

ter**b**·eke

driven by **the zeal for your everyday meal**

HALF YEAR FINANCIAL REPORT FIRST SEMESTER 2014

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*The Dutch version of this report is considered to be the official version

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TER BEKE GROUP PER 30 JUNE 2014

CONDENSED CONSOLIDATED BALANCE SHEET

in '000 EUR	<u>30/06/2014</u>	<u>31/12/2013</u>
Assets		
Non-current assets	142.340	144.493
Goodwill	35.204	35.204
Intangible non-current assets	2.566	2.145
Tangible non-current assets	89.487	92.341
Joint venture using equity method	4.465	4.688
Loans to joint venture	500	0
Deferred tax assets	0	0
Other long term receivables	118	115
Long-term interest-bearing receivables	10.000	10.000
Current assets	88.864	96.183
Stocks	22.866	24.306
Trade- and other receivables	56.314	64.966
Cash and cash equivalents	9.684	6.911
Total assets	231.204	240.676
Liabilities		
Shareholders equity	98.729	99.489
Capital and issue premiums	53.191	53.025
Reserves	45.538	46.464
Non-controlling interests	0	0
Deferred tax liabilities	7.122	7.532
Long-term liabilities	35.067	41.353
Provisions	2.122	1.962
Long-term interest-bearing liabilities	32.945	39.391
Other long-term liabilities	0	
Short-term liabilities	90.286	92.302
Short-term interest-bearing obligations	23.737	18.343
Trade liabilities and other debts	54.163	60.540
Social liabilities	9.639	10.372
Tax liabilities	2.747	3.047
Total liabilities	231.204	240.676

CONDENSED CONSOLIDATED INCOME STATEMENT

in '000 EUR	<u>30/06/2014</u>	<u>30/06/2013</u>
Revenu	199.298	202.567
Trade goods, raw and auxiliary materials	-109.448	-112.662
Services and miscellaneous goods	-36.265	-37.978
Wages and salaries	-38.885	-38.585
Depreciation costs	-8.788	-9.202
Impairments, write-offs and provisions	26	172
Other operating income and expenses	397	218
Result of operating activities	6.335	4.530
Financial income	85	284
Financial expenses	-863	-924
Result of operating activities after net financing expenses	5.557	3.890
Tax	-1.654	-871
Result after tax before share in the result of enterprises accounted for using the equity method	3.903	3.019
Share in enterprises accounted for using the equity method	-217	-18
Profit of the period	3.686	3.001
Basic profit per share	2,13	1,73
Diluted profit per share	2,13	1,73

CONDENSED COMPREHENSIVE INCOME

in '000 EUR	<u>30/06/2014</u>	<u>30/06/2013</u>
Profit of the reported period	3.686	3.001
Other elements of the result recognised in the shareholders' equity		
Other elements of the result that can subsequently be reclassified to the results		
Translation differences	36	-340
Other elements of the result that cannot subsequently be reclassified to the results		
Revaluation of net liabilities regarding defined benefit pension schemes	-140	-109
Comprehensive income	3.582	2.552

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in '000 EUR	<u>Capital</u>	<u>Capital reserves</u>	<u>Share premiums</u>	<u>Reserved profits</u>	<u>Translation differences</u>	<u>Total</u>	<u>Number of shares</u>
Balance on 31 December 2012	4.903	-96	48.288	44.949	-8	98.036	1.732.621
Treasury share reserve		96				96	
Dividend				-4.332		-4.332	
Result of the period				3.001		3.001	
Other elements of the comprehensive result of the period				-109	-340	-449	
Comprehensive result for the period				2.892	-340	2.552	
Movements via reserves							
-Result from treasury shares				-5		-5	
Balance on 30 June 2013	4.903	0	48.288	43.504	-348	96.347	1.732.621
Treasury share reserve		0				0	
Dividend				0		0	
Result of the period				3.201		3.201	
Other elements of the comprehensive result of the period				-275	226	-49	
Comprehensive result for the period				2.926	226	3.152	
Movements via reserves							
-Result from treasury shares				-10		-10	
Balance on 31 December 2013	4.903	0	48.288	46.420	-122	99.489	1.732.621
Treasury share reserve						0	
Dividend				-4.332		-4.332	
Result of the period				3.686		3.686	
Other elements of the comprehensive result of the period				-140	36	-104	
Comprehensive result for the period				3.546	36	3.582	
Movements via reserves							
-Result from treasury shares				-10		-10	
Balance on 30 June 2014	4.903	0	48.288	45.624	-86	98.729	1.732.621

