

## CONSOLIDATED ANNUAL RESULTS 2013

### KEY FIGURES AND HEADLINES

- Ter Beke group:
  - Turnover decrease from EUR 421.1 million to EUR 407.2 million (-3.3%);
  - REBITDA amounts to EUR 30.8 million compared to EUR 33.1 million in 2012 (-7.1%);
  - REBIT amounts to EUR 12.8 million compared to EUR 13.9 million in 2012 (-8.5%);
  - 2013 EBIT result contains approx. EUR 2.2 million non-recurring costs, compared to EUR 0.4 million in 2012;
  - EAT amounts to EUR 6.2 million compared to EUR 8.2 million in 2011 (-24.4%);
  - Net cashflow amounts to EUR 24.3 million compared to EUR 25.6 million in 2012 (-5.0%);
  - 2013 investments total EUR 10.6 million;
  - Reinforcement of the financial structure of the group.
  
- Processed Meats division:
  - Limited turnover growth, in particular in the slicing and packaging activities;
  - Increase of the operating result, also due to a thorough cost control program;
  - Industrial production of dried and cured processed meats at the Herstal plant stopped as of 31 December 2013.
  
- Ready Meals division:
  - Turnover decrease in lasagne and pasta meals due to the horsemeat crisis, even though Ter Beke products were not involved; Consumer trust returns more slowly than expected;
  - Specific promotion activities and a thorough cost control and reduction program allow to gradually restore the operating result of the division.
  
- Proposal to pay a gross dividend of 2.50 EUR per share over 2013 (equal as the dividend paid over 2012).



*Daniel Coopman*

## CONSOLIDATED KEY FIGURES (1)

<u>In '000 EUR</u>	<u>2013</u>	<u>2012</u>	<u>Δ%</u>
Revenu (net turnover)	407.202	421.078	-3,3%
REBITDA	30.761	33.100	-7,1%
EBITDA (2)	28.602	31.130	-8,1%
Recurring operating result (REBIT)	12.757	13.948	-8,5%
Operating result (EBIT)	10.598	13.568	-21,9%
Net financing costs	-1.542	-2.424	-36,4%
Operating result after net financing costs (EBT)	9.056	11.144	-18,7%
Taxes	-2.743	-3.120	-12,1%
Result after tax before share in the result of enterprises accounted for using the equity method	6.313	8.024	-21,3%
Share in enterprises accounted for using the equity method	-111	183	
Earnings after taxes (EAT)	6.202	8.207	-24,4%
Net cash flow (3)	24.317	25.586	-5,0%
Total assets	240.676	249.557	-3,6%
Equity	99.489	98.036	1,5%
Net financial debt (4)	40.823	51.476	-20,7%
Equity/Total assets	41,3%	39,30%	
Gearing ratio (5)	41,0%	52,50%	
<u>In EUR per share</u>	<u>2013</u>	<u>2012</u>	
Number of shares	1.732.621	1.732.621	0,0%
Average number of shares	1.732.621	1.732.621	0,0%
Net cash flow	14,03	14,77	-5,0%
Earnings after taxes	3,58	4,74	-24,4%
EBITDA	16,51	17,97	-8,1%

(1) The consolidated income statement and balance sheet can be consulted on the website [www.terbeke.com](http://www.terbeke.com)

(2) EBITDA = Operating result + depreciation + impairments + changes in provisions

(3) Net cashflow = Result after tax before share in the result of enterprises accounted for using the equity method + depreciation + impairments + changes in provisions

(4) Net financial debt = interest bearing liabilities – interest bearing receivables, cash and cash equivalents

(5) Gearing ratio = Net financial debt / Equity



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## NOTES TO THE CONSOLIDATED KEY FIGURES

### 1. Turnover

In 2013, the total group turnover decreased by EUR 13.9 million (-3.3%) from EUR 421.1 million to EUR 407.2 million.

In the ready meals division, the turnover decreased by EUR 15.2 million (-11.4%). This decrease is mainly caused by the European consumer's loss of trust in ready meals in general and lasagne in particular. Consumer trust in the ready meals category is gradually restored, but at a slower than expected pace.

In a slightly decreasing market, the processed meats division turnover increased by EUR 1.3 million (+0.4%). This increase in turnover is primarily driven by the growth in the Dutch slicing and packaging activities.

### 2. REBITDA, EBITDA, REBIT and Operating result (EBIT)

REBITDA decreases by EUR 2.3 million (-7.1%), going from EUR 33.1 million in 2012 to EUR 30.8 million in 2013.

This is mainly caused by lower sales and higher raw material prices in the ready meals division. Specific promotional actions in the second semester of 2013, in close collaboration with our customers and suppliers, resulted in a substantial increase of the operational result in the second semester.

Thanks to specific actions aimed at regaining consumer trust, sales under our Come a casa® brand were less affected than private label sales. Our Come a casa® brand continues to act as engine for the Mediterranean ready meals category in Belgium.

The increased result in the processed meats division and the thorough cost control program proved to be insufficient to maintain the group's recurring operational result at the 2012 level.

The 2013 recurring non-cash costs (EUR 18.0 million) decreased by EUR 1.1 million compared to 2012.

This results in a decrease of the recurring operational result (REBIT) by 8.5% from EUR 13.9 million in 2012 to EUR 12.8 million in 2013.

The costs relating to the termination of industrial activities at the site in Alby-sur-Chéran (France) per 30 June 2012 amounted to EUR 1.1 million in 2012. Along with some EUR 0.9 million redundancy costs, this resulted in a non recurring EBITDA result of EUR -2.0 million in 2012.

