



Quart de Poblet (Spain), November 3rd, 2014

2014 3rd quarter results

Significant recovery of the cocoa and chocolate business in the third quarter,
as forecasted by the company on June's results note

Sales growth of 5% in each of the two divisions and 5.73 M€ EBITDA in the third quarter, compared to 0.96 M€ from January to June

- The turnover of Natra's cocoa and chocolate activity grew by 5.2% from July to September following the positive performance of its two divisions. This helped offset the slight sales decline in the first half and the company closed the first nine months of the year with sales of 240.71 M€ in its cocoa and chocolate business, 1.2% higher than in the same period last year.
- EBITDA for the cocoa and chocolate business progressed from 0.96 M€ at the end of June to 6.69 M€ at the end of September, despite the ongoing pressure in the costs of raw materials.
- Natraceutical improved its turnover by 3.2% between July and September and partially offset the sales decline from the first half. Sales in the first nine months totaled 24.75 M€ compared to 25.30 M€ in September 2013. The company's EBITDA stood at the end of September at 2.84 M€ compared to 3.50 M€ in the same period last year, mainly due to the sales decline in the first half and increased advertising spending in the third quarter.
- Natra closed the first nine month of 2014 with a consolidated turnover of 265.47 M€ (+0.8% over the same period last year), EBITDA of 9.53 M€ (-52.4%) and net loss of 11.80 M€ compared with losses of 1.61 M€ at the end of June 2013, of which 11.41 M€ were registered in the first half of the year.

1.- Evolution of the cocoa and chocolate business

Natra's cocoa and chocolate business set sales between July and September 2014 at 89.83 million euro, 5.2% higher than those in the same months last year. This allowed the company to offset the 1.1% decline in sales in the first half and to close the first nine months of 2014 with total turnover of 240.71 million euro, compared to 237.94 million euro in the same period of 2013 (+1.2%).

This positive progression in the third quarter was supported by the two divisions of Natra's cocoa and chocolate business. Specifically, the consumer division set its sales from July to September at 62.03 million euro (+5.4% compared to the same period last year), while the industrial division reached 27.80 million euro (+ 4.9%).

Contrary to what happened in the previous two quarters, between July and September it was the EMEA region (Europe, Middle East and Africa) the one that promoted the recovery of sales in both divisions. Specifically, this region represented 82.8% of sales of the cocoa and chocolate business in the third quarter and achieved a growth of 8.7%. This was mainly driven by the entry into force of new manufacturing contracts for other food companies, as well as by the significant growth in the chocolate coatings range of the industrial division, a Europe-based business due to the specific characteristics of the product manufacturing and transportation.

Meanwhile, the Americas region represented 14.3% of the sales from July to September and rose 1.4%, after the slowdown in the first half of the year due to the delay of contracts linked to the start-up of the new factory in Canada.

By product categories, the slabs and spreads ranges represented each around 30% of sales in the consumer division and grew by 30.7% and 11.5% respectively. The countlines range represented 20% of division's sales and showed a more moderate increase of 1.4%, while the chocolates range contributed another 20% to the division's turnover and fell by 19,8%.

In the industrial division, the strong sales performance between July and September was driven by the chocolate coatings range, which contributed 52.3% of the division's turnover and grew 31.2% in the third quarter. In their turn, cocoa derivatives (cocoa- mass, -butter and -powder) contributed 47.7% of sales in the division and were down 10.2% in the quarter due to the combined effect of sales growth of cocoa butter and decline of cocoa powder.

After the progressive rise of cocoa prices in 2013, in the first half of 2014 the cost of this raw material increased an additional 20%. This upward trend was also seen in other products, like hazelnut, whose increase was especially evident since March due to a heavy frost in the production area of the Black Sea. Cocoa and hazelnut represent around 50% of the procurements of Natra.

Although the 2013/2014 cocoa harvest was good and consumption was lower than expected, the interest of speculators did not diminish during the third quarter. On the contrary, the futures price in London achieved a new high in forty-two months in September and it increased a new 7% at the end of the quarter.

