

NUTRI PHARMA: THIRD QUARTER RESULTS

(Oslo/Copenhagen, October 31, 2001) Nutri Pharma ASA (OSE: NUT) today announced nearly 50% growth in third quarter revenues. Third quarter revenues grew from NOK 3.0 million last year to NOK 4.5 million this year.

INCOME STATEMENT	Q3 2001	Q3 2000	1.1-30.9 2001	1.1-30.9 2000
Total revenue	4.5	3.0	12.4	5.2
Total operating expenses	32.0	20.7	110.6	66.6
Result of operations	-27.6	-17.6	-98.2	-61.4
Total financial income and expenses	6.3	8.4	21.7	13.8
Ordinary profit before taxes	-21.3	-9.3	-76.6	-47.6
Tax on ordinary result	0	0	0	0

All figures in NOK million

BALANCE SHEET	30.9.2001	30.9.2000	31.12.2000
Total long term assets	33.2	44.7	44.2
Total current assets	342.7	497.0	474.2
Total assets	375.9	541.8	518.3
Total equity	366.6	529.6	502.7
Total liabilities	9.3	12.2	15.6
Total equity and liabilities	375.9	541.8	518.3

All figures in NOK million

Financial summary

- Pre tax result for the third quarter was negative NOK 21.3 million compared to negative NOK 9.3 million same period last year.
- Pre tax result for the first nine months was negative NOK 76.5 million compared to negative NOK 47.6 million same nine months last year.
- For the first nine months total revenues ended at NOK 12.4 million compared to NOK 5.2 million same period last year.
- Total financial income and expenses was NOK 21.7 million for the first nine months, compared to NOK 13.8 million the same period last year.
- EBITDA third quarter was negative NOK 26.1 million.
- EBITDA first nine months was negative NOK 94.2 million.
- Total balance end of September was NOK 376 million, of which NOK 309 million is cash, cash equivalents and certificates. Total equity end of September was NOK 367 million.

Royalties

Revenues are chiefly based on royalties from the weight reduction and weight-control products Nutrilett® and ScanDiet™. Nutrilett® is produced and marketed in the Nordic area by Nycomed Pharma, and ScanDiet™ is marketed in North America by GNC (Numico).

Operating costs

The increase in operating costs is associated with the development of the international commercial effort. Total business development costs so far this year has been NOK 10.3 million, R&D and product development NOK 21.3 million, marketing NOK 25.4 million, staff NOK 27.5 million, administration NOK 22.2 million and depreciation NOK 4.0 million.

Market Development

The work with establishing a joint venture together with Nycomed Pharma in the Nordic and Baltic areas is proceeding in line with plans. This joint venture will become fully operational from first quarter 2002. The co-operation will consolidate and broaden the market position for Nutri Pharma's products in these markets.

ScanDiet™ sales in North America are healthy, considering that the product is not available in the mass market, but chiefly in speciality outlets. Nutri Pharma's licensee in North America, GNC, is currently planing the introduction of an extended product line, which should positively influence future market development. Sales in these markets will however reflect seasonal fluctuations.

Earlier this year Nutri Pharma entered into an agreement with Faulding that opens for market introduction of Nutrilett® products in Australia and New Zealand. Preparations for launching Nutrilett® as the first of such products are proceeding according to plans.

Business Development

Over the last period Nutri Pharma has followed a 100-day plan initiated by the new management and board. This plan includes implementing new management structures, review and development of financial, research and commercial strategies. The first phase of this plan has been approved and is in the process of being implemented.

“It is clear to us that Nutri Pharma possesses unique technology, strong patents and products and the financial resources to drive the business to success in large, growing and developing markets,” Graham Waters, CEO Nutri Pharma says. “With an embracing vision, clear and logical strategies executed by a strong, effective management following a concise action plan – we have already passed several short term milestones, and aim to build on these “wins” to develop long term objectives.”

R&D and product development

Nutri Pharma has entered into a series of product development agreements with leading suppliers within several sectors of the nutrition market. The objective is to introduce several food products with Abacor® as active, cholesterol lowering agent. Nutri Pharma has previously reported that the company initially was too optimistic in its evaluation of time needed to successfully develop such products. In most sectors development now is in line with the new projections, and the quality of these products are undergoing a steady improvement. The first of these products should be ready for market introduction in the fist half of 2002.

