



4th Quarter 2006

NUTRIPHARMA 

FOURTH QUARTER AND PRELIMINARY 2006 RESULTS

(Oslo, 27 February 2007) Nutri Pharma today reports total revenue for 2006 of MNOK 82.8 compared to MNOK 25.3 in 2005. The loss in 2006 is MNOK 11.3 (MNOK -10.5 in 2005) after amortisation charges of MNOK 9.1. The EBITDA loss in 2006 is MNOK 2.9 compared to a loss of MNOK 7.2 in 2005. Net financial revenue in 2006 is MNOK 0.7 compared to MNOK 0.1 last year.

Fourth Quarter results

In the fourth quarter of 2006 total operating revenue is MNOK 17.7 million and there is a loss of MNOK 2.7. The Q4 revenue is slightly higher than the previous quarter; although around 19% lower than Q4-2005. Total operating expenses in the fourth quarter is MNOK 21.4 compared to MNOK 22.0 in the last quarter of 2005. EBITDA in the fourth quarter shows a deficit of MNOK 1.4 (MNOK 2.0 in Q4-2005). Amortisation of intangible assets has been charged with MNOK 2.3 in the fourth quarter (MNOK 2.2 million in Q4-2005). Net financial items are recorded with net revenue of MNOK 1.0 compared to revenue of MNOK 0.1 in the same quarter the previous year.

Nordic region

Royalty income in Q4-06 from the Nordic area is MNOK 1.2 which represents an increase of 29% compared to fourth quarter 2005. This is a result of the continued strong performance of the Nutrilett brand. The operating profit from the Nordic region is MNOK 0.2. Amortisation of Royalty and Patent rights has been expensed with MNOK 0.4 (Q4-2005: MNOK 0.4). The subsidiary Nutri Pharma Holding AS in Denmark was conclusively dissolved in November 2006. A remaining balance deriving from earlier period exchanges difference has generated financial revenue of MNOK 1.2 in the fourth quarter accounts. The net profit for the period is MNOK 1.2 compared to a profit of MNOK 0.5 million in Q4-2005.

Russia/CIS

Total revenue from the CIS area in the fourth quarter is MNOK 16.5 which is 4% higher than in Q3-06; although around 20% lower than Q4-2005. MIG achieved a gross margin of 88% from sales in Q4. The business segment Russia/CIS delivered a negative EBITDA of MNOK 1.3. In Q4-2006 the variable proportion of MIGs costs were 73% of the revenues, covering cost of goods sold, commissions to distributors and service providers. Operational costs were reduced by MNOK 0.4 compared to Q3-06.

Financial results January - December 2006

The consolidated loss for the period is MNOK 11.3 (2005: MNOK -10.4), and the EBITDA result shows a loss of MNOK 2.9 (2005: MNOK -7.2).

Total revenue in 2006 is MNOK 82.8 compared to MNOK 23.3 in 2005. MIG was first time consolidated in Q4-2005. Royalty revenue from Nordic is MNOK 4.7 which is 5% higher than in 2005. Sales revenue in Russia/CIS came in with MNOK 78.1 in 2006. The nutrition products NutriPro and NutriBar account for 65% of total sales revenue in Russia/CIS in 2006.

Total operating expenses increased from MNOK 35.8 last year (only Nordic up to Q4) to MNOK 94.8 in 2006. Total operating expenses from the Nordic operation are MNOK 7.0 in 2006, which is a reduction of 55% from the operating costs of MNOK 15.6 in 2005. Total operating expenses in MIG, ex. amortization of intangible assets are MNOK 82.7. MIG was first time consolidated in Q4-2005. In 2006 the variable proportion of MIGs costs were 72% of the revenues, covering cost of goods sold, commissions to distributors and service providers. The cost structure has been improved during 2006 through the implementation of a new commission plan and renegotiation of agreements with the key service partners.

In total amortization has been charged with MNOK 9.1 compared to MNOK 3.3 in 2005. Amortisation of Royalty and Patent rights has been expensed with MNOK 1.4, Software platform with MNOK 4.5 and Distribution lists with MNOK 3.1. A revision of the Distributor lists valuation has been made prior to the Q4 reporting. See comments below.