The positive evolution of sales in the quarter and the containment of operating costs set the EBITDA at 5.73 million euro between July and September 2014, compared to 0.96 million euro between January and June this year and 6.31 million euro between July and September 2013.

Sales and EBITDA evolution
(9M 2013-2014 in M€)

NATRA - Cocoa and Chocolate									
	6M 2013	3Q 2013	9M 2013		6M 2014	3Q 2014	9M 2014	3Q/3Q	9M/9M
Turnover	152.58	85.36	237.94		150.88	89.83	240.71	5.2%	1.2%
<i>Consumer Division</i>	107.00	58.86	165.86		98.47	62.03	160.50	5.4%	-3.2%
<i>Industrial Division</i>	45.58	26.50	72.08		52.41	27.80	80.21	4.9%	11.3%
EBITDA	10.21	6.31	16.52		0.96	5.73	6.69	-9.2%	-59.5%

2.- Contribution of Natraceutical

At the end of September 2014, Natra consolidated a 49.8% stake in Natraceutical.

This subsidiary contributed Natra's consolidated accounts a turnover of 24.75 million euro compared to 25.30 million euro in September 2013, a 2.2% decline mainly due to the decrease of 4.2% occurred in the first half of the year. However, sales for the months of July to September showed an improvement of 3.2%, strongly supported by the evolution of the weight control segment and the correction of the health/energy range.

The company managed the decline from the beginning of the year not to affect the gross margin, which in the first nine months progressed from 73.7% in 2013 to 74.4%.

Natraceutical's EBITDA stood at the end of September at 2.84 million euro compared to 3.50 million euro in the same period last year, mainly by the sales decline from the beginning of the year and increased advertising expenditure in the third quarter. Meanwhile, net profit stood at 2.53 million euro compared to 2.17 million in September 2013.

The continued cash generation of the business enabled Natraceutical to further improve its net cash position after the deduction of debt, which evolved from 1.52 M€ in September 2013 to 3.69 M€ in the same period of 2014.

The merger between Natraceutical and Laboratorio Reig Jofre, disclosed on June 26, is progressing on schedule after the approval by the respective shareholders' meetings last October 24. The merger is expected to be effective before the end of the year.

Natraceutical disclosed its 2014 third quarter results last October 30. They may be found on the company's website, www.natraceutical.com

3.- Consolidated net result

The net result at the end of September stood at 11.80 million euro negative, of which 11.41 million euro had already been registered in the first half of the year, mainly due to the deterioration of the gross margin because of increasing cocoa prices in a period of low seasonality of the cocoa and chocolate business. In comparison, the third quarter of 2013 ended with a net loss of 1.61 billion euro.

4.- New financial structure

On October 31, Natra submitted a Relevant Fact to the Spanish Stock Exchange Commission (CNMV) informing about working capital credit lines amounting to 12.5 million euro for Natra Chocolate International SL and Natra Cacao SL, operational and commercial heads of both the consumer and the industrial divisions of the Natra Group, respectively.

The two recipient companies of these new funding will allocate the resources obtained to meet its working capital requirements, increased by the continuous rise of cocoa in recent quarters.

This operation is part of the financial restructuring process started recently, which is expected to be finalized during the first quarter of 2015.

5.- Forecast for year end

Despite the difficult start of the year reflected in the first half results, as Natra announced in its results note of June, the company estimated a gradual recovery of the business in the second half of the year. This should enable the company to reach business ratios in line with those of July to December 2013.

This recovery, which already started to become apparent between the months of July to September, should result from the positive effect of the seasonality of the business for Christmas, continuous production for new customers from the factory in Canada and financial strength to meet working capital requirements due to the financing agreement announced on 31 October and mentioned in the previous section.

