

NeutraHealth plc

Investing in wellbeing

Interim Results 6 months to 30 June 2006



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Agenda

- Progress to date
- Results
- Acquisitions
- TravelGuard
- Summary

Martin Gatto – Non-Executive Chairman

Michael Toxvaerd - Chief Executive

Robin Hilton - Finance Director



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Progress to date

- BioCare acquired end of August 2005
 - James McEuen appointed Managing Director November 2005
- Nutrigold acquired end of February 2006

- Strong profitable growth achieved in first half 2006
- Six months of initiatives and building platform for sustained organic growth

- Confident about second half growth and performance
- Continuing acquisition activity



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Results to 30th June 2006

- Turnover £4.3m
 - Nutrigold £0.3m : 4 months
 - BioCare £4.0m : 9% growth
- Underlying EBITDA £1.0m
 - Non-recurring costs £0.1m
- Operating cashflow £0.6m
- Cash reserves £1.9m
 - Net Borrowings £1.9m
- Positive Distributable reserves

	Unaudited 6 months 2006
	£'000
REVENUE	4,320
Cost of sales	<u>(2,024)</u>
Gross profit	2,296
Administrative expenses	<u>(1,548)</u>
PROFIT FROM OPERATIONS	748
Investment revenues	31
Finance costs	<u>(156)</u>
PROFIT BEFORE TAX	623
Income tax expense	<u>(154)</u>
PROFIT FOR THE PERIOD	<u><u>469</u></u>
Earnings per share	
Basic	<u><u>0.4p</u></u>
Diluted	<u><u>0.3p</u></u>



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Results to 30th June 2006

Initiatives to date

- www.biocare.co.uk : Launched April 2006
- Focus on export opportunities : 100% growth year on year
- Operations
 - Internal reorganisation and new UK Customer Development team
 - New inventory management and call centre systems
- Integration of Nutrigold into existing facilities
- Continual product development and launch : 10 new products



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Second half 2006

- Increased turnover
 - No seasonality
 - Full six month benefit of Nutrigold
 - Continued growth in BioCare

- EBITDA growth
 - Gross margin from increased turnover
 - No repeat of one off costs

- £1m deferred consideration for BioCare
 - Payable August 31st in shares or cash



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Second half 2006

Ongoing initiatives

- Focus on export opportunities :
 - Discussion with 15 countries
- Nationwide network of brand ambassadors
 - 12 nutritionists
- www.biocare.co.uk
 - >4% of sales through website
- Links with detox clinics

Joining the team, offering support nationwide are:-

Michelle Matthews ND - an experienced naturopath and health writer. Michelle will be looking after Edinburgh and surrounding areas.

Jennifer McDermott DipION - an experienced nutritional therapist and lecturer will be looking after practitioners and running training sessions in and around Newcastle on Tyne.

Melanie Harris BSc - a nutrition consultant and exercise instructor with experience in cardiac rehabilitation and nutrition and weight management. Melanie will be providing product information and training to practitioners in the Birmingham and Worcester areas.

Eleanor McCalla BEd Dip Raworth - a qualified and practicing nutritional therapist who specialises in exercise and weight management will be on hand to support practitioners and their clinics in Liverpool and Manchester.

Jeannie Finch Dip BCNH Dip Sports Therapy - Jeannie will be available to support practitioners in the Essex, and Hertfordshire regions. She is a nutritional therapist within the fitness industry and an experienced trainer and lecturer.

Sam Fuller DipION - Sam practices from three clinics as a nutritional therapist specialising in food intolerances/allergies and also children's nutrition.

Bristol Representative will be available soon

Hazel Pelham BSc (Hons) DipION - Hazel will be providing training and product information to practitioners in Devon. Hazel has had her own practice for over 5 years and writes for various health magazines.

Covering the London area we have a further two representatives **David Crooks** and **Claire Chalmers**. **David Crooks** is currently studying at ION and has several years experience in the healthcare industry. **Claire Chalmers** is also currently studying at ION and has hands on experience of working in the retail side of the healthcare industry.

