

## FIRST QUARTER RESULTS 2002

**(Oslo/Copenhagen, April 24, 2002) Nutri Pharma ASA (OSE: NUT) today announced that as a result of its JV with Nycomed Pharma revenues grew by 239% from NOK 4 million in Q1 2001 to NOK 13.4 million in Q1 2002. The operating result was NOK –20 million compared to NOK –29.7 million in Q1 2001.**

### EXECUTIVE SUMMARY

- A rigorous auditing of the organisation was implemented by the new management in the second half of 2001. This resulted in a substantial reduction of personnel, external consultants and the closure of offices. During Q1 management has been actively involved in pursuing and developing commercial prospects. Parallel to this has been the implementation of standardised practices and procedures that will, in conjunction with the aforementioned commercial focus, deliver shareholder value.
- Q1 results show improvements in both revenues and expenses. This trend is forecast to continue throughout the remainder of 2002.
- Pre tax result for the first quarter was negative NOK 16.3 million compared to negative NOK 21.6 million in the corresponding quarter last year.
- Total revenues for the first quarter this year ended at NOK 13.4 million versus NOK 4.0 million in the same quarter 2001. These revenues include a pro-rata consolidation of 50 % of the revenues from Nutrition Partners, a JV with Nycomed Pharma. Pro-forma excluding Nutrition Partners' revenues, Nutri Pharma's revenues increased by 48% to NOK 5.9 million.
- Net finance was NOK 3.7 million, compared to NOK 8.1 million in the corresponding period 2001.
- EBITDA in the first quarter was negative NOK 18.7 million compared with negative NOK 28.4 million in the corresponding quarter last year.
- Total assets at the end of March 2002 were NOK 305.8 million of which NOK 250 million is cash, cash equivalents and certificates. The reduction in cash from NOK 283 million at year end is mainly due to the loss in Q1 and reduction in payables.

### ROYALTIES/NET SALES REVENUES

Royalty income and sales revenues are chiefly based on royalties and sales from the weight reduction and control products Nutrilett®, Scan Diet™ and Nutri Plan™ marketed and sold in the Nordic Area, North America and Australia.

In the North American market Nutri Pharma has a royalty based licence agreement with GNC. A similar agreement exists in Australia/New Zealand with Mayne Health.

Net sales revenues are 50% of the net sales from Nutrition Partners, the 50/50 JV with Nycomed Pharma which serves the Nordic markets.

### OPERATING COSTS

Operating costs are at the same level as Q1 2001. Excluding the pro-rata consolidation of 50% of the expenses of Nutrition Partners, operating expenses declined by 25%. This reflects the general cost containment program that was put into effect late in 2001.

## **MARKET DEVELOPMENT**

Nutriplan™ was launched in Australia in late January 2002. Sales show that the product is being received well by the Australian market. New marketing and sales efforts will be introduced going forward which should contribute to strengthening Nutriplan's™ market position further. The brand will be launched in New Zealand later this year. Developments in North America have been somewhat slower than expected, due to the restructuring of GNC. Developments in the Nordic Area are in accordance with plans. Due to the marketing campaigns in Q1, supporting region-wide product launches, Nutrition Partners showed a loss.

Nutri Pharma is investigating further opportunities for market extensions both in terms of distribution, products and new territories. Establishing a stronger UK presence is under development and Nutri Pharma is also reviewing a more diversified approach towards North America and mainland Europe.

## **R&D**

Nutri Pharma has made a considerable investment in R&D over the last years and has achieved a strong IP position. This will make it possible to reduce R&D to a lower level going forward, which is reflected in the first quarter figures. Additionally all investments are subject to evaluation according to the company's Guiding Principles of Managing for Shareholder Value (MSV). This ensures the right allocation of investments to develop the next generation of products and services, achieve the necessary product differentiation and create long-term shareholder value.

## **INTELLECTUAL PROPERTY (IP)**

Globally Nutri Pharma has a strong IP position with 14 patent families with more than 900 patent claims. The patents protect and reinforce the USP of the Nutrilett®, ScanDiet™ and Nutri Plan™ product ranges as well as Abacor® and Abalon® in both the North American and European market. Worldwide Nutri Pharma now has the best-documented products in weight and cholesterol reduction and management.

## **BUSINESS OUTLOOK**

First quarter results show improvement in both revenue and costs. This trend is expected to continue throughout 2002 through revenues resulting from the Nutrition Partners, range extensions and new product launches. Focused management, the completed consolidation of the company structure and strong corporate governance, are the key drivers of this improvement.

