

INDEX PERFORMANCE*

Since Inception (1/1/03) : **+18.2%**

36 Month : **-33.5%**

12 Month : **-38.1%**

6 Month : **-31.0%**

YTD : **-17.7%**

*Data as of 3/2/2009

INDEX COMPONENTS

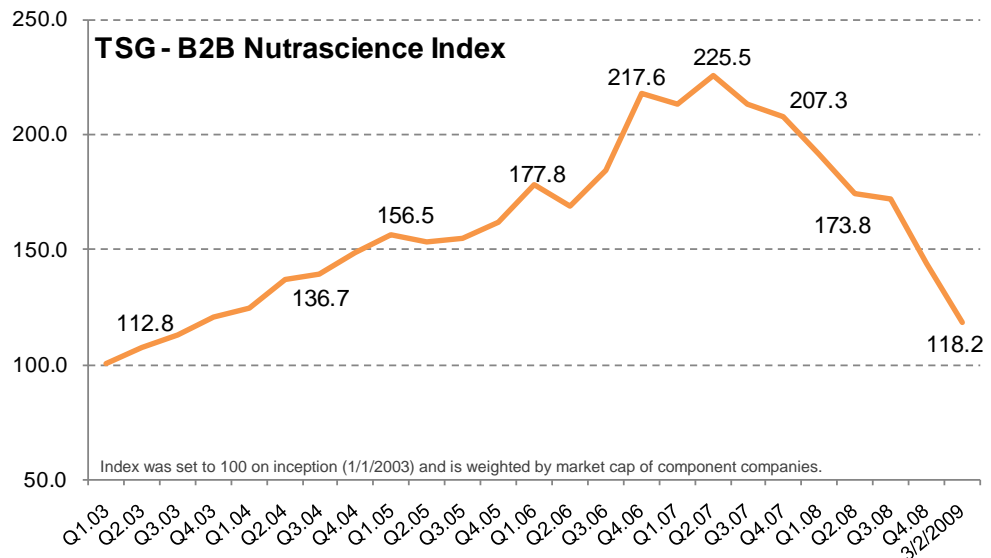
- 31 public companies
- All companies are primarily focused on the B2B value chain serving the health, wellness ingredients, nutrition and food, beverage and personal care industry
- Index is global in scope, with companies headquartered in locations ranging from Israel, France, Sweden, Spain, USA, Canada, Japan, Malaysia and United Kingdom
- Companies range in market value (capitalization) from \$4.5 Bn to < \$10 Mn USD

NUTRASCIENCE TEAM

Ryan Larsen, Atlanta
Analyst
ryan@tsg-partners.com
(404) 607-6956 : HQ Office

Panna Sharma, New York
CEO & Managing Partner
panna@tsg-partners.com
(404) 229-6955 : Mobile
(212) 572-6448 : Office

The B2B Nutrascience index has fallen 17.7% year-to-date. While the B2B NS index has not fallen as severely as the broader markets, the DJIA and FTSE have fallen 25% and 21% respectively, its reliance on new consumer goods product introductions and a season of poor earnings results have not positioned it for a rapid, near-term recovery.



- ➔ Of the 31 companies in the TSG B2B Nutrascience Index, 20 of them have announced earnings results for Q4 2008. Of the 20 companies, 13 have posted mixed to negative results for Q4 2008 v. the same period 2007, while 7 have posted positive results ahead of or meeting expectations. TSG expects a similar ratio for the remaining 11 companies and an equally challenging Q1, 2009 from a performance perspective for the overall group. Notable exceptions in performance will continue for companies using this time to acquire assets, capabilities and operations and for companies in markets such as natural sweeteners, enzymes and “white” labeling services.
- ➔ Leading companies within the TSG B2B Nutrascience index have taken advantage of the low valuations and have made a series of acquisitions in order to fill key operational gaps or drive growth in strategic areas. Kerry Group has made 3 acquisitions valued at a total of \$126Mn, while Frutarom acquired Flavors Specialties Inc. and Oxford Chemicals for \$17.2Mn and \$12.04Mn respectively.
- ➔ Those companies who secured long-term contracts before October have been better positioned for growth through the first part of 2009. Malaysian RebA producer PureCircle announced that its profit for the first half of 2009 increased by 75% after they secured major contracts with Coca-Cola, PepsiCo, Whole Earth and Cargill.
- ➔ Xylitol suppliers, such as Danisco, have been forced to scale back production of the sweetener as demand has decreased heavily. A supply crisis last year forced some customers to reformulate their products with other sweeteners, which is now causing a fall in demand for xylitol.
- ➔ Valuations in the TSG B2B Nutrascience index are at an all time low and have changed the outlook and expectations of private companies and private equity invested in the category. Average index multiples on E.V. are down from a 1.7x on revenue in January to 1.3x in March and down from 11.7x in January to 9.9x in March on EBITDA.