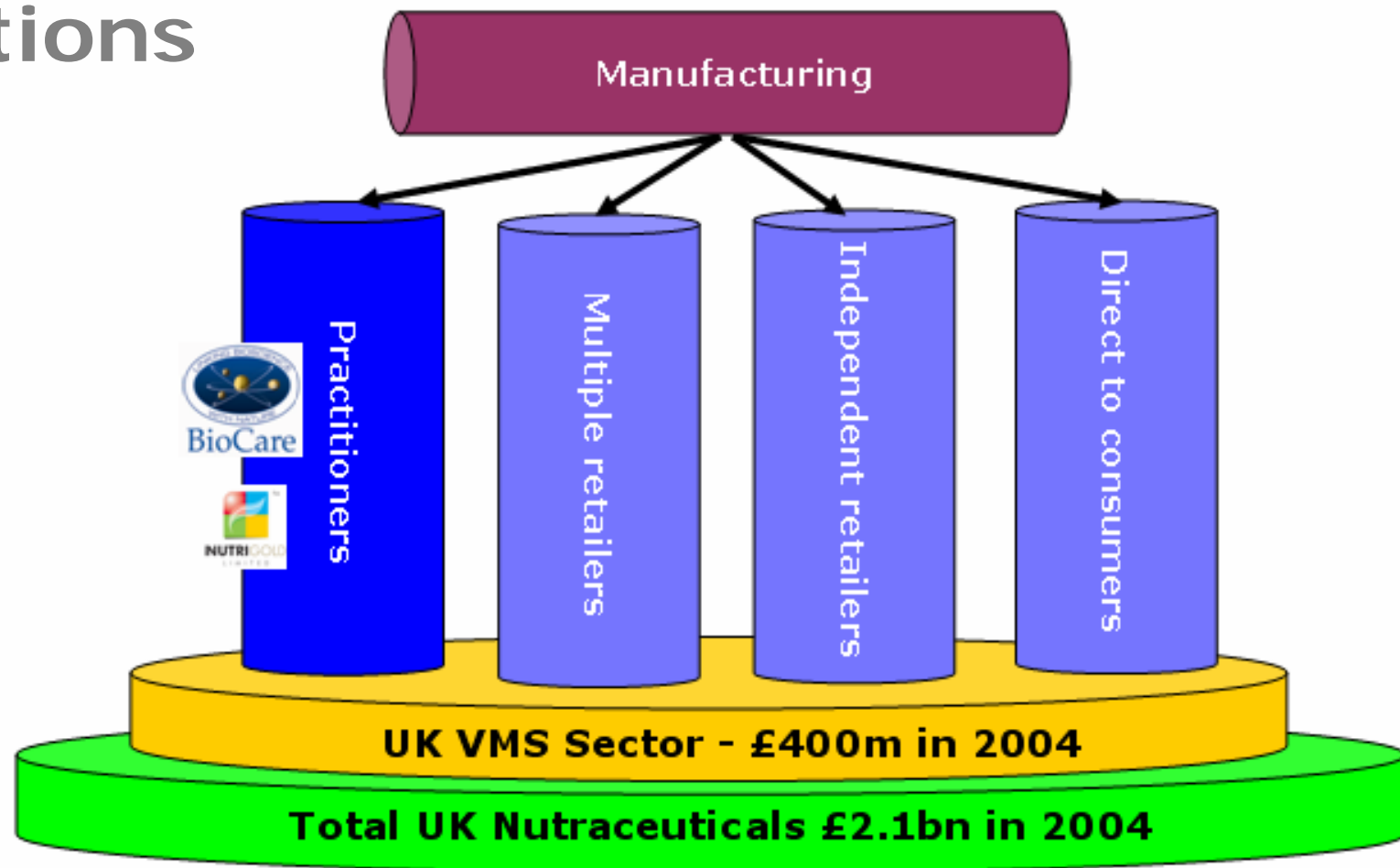
Suzie Sawyer, DipION - Suzie works within three clinics and is an experienced trainer and lecturer who has a special interest in sports nutrition. Suzie will be supporting practitioners in Surrey and Kent.

Suzanne Sawyer DipION - an experienced nutritional therapist who works alongside chiropractors and as an adviser in the area of nutritional research and obesity to hospitals in her area. Suzanne will be providing support in the Sussex area.



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Acquisitions



- Withdrawal from acquisition processes in period as value criteria not met
- Continually assessing opportunities and strengthening relationships

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Investment criteria

- Focused investment criteria already demonstrated in first two acquisitions
- “Cornerstone” Investments
 - £5-£20m Turnover
 - £1-£3m PBIT
 - Cash generative and profitable
 - High levels of repeat business
 - Strong brand positioning
 - Further potential for export or distribution channel expansion
- “Bolt on” Investments
 - £1-£4m Turnover
 - £0.1-£0.6 PBIT
 - High growth potential
 - Operational synergies and complementary product portfolio
 - Talented and highly incentivised management



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TravelGuard range launch

- Products in BioCare range suitable for innovative lifestyle retail range
 - TravelGuard : gut protection
 - CabinGuard : circulatory protection
 - SolarGuard : skin protection
- Initial plans suspended while NeutraHealth pursued retail brand acquisition targets
- Internal brand development now complete
- Discussions with major high street retailers ongoing



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Summary

- Solid growth in first half 2006
- Successful delivery of first stage initiatives
- Successful second acquisition and operations integration
- Confident about second half growth and performance
- Well positioned for further acquisitions