Nutri Pharma ASA

Board of Directors April 23 2002

## **UPCOMING FINANCIAL EVENTS 2002:**

July 25, 2002            Presentation of 2nd quarter 2002

October 31, 2002      Presentation of 3rd quarter 2002

## **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](http://www.nutripharma.com)

# Income Statement

(Amount in NOK)	2002 Q1	2001 Q1	2001 1.1-31.12	2000 1.1-31.12
<b>Revenue</b>				
Net sales revenues	7 867 788			
Royalty income	4.904.406	3.791.643	14 349 751	6 627 441
Other operating income	637 335	163 084	1 523 809	329 031
<b>Total revenue</b>	<b>13 409 529</b>	<b>3 954 727</b>	<b>15 873 560</b>	<b>6 956 472</b>
<b>Operating expenses</b>				
Cost of goods sold	4 836 511			
Payroll expense etc.	4 555 780	8 160 739	35 936 982	14 705 294
Depreciation intangible and tangible fixed assets	1 280 478	1 324 636	5 438 680	4 426 638
Other operating expenses	22 749 276	24 177 847	134 980 765	75 270 855
<b>Total operating expenses</b>	<b>33 422 044</b>	<b>33 663 222</b>	<b>176 356 427</b>	<b>94 402 787</b>
<b>Result of operations</b>	<b>-20 012 515</b>	<b>-29 708 495</b>	<b>-160 482 867</b>	<b>-87 446 315</b>
<b>Financial income and expenses</b>				
Total financial income and expenses	3 663 300	8 074 999	27 566 582	22 332 853
<b>Ordinary profit before taxes</b>	<b>-16 349 216</b>	<b>-21 633 496</b>	<b>-132 916 285</b>	<b>-65 113 462</b>
Tax on ordinary result			232 859	

# Balance sheet

(Amount in NOK)	31-03-2002	31-03-2001	31-12-2001
Assets			
<b>Long term assets</b>			
Intangible fixed assets			
Patent and royalty assets	17.132.095	20.310.545	17.927.710
Capitalized commission	9.504.000	10.656.000	9.792.000
<b>Total intangible fixed assets</b>	<b>26.636.095</b>	<b>30.966.545</b>	<b>27.719.710</b>
Tangible fixed assets			
Machinery equipment	4.181.050	3.534.863	3.287.377
<b>Total tangible fixed assets</b>	<b>4.181.050</b>	<b>3.534.863</b>	<b>3.287.377</b>
Financial fixed assets			
Shares and other investments	6.250	6.250	6.250
Other long-term receivables	102.130	4.471.951	57.498
<b>Total financial fixed assets</b>	<b>108.380</b>	<b>4.478.201</b>	<b>63.748</b>
<b>Total long term assets</b>	<b>30.925.525</b>	<b>38.979.609</b>	<b>31.070.835</b>
<b>Current assets</b>			
<b>Debtors</b>			
Trade account receivables	4.427.912	3.859.059	3.403.743
Other debtors	20.939.845	34.142.867	22.224.157
<b>Total debtors</b>	<b>25.367.757</b>	<b>38.001.926</b>	<b>25.627.900</b>
<b>Investments</b>			
Bonds and certificate	228.883.345	380.871.196	268.481.299
<b>Total Investment</b>	<b>228.883.345</b>	<b>380.871.196</b>	<b>268.481.299</b>
<b>Bank, cash etc</b>			
Bank, cash etc	20.673.143	20.117.608	14.160.346
<b>Total bank, cash etc</b>	<b>20.673.143</b>	<b>20.117.608</b>	<b>14.160.346</b>
<b>Total current assets</b>	<b>274.924.245</b>	<b>438.990.730</b>	<b>308.269.545</b>
<b>Total assets</b>	<b>305.849.770</b>	<b>477.970.339</b>	<b>339.340.380</b>

# Balance sheet

(Amount in NOK)	31-03-2002	31-03-2001	31-12-2001
<b>Equity</b>			
<b>Paid in capital</b>			
Share capital	19.667.907	19.667.907	19.667.907
Repurchase of own shares	-1.700.406	-421.656	-1.700.406
<b>Total outstanding equity</b>	<b>17.967.501</b>	<b>19.246.251</b>	<b>17.967.501</b>
Share premium reserve	284.413.778	284.413.778	284.413.778
Other paid in equity	0	164.881.924	7.577.668
<b>Total paid in equity</b>	<b>302.381.279</b>	<b>468.541.953</b>	<b>309.958.947</b>
<b>Retained earnings</b>			
Other equity	-8.974.138		
<b>Total retained earnings</b>	<b>-8.974.138</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>293.407.141</b>	<b>468.541.953</b>	<b>309.958.947</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade creditors	5.687.474	4.787.760	14.811.038
Public duties payable	572.845	764.452	294.488
Other short.term liabilities	6.182.311	3.876.174	14.275.907
<b>Total current liabilities</b>	<b>12.442.629</b>	<b>9.428.386</b>	<b>29.381.433</b>
<b>Total liabilities</b>	<b>12.442.629</b>	<b>9.428.386</b>	<b>29.381.433</b>
<b>Total equity and liabilities</b>	<b>305.849.770</b>	<b>477.970.339</b>	<b>339.340.380</b>