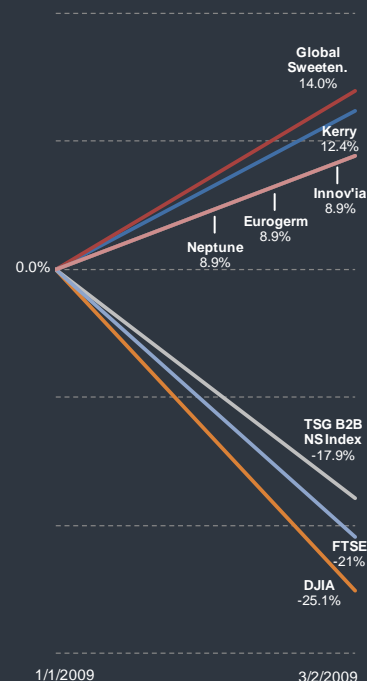
Five companies have outperformed the broader markets during the first two months of 2009 and led the performance of the Nutrascience index..

Company (2009 Returns)

Key Criteria for Gains

- Global Sweet. (+14.0%) - Announced that Mr. Zhang Fazheng was appointed CEO on the Feb. 6, 2009
- Improved capacity for Crystallized Glucose, which has increased to 27% of revenue
- Kerry (+12.4%) - Revenue increased by 6.3% to \$5.7 Bn on a like-for-like basis when account was taken of currency translation, acquisitions and business disposals
- Started the year with 3 acquisitions worth a total of \$126 Mn
- Innov'ia (+8.9%) - Increased revenues by 3.16% to \$13.2 Mn for 2008; Increased cash generated from Operations to \$1.8 Mn
- Eurogerm (+8.9%) - Increased revenues by 10% in 2008 to \$54.8 Mn; Increased income 12.3% to \$4.4 Mn
- Cash reserves were increased by 86% to \$15 Mn which could suggest an M&A strategy
- Neptune (+8.9%) - Q4 revenues increased by 13% compared to Q4 2007; Decreased loss to \$1.36 Mn
- European Food Safety Association (EFSA) approved Neptune Krill Oil as a NOVEL FOOD and PARNUTS for commercialization in the European Union

