-
Loss from discontinued operations	1	-	2	-
Exceptionals	2	-	1	-
Normalised net result attr. to equity holders	73	33.2%	136	37.8%

Significantly Improved Trade Working Capital



Substantial Cash Flow Generation

<i>in € mln</i>	Q2 06	H1 06
Operating profit	110	207
Depreciation / Amortisation	17	32
Movement in provisions	(17)	(12)
Net change in trade WC	40	11
Net change in non-trade WC	(8)	(21)
Other	6	11
Cash generated from Operations	148	228
Free Cash Flow	85	120



Questions and Answers





Appendix



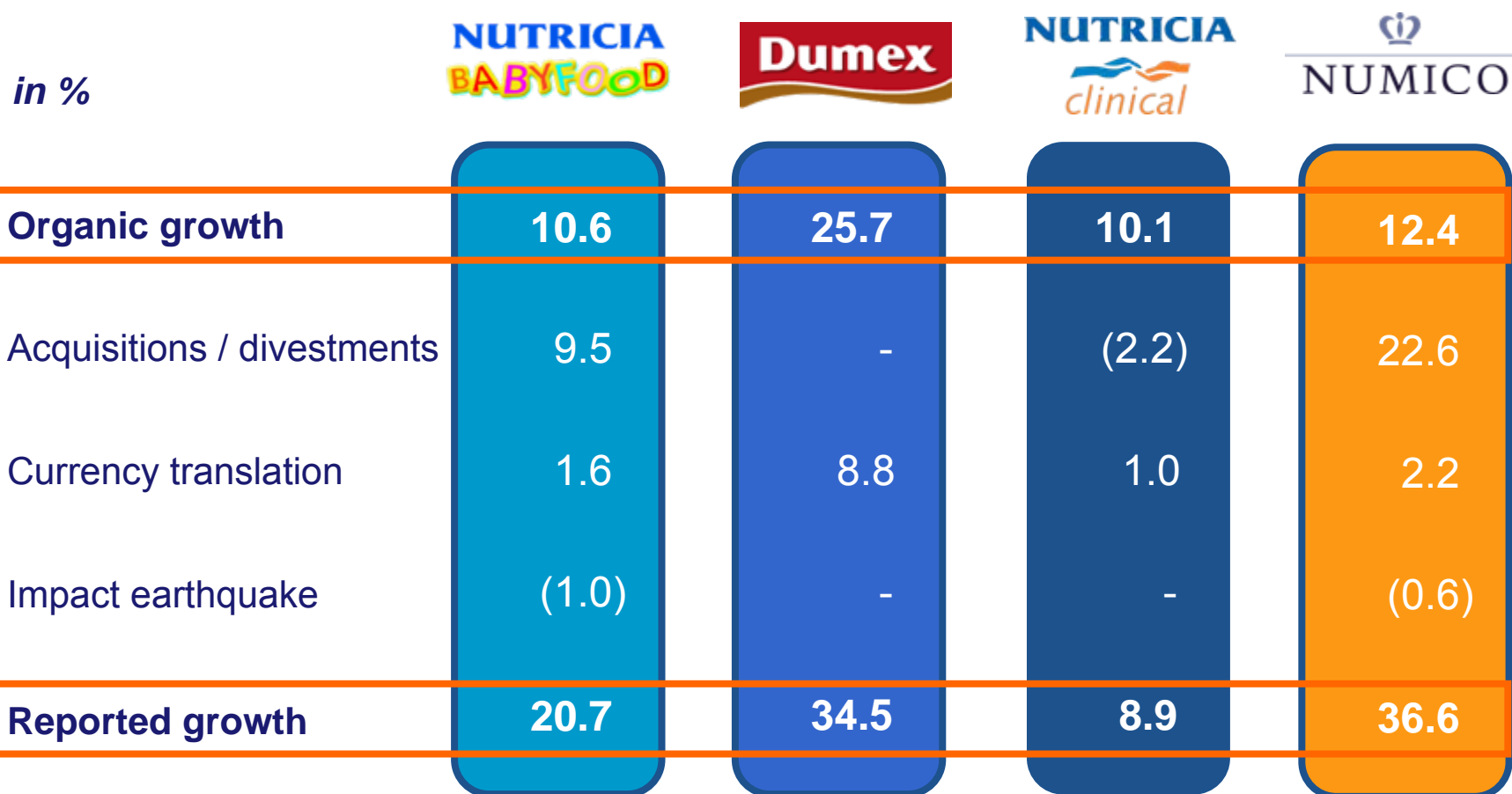
Balance Sheet

	30 June 2006	31 Dec. 2005
<i>in € mln</i>		
Intangible assets	2,094	767
Property, Plant, Equipment	383	336
Financial assets	27	26
Deferred income tax assets	359	362
Derivative financial instruments	-	9
Non-current assets	2,863	1,500
Inventories	269	194
Trade receivables	302	285
Other receivables	103	78
Cash and cash equivalents	285	1,457
Current assets	959	2,014
Non-current assets classified as held for sale	26	22
Total assets	3,848	3,536



Balance Sheet

<i>in € mln</i>	30 June 06	31 Dec. 2005
Total equity	728	682
Borrowings	1,695	1,913
Employee benefits	111	110
Provisions	7	7
Deferred income tax liabilities	412	181
Derivative financial instruments	7	13
Other financial liabilities	89	50
Non-current liabilities	2,321	2,274
Trade payables	303	254
Other payables	245	168
Current income tax liabilities	87	73
Borrowings	153	62
Provisions	10	22
Derivative financial instruments	1	1
Current liabilities	799	580
Total equity and liabilities	3,848	3,536

Strong Overall Sales Growth – H1 2006



Sales and EBITA – H1 2006

	Sales €mln	EBITA €mln	EBITA Margin
	730	142	19.7%
	186	33	18.0%
	357	93	26.1%
Non-Allocated	-	(25)	-
Constant Scope	1,273	244	19.2%

Nearly 80% of Ephedra Portfolio Resolved

	H1 2005	H1 2006
Claims filed	49	12
Claims dismissed	26	87
Claims settled	72	214
No. of active claims (period-end)	222	85*
% of portfolio resolved	39%	78%

* Excludes 64 cases settled in 2005 that are subject to Bankruptcy Court approval

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.

These forward-looking statements are based on current expectations, estimates, forecasts and projections and our beliefs and assumptions about future events. Forward-looking statements include, without limitation, statements concerning our results or financial position and the other factors discussed in our annual report. An overview of the most important financial factors that may affect Numico's results are provided in the company's most recent Annual Report.

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