



Symbol:	OTCBB: NADV, TSXV: NAT
Market Capitalization:	\$47.8 MM
Shares Outstanding:	30.4 MM
Public Float:	14.9 MM
Institutional Ownership:	1.0%
Insider Ownership:	51.0%
Recent Price as of 10/17/08:	\$1.57
52-week Range:	\$0.75—\$1.96
Fiscal Year-end:	Dec. 31



Naturally Advanced Technologies Inc. (NAT) is a pioneer in commercializing the use of bast fibers including industrial hemp for use in casual apparel, performance yarns, industrial filters and absorbent pulp and paper products, as well as long-term applications for bio-fuel and agriculture. CRAILAR[®], its proprietary processes developed in conjunction with The Alberta and National Research Councils (ARC & NRC), exemplify sustainability and clean technology. It produces raw fibers and materials that enable NAT to access global apparel industrial markets in excess of \$850 billion. NAT has two operating units: CRAILAR Fiber Technologies, Inc. is commercializing the technology platform and *HTnaturals*[™] designs and sells sustainable, environmentally friendly casual apparel. Founded in 1998 in response to the growing demand for socially responsible clothing, NAT adheres to a “triple bottom line” philosophy, the environmental impact of the NAT’s operations, fiscal responsibility to its shareholders and respecting the human rights of employees.



Organic Fibers spin trials with a leading U.S. apparel brand

Estimated global retail sales of organic cotton products are expected to grow from \$583M in '05 to \$2.6B in '08 (Organic Exchange), & organic cotton represents only a fraction of the market

- Employs simple, efficient 100% organic, closed-loop enzymatic bath that can be easily constructed in any warehouse
- Leverages existing China hemp industry & potential worldwide production
- Uses conventional cotton equipment & existing infrastructure to enable hemp to enter the organic cotton mainstream
- Solution for casual apparel, upholstery & luggage
- Characteristics include superior tensile strength, highly absorbent, antimicrobial, abrasion resistant & hypoallergenic








Advanced Materials fluff and dissolving pulp trials with a large NA pulp & paper producer

The annual global fluff pulp market was 4.5M metric tons in '07 and is growing 6% to 7% per year. (GL Group). The initial end-use market for CRAILAR dissolving pulp is the performance apparel, which was \$7.4B in '06 and projected to be \$9.0B by '12. (Engineering News)

- Delivers greatly enhanced performance features over traditional pulps: No harsh chemicals, less effluent, higher yield, adjustable hydrophobic or hydrophilic properties, applicable to other bast fibers
- Fluff pulp is stronger & very absorbent for paper, hygiene,
- High-end dissolving pulp for performance & protective apparel
 - First sustainable performance yarn
 - To replace petroleum-based polyester yarn with organic alternative

CRAILAR Creates Many Diverse Opportunities: Near and Long Term

CRAILAR uniquely enables cost effective, mass production of industrial hemp & bast fibers for casual apparel, performance yarns, industrial filters and absorbent pulp and paper products with sustainable, clean technology that addresses environmental concerns in the cotton and polyester industries.

	Market Opportunity	Market Size	Market Leader(s)	
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 5px;">Long Term</div> <div style="margin-right: 10px;">.....</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 5px;">Near Term</div> </div> <div style="margin-top: 10px;">  </div>	Enzyme bath creates fiber for an alternative to organic cotton	Casual Apparel Textile Fiber	\$10 B \$15 B \$3 B	Hanes, Nike, Polo KLM Industry Organic Cotton
<div style="margin-top: 10px;">  </div>	Creates cellulosic pulp used to make yarns & absorbent paper	Pulp & Paper Performance App. Plastics Automotive	\$100 B \$10 B \$100 B \$210 B	Georgia Pacific Adidas DuPont Toyota
<div style="margin-top: 10px;">  </div>	Converts hemp seeds to bio-diesel	Gas & Energy	\$450 B	Shell Oil, British Petroleum
<div style="margin-top: 10px;">  </div>	Genetics process to improve crop & land management	NAT Hemp Industries	\$2 B	Crailar

Executing Commercialization

- Led by branding & apparel experts
- Conducting trials with industry leaders
 - Organic Fibers spin trials with a leading U.S. apparel brand
 - Advanced Materials fluff and dissolving pulp trials with one of North America's largest pulp & paper producers
- Maintaining flexibility to entertain various joint development agreements
- Developing branding for CRAILAR to create emotional connections with the consumer
- Long-term pursuits include performance apparel, bioplastics, and biocomposites

Milestones to Revenue

2008	<ul style="list-style-type: none"> ✓ CRAILAR Advanced Materials dissolving pulp test results ☐ CRAILAR Organic Fibers spin tests with a leading U.S. apparel brand results ☐ CRAILAR Advanced Materials fluff and dissolving pulp trials with one of North America's largest pulp & paper producers ☐ Partner funding and Joint Development agreements
2009	<ul style="list-style-type: none"> ☐ Partnership agreements and revenue stream ☐ CRAILAR processing facility construction begins ☐ Volume revenue

Superior Natural Properties of Industrial Hemp

- ✓ Uses natural fertilizers
- ✓ Thrives in cool climates
- ✓ Drought tolerant
- ✓ Benefits soil & helps eliminate greenhouse gases
- ✓ Grows bast fiber of 12 feet
- ✓ High yield commercial fiber crop

Position at Oct. 5, 2008

- Cash balance of \$685,000
- 1.4 million expiring warrants expected to deliver ~\$1.1 million in Q408 and Q109
- Average monthly cash burn rate between \$150,000 and \$200,000

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Except for historical information, matters discussed in this fact sheet that may be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 could be subject to certain risks and uncertainties that could cause the actual results to differ materially from those projected. Such risks and uncertainties are detailed in the company's filings with the SEC.