Net financial revenue in 2006 is MNOK 0.7 compared to MNOK 0.1 in 2005. The subsidiary Nutri Pharma Holding AS in Denmark was conclusively dissolved in November 2006. A remaining balance deriving from earlier period exchanges difference has generated financial revenue of MNOK 1.2 in 2006. Interest costs on loans have been charged with MNOK 0.6.

The consolidated loss for the period is MNOK 11.3 (2005: MNOK -10.4). The parent company Nutri Pharma ASA made a net profit for 2006 of MNOK 1.8 compared to a loss of MNOK 9.8 in 2005. The fully owned subsidiary MIG made a loss of MNOK 13.1 after amortisation of intangible assets of MNOK 7.6.

Balance sheet at 31 December 2006

An impairment analysis of the intangible assets related to the acquisition of MIG per Sept 2005 has been concluded without any impairment losses. Intangible assets and equity related to the acquisition of MIG is adjusted for currency movements in Euro/NOK rates

Re-evaluation of Distributor lists

Fair value of the Distributor lists was determined by the Market approach, when allocating the purchase price of MIG at the date of acquisition 15.09.2005. The distributor lists were valued at NOK 15 million at year end 2005 and the useful life was determined to be indefinite. Based on an indefinite life evaluation, the distributor lists have previously not been amortised.

This evaluation has been revised before issuing the Q4 figures for 2006. The customer lists are amortised over management's best estimate of its useful life which is 5 years. The reassessment implies that amortisation using the straight-line method has been charged on Distributor lists as from the acquisition date of MIG, starting from last quarter of 2005. As a result the 2005 result, equity per 31.12.05 and intangible assets has decreased with TNOK 757.

This prior period error has been corrected by restating the comparative amounts for 2005. Amortisation of distributor lists for Q4 2005 is TNOK 757. Amortisation for Q4 2006 and FY 2006 is TNOK 794 and TNOK 3 090 respectively.

Cash and other liquid assets were MNOK 4.6 as of December 31 2006, compared to MNOK 6.0 as of December 31 2005. In 2006 cash flow from operational activities resulted in a reduction of MNOK 3.7. Cash flow from investment activities amounted to MNOK 1.8 and from financing MNOK 2.2.

The consolidated equity has increased from MNOK 18.0 at December 31 2005 to MNOK 29.0 at year end 2006. For details of movements see p 7.

Commercial Update

Nordic

Nutrillett, which is distributed through Orkla subsidiary Collett Pharma, as one of their core product lines, continues to show a growing trend. The market segment for nutrition and weight management is increasing in the Nordic market and Nutrillett is the market leader, with a 60% market share in the Powders and Bars segment. Collett Pharma is planning to introduce new products under the "Nutrillett" brand. In 2006 sales from Collett Pharma increased by 20% compared to 2005. It is expected that the Nutri Pharma's Nordic business will continue to grow in 2007.

Nutri Pharma ASA

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Russia and CIS countries

With revenues of MNOK 16.5 in the Fourth Quarter, MIG had a revenue increase of 4% compared to the Third quarter. With the implementation of the new commission plan the management has a strong focus on increasing sales. Additionally, considerable cost cutting has reduced the break-even level.

Oslo, 27 February 2007

The Board of Directors of Nutri Pharma ASA

FOR FURTHER INFORMATION:

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For information about Nutri Pharma, Nutri Pharma products, Nutri Pharma management and Nutri Pharma financial performance, please point your web browser to: www.nutripharma.com

For information about Meridian International Group (MIG), please point your web browser to: <http://www.meridianinternational.net/public/home/home-welcome.asp>

Accounting Principles

The consolidated financial statements for the fourth quarter have been prepared in accordance with the statutory regulations governing the Stock Exchange, the Oslo Stock Exchange's own rules and IAS 34 "Interim Financial Reporting". The accounting policies used are consistent with those used in the Annual Financial Statements. The interim financial statements do not include all the information that is required of a complete set of year-end financial statements, and should therefore be read in conjunction with the consolidated annual financial statements for 2005. The Annual report for 2005 can be obtained upon request to the company's head office, or from its website: www.nutripharma.com