**SELECT Q4 2008
SHARE RETURNS**



Valuation Ratios Key Financials Share Performance

| Company | Valuation Ratios | | Key Financials | | Share Performance | | | |
|-----------------------------|------------------|--------------|----------------|------------|-------------------|---------------|---------------|---------------|
| | EV/Rev | EV/EBIT | Mkt. Cap | Rev. (ttm) | YTD | 12 Mo. | 36 Mo. | 60 Mo. |
| Novozymes | 3.51 | 17.93 | \$4,535.3 | \$1,375.5 | -0.5% | 9.4% | 15.8% | 97.0% |
| Givaudan | 1.91 | 16.12 | \$3,969.0 | \$3,484.8 | -28.8% | -30.3% | -31.7% | 5.8% |
| Kerry | 0.85 | 10.29 | \$3,538.2 | \$6,028.8 | 12.4% | -20.9% | -22.2% | 0.9% |
| IFF | 1.32 | 8.44 | \$2,070.5 | \$2,389.4 | -23.6% | -44.0% | -28.2% | -30.6% |
| Tate & Lyle | 0.63 | 8.38 | \$1,704.6 | \$5,263.3 | -34.2% | -65.7% | -68.7% | -39.9% |
| Danisco | 1.02 | 9.54 | \$1,628.3 | \$3,247.6 | -16.9% | -54.2% | -68.3% | -45.8% |
| Symrise | 1.16 | 7.79 | \$1,051.4 | \$1,629.3 | -36.2% | -57.9% | N/A | N/A |
| Sensient | 1.13 | 8.75 | \$976.6 | \$1,252.6 | -15.0% | -26.2% | 15.2% | 11.2% |
| Glanbia | 0.39 | 7.35 | \$679.7 | \$2,859.6 | -29.8% | -68.9% | -44.6% | -37.8% |
| Martek | 1.47 | 9.25 | \$621.0 | \$352.4 | -36.5% | -37.3% | -41.6% | -66.3% |
| Large Co. Averages | 1.18 | 9.82 | | | -20.9% | -39.6% | -30.5% | -11.7% |
| Atrium Innovations | 1.84 | 7.92 | \$377.5 | \$273.6 | 0.0% | -19.5% | N/A | N/A |
| Frutarom | 1.02 | 8.84 | \$357.9 | \$483.0 | -18.3% | -13.8% | -28.7% | 44.9% |
| PureCircle | 7.67 | 66.22 | \$311.2 | \$38.6 | -18.6% | 1.4% | N/A | N/A |
| Robertet | 0.79 | 10.28 | \$204.2 | \$351.8 | 3.3% | -13.1% | -39.8% | -19.3% |
| NutraCeutical | 1.48 | 17.56 | \$153.1 | \$197.5 | -34.6% | -60.7% | -71.4% | -39.0% |
| Burcon Nutrascience | N/A | 24.11 | \$89.4 | N/A | -26.9% | -46.5% | 75.4% | 146.3% |
| NutraCeutical Intl. | 0.66 | 4.71 | \$84.2 | \$165.4 | -5.5% | -41.1% | -49.3% | -64.6% |
| Soda Aromatic | 0.35 | 2.65 | \$82.1 | \$200.4 | -2.8% | -13.6% | -28.6% | 64.2% |
| Global Sweeteners | 0.35 | 2.26 | \$80.8 | \$216.3 | 14.0% | -48.4% | N/A | N/A |
| Naturex | 1.64 | 15.95 | \$79.2 | \$108.2 | -47.2% | -17.5% | -67.1% | 16.5% |
| Senomyx | 0.95 | 0.58 | \$56.4 | \$17.2 | -38.1% | -68.1% | -88.6% | N/A |
| EuroGem | 0.76 | 7.92 | \$54.8 | \$63.3 | 8.9% | -18.6% | N/A | N/A |
| NutraCea | 1.02 | 1.39 | \$39.5 | \$32.1 | -46.6% | -72.6% | -68.1% | 163.3% |
| Midsize Co. Averages | 1.05 | 9.48 | | | -16.3% | -33.2% | -40.7% | 39.0% |
| Probi | 4.23 | 29.53 | \$38.4 | \$7.4 | -16.5% | -24.7% | -1.5% | N/A |
| Treatt | 0.76 | 8.11 | \$29.6 | \$69.4 | -7.3% | -12.8% | -31.0% | -12.2% |
| Verenium | 2.28 | 2.17 | \$25.5 | \$69.7 | -61.6% | -88.5% | -93.8% | -93.6% |
| Neptune | 3.06 | 7.32 | \$24.6 | \$8.4 | 8.9% | -81.5% | -61.6% | 123.6% |
| Innov'ia | 1.82 | 14.58 | \$20.0 | \$13.1 | 8.9% | -12.9% | -38.2% | 91.3% |
| Nutrition 21 | 0.55 | 5.95 | \$10.3 | \$47.4 | -7.7% | -65.7% | -90.0% | -61.9% |
| MGP Ingredients | 0.14 | 0.74 | \$10.0 | \$383.2 | -25.5% | -91.3% | -96.3% | -95.1% |
| Provaxis | 19.67 | 3.19 | \$8.0 | \$0.3 | 22.1% | -59.3% | -79.6% | N/A |
| Small Co. Averages | 2.12 | 14.58 | | | -9.8% | -54.6% | -61.5% | -8.0% |
| Index Averages | 1.36 | 9.94 | | | -16.1% | -48.8% | -43.6% | 6.9% |

Valuation Averages do not include highs, lows and negatives in each category

KEY TAKEAWAYS

NEPTUNE

- The European Food Safety Association's approval of the commercialization of Neptune Krill Oil in the European Union represents an important opportunity for Neptune as they work to increase revenues.

- Neptune's small product line makes it imperative for them to increase their revenue base geographically.

KERRY

- At the end of February, Kerry agreed to the acquisition of Dera Holding NV, a savory flavorings business. The acquisition is seen as an opportunity to drive growth in both the Eastern European and Middle Eastern markets.

- Kerry has also agreed to acquire Prima SA, a Costa-Rican based savory ingredients and flavors firm, and UK-based G Adams Pastry, a cooked pastry products business.

