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## Nutritional Laboratories International Signs Equity Deal with Red Diamond Capital

2005/03/21 - Nutritional Laboratories International, Inc.

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Missoula, Montana (March 21, 2005) -- Nutritional Laboratories International, Inc., one of North America's leading manufacturers of quality nutritional supplements, has finalized a deal with private equity firm Red Diamond Capital. Food industry veteran Ronald H. Danenberg and Nutritional Laboratories management, led by Terry Benishek, president of NLI, participated alongside Red Diamond in the equity deal. Red Diamond's capital comes chiefly from Mitsubishi International Corporation, the U.S. subsidiary of Japan's leading trading company.

NLI's management team will continue to manage Nutritional Laboratories. Danenberg, former chief executive officer of Northfield Foods, Inc. and Richter Brothers, Inc., has been named chief executive officer of Nutritional Holdings, Inc., the parent company of Nutritional Laboratories, to facilitate strategic development through acquisitions and other growth initiatives.

When Nutritional Laboratories was founded by its management team in 1997, the original financing was provided by Northern Rockies Venture with the agreement that an exit for the investment group would occur in approximately seven years. Red Diamond purchased all shares owned by Northern Rockies Venture as well as some from other stockholders totaling over 50 percent of the Company. Red Diamond, which views the supplements industry as a solid growth opportunity, chose to invest in Nutritional Laboratories because of what the company has to offer to the dietary supplements arena.

- Nutritional Laboratories' manufacturing facilities are based on pharmaceutical grade manufacturing protocol and processes, thus ideally positioning the Company for the FDA's proposed cGMP requirements.
- The company has developed superior customer service capabilities including sophisticated internal laboratory testing, the ability to assist customers in formalizing formulas and specifications, qualification and sourcing of raw materials, and assistance in identifying and sourcing packaging options.

"Partnering with a management team well positioned to efficiently respond to future regulations appealed to Red Diamond, as did investing in a growth oriented manufacturing company with the level of trust and integrity for which Terry and his team are known," said Danenberg.

Nutritional Labs develops, manufactures and packages custom vitamin and mineral formulations, botanical products, weight loss and other functional formula supplements for recognized branded product marketing companies. In 2004 the company produced over 1.2 billion capsules and tablets in their two facilities, which have a combined total of 100,000 square feet.

"With the impending GMPs many companies are looking to see if their current manufacturer can meet those standards," said Benishek. "We are finding new customers because of concerns that some manufacturers may have to make significant improvements to meet those requirements. If a company is not able to do so in a timely and cost effective fashion, that becomes a problem for their customers. Because we have done a lot to anticipate those requirements, we don't foresee any increased costs or delays when the GMP's come on line."

The company's legendary customer service is a function of their structure. Product design managers are devoted to specific clients. They work with them to confirm a formula and specifications, source ingredients and packaging, anticipating problems and guarding against them from the onset. At this point a dedicated customer service manager takes over, and oversees order planning, scheduling, manufacturing and shipping. All customer service people keep their clients apprised throughout the processes, and are focused on servicing customers' needs by being responsive and proactive in communications.

**About Nutritional Laboratories International, Inc. (NLI):**

NLI, based in Missoula, Montana, is a full-service contract manufacturer of custom formulations for the Dietary Supplement industry and provides strategic product development and manufacturing services through a collaborative process with its clients. This interactive process facilitates product design and formulation, ingredient and specification determination, and anticipates and plans for engineering, labels, quality assurance - essentially a virtual manufacturing organization for clients approaching new or expanding markets and channels.

The company currently employs 125 skilled people in two state of the art, GMP compliant manufacturing facilities. The company's core competencies include Encapsulation, Tableting, Tablet Coating, and bottle packaging/labeling in both full turnkey and/or toll processing options. The fully integrated operation offers a suite of value-added services including product development and formulation, extensive analytical and microbiology testing capabilities, quality control and assurance and strategic sourcing.

**The company's vision:**

NLI's vision is to be the number one fully integrated client-driven manufacturing and laboratory services company in the Dietary Supplement Industry.

For more information please visit [www.nutritionallabs.com](http://www.nutritionallabs.com).

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