Nutri Pharma Consolidated - IFRS					
<i>Amount in NOK '000</i>	Oct 1 - Dec 31		Jan 1 - Dec 31		
	Q4 2006	Q4 2005	FY 2006	FY 2005	FY 2004
REVENUE					
Net sales revenues	16,470	20,821	78,108	20,821	-
Royalty income	1,223	945	4,727	4,524	4,634
Total revenue	17,693	21,766	82,835	25,345	4,634
OPERATING EXPENSES					
Cost of goods sold	1,906	504	7,884	504	-
Personnel costs	515	490	2,310	2,488	5,921
Depreciation of intangible and tangible fixed assets	2,320	2,219	9,072	3,306	3,182
Other operating expenses	16,623	18,769	75,521	29,547	7,150
Total operating expenses	21,364	21,982	94,787	35,845	16,253
RESULT FROM OPERATIONS	-3,671	-216	-11,952	-10,500	-11,619
FINANCIAL INCOME AND EXPENSES					
Net financial income and expenses	998	129	652	132	353
PROFIT BEFORE TAXES	-2,673	-87	-11,300	-10,368	-11,266
Income tax expense	-	-	-	-	-
PROFIT FOR THE PERIOD	-2,673	-87	-11,300	-10,368	-11,266
Earnings per share/diluted earnings per share	-0.03	0.00	-0.14	-0.13	-0.16

Balance Sheet

Nutri Pharma Consolidated - IFRS			
<i>Amount in NOK '000</i>	31 Dec 2006	31 Dec 2005	31 Dec 2004
NON CURRENT ASSETS			
Intangible non-current assets			
Patent and royalty assets	5,481	6,929	8,378
Goodwill	64,723	62,325	
Software platform	17,407	21,342	
Distributor lists	11,868	14,560	-
Total intangible non - current assets	99,479	105,156	8,378
Total non - current assets	99,479	105,156	8,378
CURRENT ASSETS			
Debtors			
Accounts receivable	1,067	1,563	645
Other short term receivables	2,422	1,744	379
Total debtors	3,489	3,307	1,024
Stocks	5,430	4,853	-
Short term Investments			
Bonds and certificates	1,510	3,448	16,423
Total short term Investments	1,510	3,448	16,423
Cash and bank deposits			
Cash and bank deposits	3,077	2,596	1,311
Total current assets	13,506	14,204	18,758
TOTAL ASSETS	112,985	119,360	27,136
EQUITY			
Issued capital	19,668	19,668	19,668
Treasury shares	-	-1,500	-1,625
Retained earnings	4,713	-1,833	6,810
Translation differences	4,655	1,620	373
Total capital	29,036	17,955	25,226
Total equity	29,036	17,955	25,226
LIABILITIES			
Interest bearing loan	15,528		
Current liabilities			
Accounts payable	3,178	3,570	27
Public duties payable	71	105	300
Short term loan		12,903	
Other current liabilities	65,172	84,827	1,583
Total liabilities	83,949	101,405	1,910
TOTAL EQUITY AND LIABILITIES	112,985	119,360	27,136

Cash Flow Statement

Consolidated IFRS					
<i>Amount in NOK '000</i>	Oct 1 - Dec 31		Jan 1 - Dec 31		
	Q4 2006	Q4 2005	FY 2006	FY 2005	FY 2004
Cash flow from operations					
Profit before taxes	-2,673	-87	-11,300	-10,368	-11,266
Depreciation and amortization	2,320	2,219	9,072	3,306	3,182
Re-issue of treasury shares as part of personell incentive plan					615
Change in stocks	-662	-81	-577	-81	-
Change in accounts receivables	282	5,268	496	113	266
Change in accounts payable	-338	-9,402	-392	-9,429	-69
Change in other provisions	1,168	-930	-962	-1,615	-348
Net cash flow from operations	97	-3,013	-3,663	-18,074	-7,620
Cash flow from investments					
Changes in bonds and certificates	487	685	1,938	12,975	-2,304
Acquisition of subsidiary net of Cash		1,392		1,392	
Proceeds from sales of own shares				1,850	
Net cash flow from investments	487	2,077	1,938	16,217	-2,304
Cash flow from financing					
Short term loans	333	3,142	2,206	3,142	-
Net cash flow from financing	333	3,142	2,206	3,142	-
Net cash flow	917	2,206	481	1,285	-9,924
Cash assets at beginning period	2,160	390	2,596	1,311	11,235
Cash assets at end period	3,077	2,596	3,077	2,596	1,311