TSG & The Sharma Group, LLC does and seeks to do business with companies covered in this research. As a result, readers, investors and institutions should be aware that the firm may have a conflict of interest that could affect the objectivity of the research. This research is not intended for public investors, but is rather made available for institutionally qualified investors and companies, both public and private, doing business in the covered sector.

Clients of TSG or The Sharma Group, LLC can call +1(404)254-1660 to request a copy of this research.

T.S.G.
www.tsg-partners.com

Atlanta – Boston – New York – Silicon Valley

Dedicated to building leaders in life sciences, healthcare and wellness

Founded in 2001



Neptune Technologies & Bioresources



Company overview

- Neptune Technologies & Bioresources Inc (Neptune) is a Canada-based company. The Company extracts, scientifically validates, and markets natural health products from marine biomasses and provides the krill oil accepted as a new dietary ingredient (NDI) by the United States Food and Drug Administration.
- The Company develops and markets new formulas and new products specific to various applications in high growth markets such as, during the initial phase, the nutraceutical market. In the short to medium term, the Company also intends to penetrate the cosmeceutical, biopharmaceutical and nutrigenomics markets.

Products/Services/Offerings

- The products of the Company are Neptune Krill Aquatein (NKA) and Neptune Krill Oil (NKO).

Selected financials

| FYE May. 31, \$M | | | | |
|------------------|--------|--------|---------|--------------|
| | 2005A | 2006A | 2007A | 2008 Thru Q2 |
| Sales | \$6.91 | \$8.13 | \$10.26 | \$3.75 |
| % growth | 43% | 18% | 26% | |
| Gross % margin | 14% | 23% | 16% | 5% |
| EBIT % margin | -11% | -31% | -45% | -53% |

Source: Company 10-K and website

Company statistics

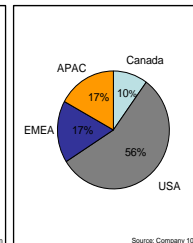
| | |
|-----------|---------------|
| Location | Laval, QC |
| Employees | 51 |
| Ownership | Public (NEPT) |
| EV | \$25.62Mn |
| Mkt Cap | \$22.21Mn |
| Cash | \$0.7Mn |

FY07 revenue mix Sales by (sub) segment

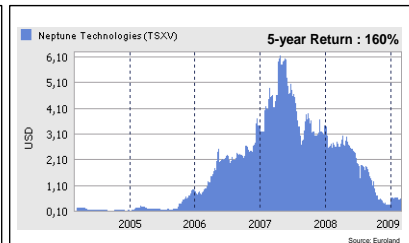
Reports only one segment: processing and commercializing products derived from marine biomasses

Source: Annual Corporate Presentation

FY07 revenue mix Sales by (sub) segment



5-year share price performance



Kerry Group plc



Company overview

- Kerry Group today is a leader in global food ingredients and flavours markets, and a leading branded consumer foods processing and marketing organisation in selected EU markets.
- Kerry supplies over 10,000 food, food ingredients and flavour products to customers in more than 140 countries worldwide. The Group has manufacturing facilities in 20 different countries and international sales offices in 20 other countries across the globe.

Products/Services/Offerings

- Kerry Ingredients' core technologies and global resources in specialty ingredients, seasonings, coating systems, sweet ingredients, nutritional systems and speciality proteins provides product solutions to food manufacturers and foodservice companies.

Selected financials

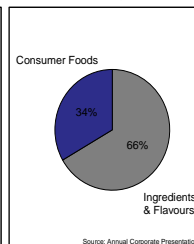
| FYE Dec. 31, \$M | | | | |
|------------------|--------|--------|--------|--------|
| | 2005A | 2006A | 2007A | 2008A |
| Sales | \$5714 | \$5993 | \$6176 | \$6694 |
| % growth | 7% | 5% | 3% | 8% |
| Gross % margin | 44% | 44% | 42% | N/A |
| EBIT % margin | 8% | 6% | 7% | 8% |

Source: Company 10-K and website

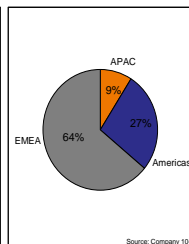
Company statistics

| | |
|-----------|-----------------|
| Location | Tralee, Ireland |
| Employees | 22,000 |
| Ownership | Public (KYGA) |
| EV | \$4,933.9Mn |
| Mkt Cap | \$3,538.2Mn |
| Cash | \$264.2Mn |

FY07 revenue mix Sales by (sub) segment



FY07 revenue mix Sales by (sub) segment



5-year share price performance

