

First Quarter 2017 Results

Consolidated results for the first quarter show a significant improvement over the Company's Budget, which is aligned with the Strategic Plan approved in the Financing Agreement for 2017, thanks to the increase in activity in the Industrial Division, the improvement of Margin in the Consumption Division and control of costs in general in all Plants.

When compared to the same period of the previous year, first quarter 2017 Sales of 86M€ are very similar. The EBITDA reached in 2017 is lower than last year, which was already contemplated in the 2017 budget of the Company, because the inflow of new money from the Refinancing Agreement signed at the end of the year 2015, provided the Company with a significant improvement in the service rate, which allowed adjusting provisions for penalties in first quarter 2016. If we eliminated the positive effect of the provisions released from the 2016 EBITDA to make a comparable year, we would reach an EBITDA similar to that obtained in the first quarter of 2017.

If we compare the cash flow generated by the operations of the first quarter of this year 2017 with the same period of 2016, there has been an improvement of 1M €, mainly due to working capital improvement.

1.- Business overview

Natra closed the first quarter of 2017 with sales very similar to those obtained in the same period of the previous year. In relation to EBITDA, EBITDA decreased 42.1% to € 3.86M, compared to € 6.67M in the same period last year.

In cumulative terms, sales amounted to € 86.39 million, a decrease of 0.4% over the same period last year. In terms of volume, tons sold increased by 0.7%.

The industrial division showed strong performance during the first quarter, with sales growth of 16.1% (18.9% in tones sold), reaching € 33.57 million compared to € 29.15 million same period last year year.

The consumption division sales declined by 8.3%, reaching € 52.82m in the first quarter of 2017 compared to € 57.58m in the same period last year. The volume of tons sold decreases in the same proportion.

Noteworthy is the increase in EMEA sales of 17.8% and 3.4% in AMERICA in the first quarter of 2017 compared to the same period last year, which shows the good performance of the business in these markets. In APAC, which accounts for only 1.4% of the total division, there has been a 24.6% decrease in sales.

2.-Consolidated Net Income

At the end of the first quarter of 2017, Natra's consolidated net income was -2.01M € against a profit of 0.14 M € achieved in the same period of last year.

This decrease of 2 million was mainly due to the fall in EBITDA.

In addition, amortizations have been reduced, there is a slight decrease in the financial result and a lower tax expense in Belgian companies.

3.- Net Financial Debt

At 31 March 2017 and 2016 Natra's net financial debt was € 152.04m and € 140.86m, respectively. This increase of 11.18 M €, has been used mainly to finance working capital. On one hand, to compensate the price decrease of cocoa beans after having closed positions in the Forward Market which is the main raw material of the Industrial Division. These positions, which are necessary to mitigate the risks of price volatility and exchange rates, and the price evolution itself, are already generating a very significant improvement in the current and future margin of that Division. On the other hand, the Company has used some of the new money to eliminate the past due balance of suppliers.

Lastly, because of applying the accounting rules to financial debt at the end of 2015, by recording it at market price, a financial income was booked for the present value of the difference between the market interest rate and the Nominal interest rate established in the Refinancing Contracts. This purely accounting income would be offset by a higher financial expense every year of the life of the debt and the consequent increase in annual debt. This is something that was already planned and will happen in each exercise.

4.- Natra Group Consolidated Profit and Loss Account for the first quarter 2017-2016

<i>(in thousand euros)</i>	2016	2015
Continued operations		
Net business turnover	86.387	86.724
+/- Variation of finished or in-process product stock	2	11.199
Procurements	(59.091)	(68.344)
Other operating income	159	159
Payroll	(11.546)	(11.341)
Depreciation allocation	(2.510)	(2.648)
Other operating expenses	(12.030)	(11.733)
Results of non-current assets disposal		-
Results of non-current assets impairment	(26)	
PROFIT FROM OPERATIONS	1.345	4.016
Results entities accounted for using the equity method		
Financial earnings	3	44
Financial expenses	(2.826)	(2.980)
Currency exchange differences (income and expenses)	(34)	(82)
Impairment and result of financial instruments disposal	2	(41)
Variation of assets at fair value with changes in profit and loss	-	-
PROFIT BEFORE TAXES	(1.510)	957
Income Tax	(501)	(813)
RESULTS FROM CONTINUED OPERATIONS	(2.011)	144
Interrupted operations:		
Results from Interrupted operations		
NET RESULT	(2.011)	144
Attributable to:		
Shareholders of the main company	(2.011)	144