6.- Consolidated profit and loss account in the first nine month of 2014

<i>(in thousand euros)</i>	3Q 2013	3Q 2012
Continued operations:		
Net business turnover	265.466	263.242
+/- Variation of finished or in-process product stock	3.935	5.739
Procurements	(172.950)	(163.156)
Other operating income	783	1.059
Payroll	(42.536)	(41.006)
Depreciation allocation	(9.152)	(8.513)
Other operating expenses	(45.254)	(46.088)
Results of non-current assets disposal	(1)	98
Result of non-current assets impairment	84	123
PROFIT FROM OPERATIONS	375	11.498
Financial earnings	168	215
Financial expenses	(10.457)	(8.526)
Currency exchange differences (income and expenses)	308	(466)
Variation of assets at fair value with changes in profit and loss	-	-
Impairment and result of non-current assets disposal	205	-
PROFIT BEFORE TAXES	(9.401)	2.721
Income tax	(1.132)	(3.211)
RESULTS FROM CONTINUED OPERATIONS	(10.533)	(490)
Interrupted operations:		
Results from interrupted operations	-	(50)
NET RESULT	(10.533)	(540)
Attributable to:		
Sahreholders of the main company	(11.800)	(1.613)
Minority interests	1.267	1.073

7.- Consolidated balance sheet on September 30, 2014

<i>(in thousand euros)</i>	<i>30/09/2014</i>	<i>30/09/2013</i>
ASSETS		
Non-current assets:		
Tangible assets	68.967	62.337
Intangible assets	145.865	144.885
Investments in Group companies		
Deferred tax assets	11.243	11.116
Financial assets held for sale		
Other non-current financial assets	11.258	10.545
TOTAL NON-CURRENT ASSETS	237.333	228.883
Current assets:		
Inventories	52.896	55.384
Accounts receivable, trade	34.313	50.149
Financial assets held for sale		
Assets at fair value with changes in profit and loss	5.585	3.476
Financial derivatives	530	16
Current tax assets	7.103	7.059
Other financial assets		
Other current assets	1.113	597
Cash and cash equivalents	8.257	7.341
TOTAL CURRENT ASSETS	109.797	124.022
Assets held for sale	-	184
TOTAL ASSETS	347.130	353.089

<i>(in thousand euros)</i>	<i>30/09/2014</i>	<i>30/09/2013</i>
EQUITY AND LIABILITIES		
Equity:		
Share capital	56.974	56.974
Reserves	63.432	63.432
Other reserves	-5.482	-7.245
Accrued earnings	-41.226	-32.418
Minority interests	39.501	41.022
TOTAL EQUITY	113.199	121.765
Non-current liabilities:		
Financial debt	144.132	134.856
Derivative financial instruments	2.614	4.107
Deferred tax liabilities	4.569	3.754
Other financial liabilities	7.988	9.225
Other liabilities and asset-related grants	1.345	1.638
Provisions for other liabilities and expenses	1.960	1.894
TOTAL NON-CURRENT LIABILITIES	162.608	155.474
Current liabilities:		
Trade accounts payable	48.845	53.120
Current tax liabilities	9.382	8.577
Financial debt	6.807	7.792
Derivative financial instruments	0	369
Other financial liabilities	326	192
Provisions for other liabilities and expenses	0	79
Other current liabilities	5.963	5.721
TOTAL CURRENT LIABILITIES	71.323	75.850
Liabilities held for sale		
TOTAL EQUITY AND LIABILITIES	347.130	353.089



About Natra

Natra is a Spanish multinational with a leadership position in Europe in the production of chocolate- and cocoa-derived products. The company specialises on chocolate products for distribution brands and other food companies. Natra does business with 23 of the top 25 global distributors, providing them with one of the largest product catalogues in Europe, as well as constant innovation and research related to new recipes, packaging and tailored solutions. Natra produces countlines, spreads, slabs, chocolates and Belgian specialities, which it sells in 60 countries throughout the five continents. The company has six specialised production centres in Spain, Belgium, France and Canada in addition to permanent commercial presence in Europe, United States and Asia. Furthermore, via its Industrial Products Division, Natra supplies cocoa-derived products (mainly cocoa-paste, -powder and -butter and chocolate coating) to the international food industry.

Natra is quoted on the Spanish stock exchange's market under the ticker NAT Total outstanding shares: 47,478,280

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