

Nutritional Technologies Int AB

4th QTR report 2007

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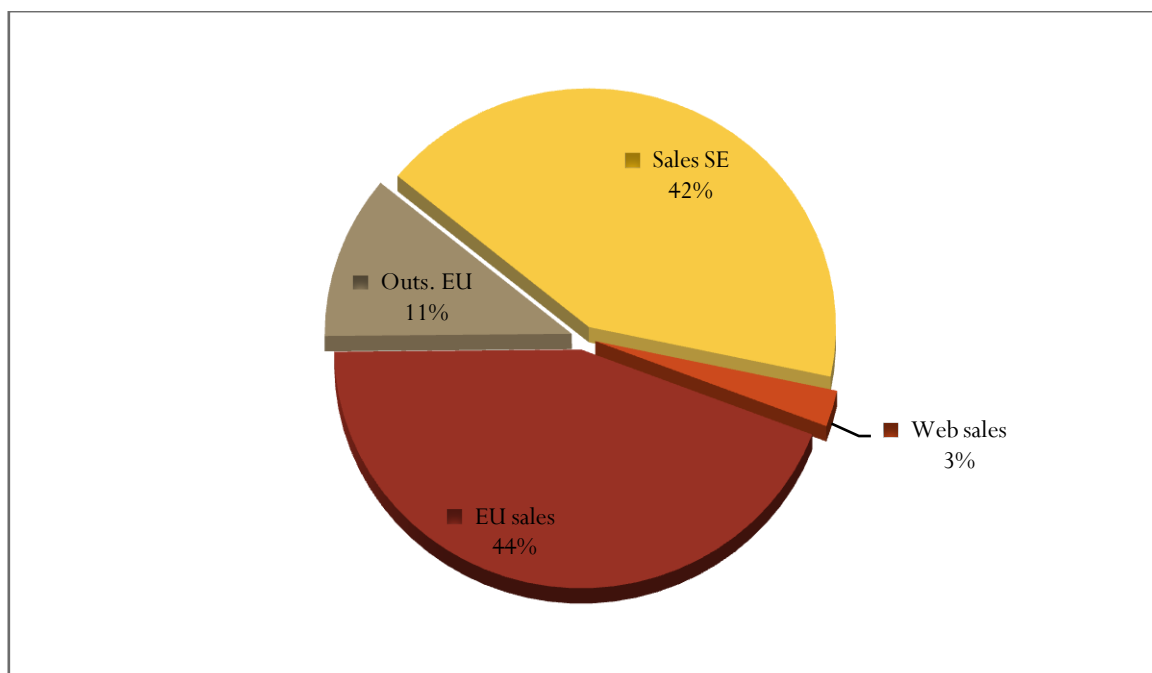
1. Business activities

Sales for the 4th qtr were -5,6% compared to the same period last year (YTD).

Focus during the year and especially for the 4th quarter has been on getting all logistical issues as well the company infrastructure in place for 2008. A new business system has been implemented in order to secure the order/stock/production cycle. Due to the nature of NTI having different workplaces across Sweden the need for a IT-system that would allow proper command and control has been highly needed.

Considering that we believe that we will have a market breakthrough during 2008 it is an undisputed fact that a proper infrastructure has to be in place.

Sales on different market segments are divided as shown below:



The new muesli was launched during the previous quarter and will contribute positively during the 1st quarter 2008.

However, due to the poor positioning of the nutrition bars carried by us and the contradicting messages to the market we had to cut them from the range of consumer products. This of course had a negative influence on both our turnover as well as the overall profitability.

The very much needed sales force has now been in place since Nov.1st and is in full effect from January 2008. They will actively work towards the retail segment starting with affiliated supermarkets under Bergendahls and COOP Sweden.

Due to our market efforts in qtr 1, 2008, we are pretty confident that we will reach a supply agreement with ICA Sweden as well as Axfood in 2008. When that is achieved we will serve approx. 4.150 stores and supermarkets in Sweden alone.

At the time of writing this report, sales are +49,9% compared to end of January 2007, despite that the big increase in volume it is not expected to start until February. The increase comes in all our segments with the muesli and the Aktivated Barley is the major contributing factors.

We can clearly see an increase in the breakfast/snack segment during the winter and an increase in sales for the High Premium segment such as our own brand as well as in Paulun's brand.

2. Financial Statement

The financial results for the 4th qtr as well as YTD is in line with 2006.

3. Working Environment

The working environment is satisfactory and the company cannot report any work related accidents.

4. Environmental Issues

The company is not handling any waste, nor is it involved in any handling of any hazardous material.

5. Equality

The company has had 1 man and 1 woman employed during the year that is directly paid by the company, more people is of course involved but they are not employed by the company.

6. Others

We believe that the new muesli will give us the much sought after entry to the markets in the UK, Germany as well as Italy. 3 new additional flavors are being planned to be launched in 2008.

During 2008 we plan to increase the launch of different products in the AKTIV Everyday – series, the muesli's will be followed by different drinkable products as well as the return of nutrition bars.

The number of shares in the company has increased due to the share issues done during the year, total number of shares is now 3.607.292 shares.

Converted shares. The total outstanding non-converted shares from the Norwegian company are 126.031 shares or 3.5% of the shares.



Ruzdi Ekenheim

CEO