5.- Natra Group consolidated Balance Sheet on 31 March 2017 and 2016

<i>(in thousand euros)</i>	31/03/2016	31/03/2017
ASSETS		
Property, plant and equipment	59.266	56.946
Intangible assets	57.968	58.220
Deferred tax assets	7.256	9.036
Other non-current financial assets	27.973	232
Non-current assets	152.463	124.434
Inventories	58.511	53.829
Trade and other receivables	22.822	28.525
Available-for-sale financial assets:	-	27.433
Derivative financial instruments	-	118
Current tax assets	5.754	4.451
Other financial assets	2.161	5.503
Other current assets	568	625
Cash and cash equivalents	8.430	5.862
Current assets	98.246	126.346
TOTAL ASSETS	250.709	250.780
EQUITY AND LIABILITIES		
Ordinary capital	6.324	6.324
Other reserves	32.491	23.044
TOTAL EQUITY	38.815	29.368
Convertible bonds	9.367	9.877
Borrowings	123.670	127.552
Derivative financial instruments	-	3.293
Deferred tax liabilities:	7.440	11.719
Other financial liabilities	8.976	3.145
Other liabilities and capital grants	1.373	1.280
Provisions for other liabilities and charges	868	774
NON-CURRENT LIABILITIES	151.694	157.640
Trade and other payables	38.796	35.768
Current tax liabilities	8.003	7.176
Borrowings	6.314	10.612
Derivative financial instruments	345	3.057
Other financial liabilities	620	488
Other current liabilities	6.122	6.671
CURRENT LIABILITIES	60.200	63.772
TOTAL EQUITY AND LIABILITIES	250.709	250.780

Information regarding APMs (Alternative Performance Measures) as established in the ESMA documentation

The APMs used by the Group and included in the 2017 informative documentation were EBITDA and net financial debt.

(i) EBITDA means Earnings Before Interest, Taxes, Depreciation and Amortization.

Net financial debt is the sum of the company's financial debts, long and short term, minus the value of cash and active derivative financial instruments.

(ii) To calculate EBITDA, we take the operating income and we add to it the value of amortizations, depreciations, and impairment of non-current assets.

To calculate the value of the net financial debt, we add all the liability components related to financial debt (with banks and any other financial entities) and subtract cash and active derivative financial instruments.

(iii) The calculation of these APMs can be done by extracting the information from balances and income statements included in this inform, item nº4 and nº5.

a) EBITDA:

EBITDA can be calculated by extracting the information from the income statements included in this inform, Item nº4.

Consolidated income statement

<i>(in thousands of Euro)</i>	Mar 17	Mar 16
OPERATING INCOME	1.345	4.016
Allocation for depreciation	2.510	2.648
EBITDA	3.855	6.664

b) Net financial debt:

To calculate the net financial debt, we extract the information from the consolidated balance included in this inform, item nº5.

Consolidated balance

<i>(in thousands of Euro)</i>	Mar 16	Mar 17
Non-current debt		
Debt obligations	9.367	9.877
Financial debt	123.670	127.552
Derivative financial instruments	-	3.293
Other financial liabilities	8.976	3.145
Current debt		
Financial debt	6.314	10.612
Derivative financial instruments	345	3.057
Other financial liabilities	620	488
Financial debt	149.292	158.024
Cash and cash equivalents	(8.430)	(5.862)
Derivative financial instruments	-	(118)
Net financial debt	140.862	152.044

(iv) Management use of these APMs:

EBITDA is the instrument the Group uses to draw up the budget, because it is believed that it measures the ability of the Company to generate cash flows.

The net financial debt is used by the Group to calculate the net financial debt/ EBITDA ratio, which measure the ability of the Company to pay off its debt.