Treasury Stocks

The total amount of treasury stocks is 6.801.625. So far this year, the company has invested NOK 60 million in treasury stocks. From April 1999 and to date NOK 73 million has been invested, with an average share price of NOK 10.76. These investments were made in accordance to AGM decisions and no substantial new purchases should be expected.

Summary and outlook

The final results for 2001 will still remain negative due to business development costs. Careful management and achievement of business milestones will result in future product and partner expansion.

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INCOME STATEMENT (Amount in NOK)	2001 Q3	2000 Q3	2001 1.1-30.09	2000 1.1-30.09
Revenue				
Royalty income	4 353 171	2 795 669	12 189 861	4 942 572
Other operating income	135 840	247 664	223 340	247 664
Total revenue	4 489 011	3 043 333	12 413 201	5 190 236
Operating expenses				
Payroll expense etc.	4 741 212	4 846 978	28 301 741	9 758 776
Depreciation intangible and tangible fixed assets	1 422 574	1 277 609	4 000 712	3 135 018
Other operating expenses	25 880 500	14 582 247	78 287 825	53 704 545
Total operating expenses	32 044 286	20 706 834	110 590 278	66 598 339
Result of operations	-27 555 275	-17 663 501	-98 177 077	-61 408 103
Financial income and expenses				
Total financial income and expenses	6 275 929	8 374 004	21 668 101	13 843 131
Total financial income and expenses	6 275 929	8 374 004	21 668 101	13 843 131
Ordinary profit before taxes	-21 279 346	-9 289 497	-76 508 976	-47 564 972
Tax on ordinary result			0	
Result	-21 279 346	-9 289 497	-76 508 976	-47 564 972

ASSETS

(Amount in NOK)

30.09.2001**30.09.2000****31.12.2000**

Assets

Long term assets**Intangible fixed assets**

Patent and royalty assets	18 847 878	21 901 535	21 106 040
Capitalized commision	10 080 000	11 232 000	10 944 000
Total intangible fixed assets	28 927 878	33 133 535	32 050 040

Tangible fixed assets

Machinery equipment	3 376 237	2 890 302	2 945 847
Total tangible fixes assets	3 376 237	2 890 302	2 945 847

Financial fixed assets

Investment in subsidiaries	0		
Shares and other investments	506 250	6 250	6 250
Other long-term recivables	451 866	8 710 573	9 165 085
Total financial fixed assets	958 116	8 716 823	9 171 335

Total long term assets **33 262 231** **44 740 660** **44 167 222**

Current assets**Debtors**

Trade account receivables	4 373 840	3 210 612	1 811 831
Other debtors	29 125 063	24 168 228	34 523 164
Total debtors	33 498 903	27 378 840	36 334 995

Investments

Bonds and certificate	284 412 292	456 278 150	415 929 596
Total Investment	284 412 292	456 278 150	415 929 596

Bank, cash etc

Bank, cash etc	24 781 466	13 377 795	21 889 183
Total bank, cash etc	24 781 466	13 377 795	21 889 183

Total current assets **342 692 661** **497 034 785** **474 153 774**

Total assets **375 954 892** **541 775 445** **518 320 996**

EQUITY AND LIABILITES

(Amount in NOK)

30.09.2001 30.09.2000 31.12.2000**Equity****Paid in capital**

Share capital	19 667 907	19 667 907	19 667 907
Repurchase of own shares	-1 700 406	-138 531	-262 656
Total oputstanding equity	17 967 501	19 529 376	19 405 251

Share premium reserve	284 413 778	484 413 778	284 413 778
Other pain in equity	64 222 031	25 673 956	198 857 657
Total paid in equity	366 603 309	529 617 110	502 676 686

Retained earnings

	0	0	
Total retained earnings	0	0	0

Total equity	366 603 309	529 617 110	502 676 686
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Liabilities**Other long-terms liabilities**

Convertible loan	0		
Other long-terms liabilities	0		
Total long-terms liabilities	0	0	0

Current liabilities

Trade creditors	4 180 121	7 252 658	10 517 451
Public duties payable	41 321	256 925	470 106
Other short.term liabilities	5 130 141	4 648 753	4 656 753
Total current liabilities	9 351 583	12 158 336	15 644 310

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Total equity and liabilities	375 954 892	541 775 446	518 320 996
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