Consolidated statement of changes in equity for the period ended 31 December 2006

IFRS	NOK 1.000	Issued capital	Treasury Shares	Retained earnings	Translation differences	Total equity
FY-2006	At 1 January 2006 IFRS	19,668	-1,500	-1,833	1,620	17,955
	Foreign currency translation				3,035	3,035
	Dissolvement subsidiaries			-1,354		-1,354
	Profit for the year			-11,300		-11,300
	Sale of treasury shares		1,500	19,200		20,700
	At 31 December 2006 IFRS	19,668	0	4,713	4,655	29,036
FY-2005	At 1 January 2005 IFRS	19,668	-1,625	6,810	373	25,226
	Foreign currency translation				1,247	1,247
	Profit for the year			-10,368		-10,368
	Sale of treasury shares		125	1,725		1,850
	At 31 December 2005 IFRS	19,668	-1,500	-1,833	1,620	17,955
FY-2004	At 1 January 2004 IFRS	19,668	-1,700	17,536		35,504
	Foreign currency translation				373	373
	Sale of treasury shares		75	540		615
	Profit for the year			-11,266		-11,266
	At 31 December 2004 IFRS	19,668	-1,625	6,810	373	25,226

Segment information

The primary reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products services sold. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Following the acquisition of MIG Ltd, Nutri Pharma operates with two business segments; Nordic, with the existing royalty revenues, and Russia + CIS countries through the direct sales organisation of MIG

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in consolidation.

The group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Business segment (NOK 1000)	Nordic		Russia + CIS		Eliminations		Consolidated	
	FY 2006	FY 2005	FY 2006	FY 2005	FY 2006	FY 2005	FY 2006	FY 2005
Sales		0	78,108	20,821			78,108	20,821
Royalty	4,727	4,524					4,727	4,524
Total revenue	4,727	4,524	78,108	20,821			82,835	25,345
Inter segment sales	2,522	1,007			2,522	1,007	0	0
Revenue	7,249	5,531	78,108	20,821			82,835	25,345
Segment result	1,824	-9,771	-13,124	-597			-11,300	-9,611
Unallocated revenue								
Operating result	216	-10,045	-12,168	-454			-11,952	-10,499
Net finance	1,608	274	-956	-143			652	131
Income taxes							0	0
Profit for the year	1,824	-9,771	-13,124	-597	0	0	-11,300	-10,368
Assets and liabilities								
Assets	8,764	12,548	104,221	106,811			112,985	119,360
Total assets	8,764	12,548	104,221	106,811	0	0	112,985	119,360

Other business segment information (NOK 1000)	Nordic		Russia + CIS		Eliminations		Consolidated	
	FY 2006	FY 2005	FY 2006	FY 2005	FY 2006	FY 2005	FY 2006	FY 2005
Segment liabilities	63,238	95,005	30,489	22,860	9,778	16,461	83,949	101,405
Not allocated liabilities	0	0	0	0			0	0
Total liabilities	63,238	95,005	30,489	22,860	9,778	16,461	83,949	101,405
Amortisation	1,449	1,449	7,623	1,857			9,072	3,306
Investments	0	0	0	0			0	0
Impairment	0	0	0	0			0	0

Geography (NOK 1000)	Nordic		Russia + CIS		Consolidated	
	FY 2006	FY 2005	FY 2006	FY 2005	FY 2006	FY 2005
Revenue from external customers	4,727	4,136	78,108	21,209	82,835	25,345
Segment Assets	8,764	12,548	104,221	106,811	112,985	119,360
Investments	0	0	0	0	0	0