At the end of 2013, the group terminated its industrial production of dried and cured processed meats at its Herstal plant. A large part of our employees could be transferred to other plants



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within the group. The costs of this termination, in the amount of EUR 0.7 million, along with certain other redundancy costs (EUR -0.8 million), an impairment on the sale of the Alby-sur-Chéran site (EUR -0.3 million) and a number of one time costs relating to the horsemeat crisis (EUR -0.4 million) result in a 2013 non-recurring EBITDA result of EUR -2.2 million.

This explains the decrease of the EBITDA by EUR 2.5 million (-8.1%) from EUR 31.1 million in 2012 to EUR 28.6 million in 2013.

In 2012, non-cash costs amounted to EUR 1.6 million due to a one time reversal of impairments on fixed assets in Alby-sur-Chéran. In 2013, there are no non-recurring non-cash costs.

This explains the decrease of the operational result (EBIT) by EUR 3.0 million (-21.9%) from EUR 13.6 million in 2012 to EUR 10.6 million in 2013.

### 3. Net financing costs

2013 net financing costs are EUR 0.9 million lower than in 2012. This is mainly due to the lower interest rate charge as a result of the decrease of the group's net debt.

### 4. Investments

The 2013 EUR 10.6 million investments relate primarily to the continuation of various efficiency and infrastructure investments in all sites of the group. In 2012, the group invested EUR 12.1 million.

### 5. Taxes

The 2013 tax rate (30.3%) is slightly higher than the tax rate over the financial year 2012 (28.0%).

### 6. Result Joint Venture Poland

As previously announced, Ter Beke and the shareholders of France based Stefano Toselli incorporated, in 2011, a joint venture for the production and sale of lasagne and pasta meals in Central and Eastern Europe. The joint venture was incorporated under the name "The Pasta Food Company".

26 June 2013 marks the start of the construction works on the new ready meals plant in Opole (Poland). As of the third quarter of 2014, this plant will produce ready meals for the Central and Eastern European markets.

Ter Beke's share in the results of The Pasta Food Company in 2013 amounts to EUR -111 thousand. This result of the joint venture is accounted for using the equity method.



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## 7. Balance sheet

Fixed assets drop by EUR 9.7 million because the EUR 18.1 million depreciations and write-offs together with the EUR 2.2 million sale of fixed assets (primarily the sale of the Alby-sur-Chéran plant) exceed the EUR 10.6 million investments that were done in 2013.

Net debt decreased by EUR 10.7 million. This is the result of the incoming cash flow from operations (EUR 26.0 million) and financial movements (EUR 0.3 million), as opposed to an outgoing cash flow comprising paid up investments (EUR 9.5 million) and dividend and interest payments (EUR 6.1 million).

The equity difference is chiefly the result of the after tax profit decreased with the dividend that was granted over the previous financial year.

This results in a further improvement of the group's financial ratios.

## 8. Dividend proposal

Taking into account all relevant criteria, the Board of Directors will propose to the General Meeting of Shareholders to pay an unchanged gross dividend of 2.50 EUR per share.

## EXTERNAL CONTROL

The statutory auditor, DELOITTE Auditors BV o.v.v.e. CVBA, represented by Mr. Kurt Dehoorne, has confirmed that its auditing work, which is essentially completed, has brought no significant correction to light which would have to be reflected in the bookkeeping information included in this press release.

## PROSPECTS FOR 2014

Consumer trust in the ready meals category is steadily returning. We are also working on a number of new products and concepts that we plan to launch in 2014. The group is confident that, save for any unforeseen circumstances, the 2014 result will exceed the 2013 result.

## CONTACTS

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You can also consult this press release and send your questions to us via the Investor relations module of our website ([www.terbeke.com](http://www.terbeke.com))



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## FINANCIAL CALENDAR

Annual report 2013:	At the latest on 27 April 2014
Business update first quarter 2014:	9 May 2014 before market opening
General Meeting of Shareholders 2014:	28 May 2014 at 11 a.m.
First semester 2014 results:	26 August 2014 before market opening

## TER BEKE IN BRIEF

Ter Beke (Euronext Brussel: TERB) is an innovative Belgian fresh foods concern that markets its assortment in 10 European countries. The group has 2 core activities: processed meats and fresh ready meals; it has 7 industrial sites in Belgium and the Netherlands and employs approximately 1,700 people. Ter Beke generated a turnover of EUR 407 million in 2013.

### Processed Meats Division:

- producer and slicer of processed meats for the Benelux, the UK and Germany;
- 2 production plants in Belgium (Wommelgem and Waarschoot) and 4 centres for the slicing and packaging of processed meats, 2 of which are in Belgium (Wommelgem and Veurne) and 2 in the Netherlands (Wijchen and Ridderkerk);
- innovating in the pre-packed processed meats segment;
- distribution brands and own brand names L'Ardennaise<sup>®</sup>, Pluma<sup>®</sup> and Daniël Coopman<sup>®</sup>;
- employs approximately 1050 staff.

### Ready Meals Division:

- produces fresh ready meals for the European market;
- market leader in chilled lasagne in Europe;
- 2 production sites in Belgium (Wanze and Marche-en-Famenne);
- brand names Come a casa<sup>®</sup> and Vamos<sup>®</sup> in addition to distribution brands;
- employs approximately 650 staff;
- joint venture The Pasta Food Company established in Poland (2011).



*Daniël Coopman*