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

in '000 EUR	<u>30/06/2014</u>	<u>30/06/2013</u>
Operating activities		
Result of operating activities	6.335	4.530
Adjustments for:		
-Depreciation	8.788	9.202
-Change in impairments and write-offs	0	26
-Change in provisions	-26	-198
-Proceeds from the sale of fixed assets	-17	-9
Changes in net operating capital		
-Changes in stock	1.442	-771
-Changes in trade and other receivables	8.622	-291
-Changes in trade and other liabilities	-7.488	-903
-Changes in other items	42	-35
Cash from operating activities	17.698	11.551
Tax paid	-2.241	-1.625
Net cash from operating activities	15.457	9.926
Investing activities		
Proceeds from the sale of tangible fixed assets	38	23
Investments in intangible fixed assets	-811	-324
Investments in tangible fixed assets	-5.237	-5.714
Net investments in financial fixed assets	-3	14
Net investments in loan to joint venture	-500	-1
Investments in third party loans	0	0
Takeover of subsidiaries	0	0
Net cash used in investing activities	-6.513	-6.002
Financing activities		
Proceeds from treasury share purchase	-10	90
Proceeds from take-up of new loans	8.450	21.300
Dividend payments to shareholders	-4.330	-4.333
Interest paid (through P&L account)	-771	-881
Loan settlement	-9.501	-18.695
Repayment of financial leasing liabilities	-1	-11
Other financial resources/(expenses)	-8	241
Net cash from financing activities	-6.171	-2.289
Net change in cash and cash equivalents	2.773	1.635
Cash funds at the beginning of the year	6.911	4.345
Cash funds at the end of the year	9.684	5.980

2. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ON THE COMPANY

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 1,650 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[®], Pluma[®] and Daniël Coopman[®];
- 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[®] and Vamos[®] in addition to distribution brands;
- employs approximately 600 staff;
- joint venture The Pasta Food Company established in Poland (2011).

DECLARATION OF CONFORMITY

The above condensed interim consolidated financial statements are set up in accordance with IAS-34 interim financial reporting, as accepted by the EU. These statements do not contain all information required for full annual accounts and need to be read together with the consolidated annual accounts for the reporting period ending 31 December 2013, as published in the annual report to the shareholders on the financial year 2013.

The group's scope of consolidation has not changed since 31 December 2013.

These condensed consolidated financial statements were approved for publication by the Board of Directors on 25 August 2014.

VALUATION AND INTERPRETATION RULES

The valuation rules used in preparing these condensed interim consolidated financial statements are consistent with those set out and applied in preparing the consolidated financial statements for the accounting period ending 31 December 2013.

New standards or interpretations applicable from 1 January 2014 have no significant impact on the condensed financial statements per 30 June 2014.

GENERAL

No changes were made to the estimated amounts in the financial statements over the previous financial year.

The General Meeting of Shareholders of 28 May 2014 approved the dividend proposed by the Board of Directors (EUR 2.50/share). The awarded dividend amounted to a total of EUR 4,331,552.5, of which more than 99% had been paid out per 30 June 2014.

The results of the group are hardly influenced by seasonal effects, except for a higher level of activity in December.

There are no material events to be reported post balance sheet at the date of the present half year financial report.

In the first semester of 2014, no related party transactions occurred that had a material influence on the financial position or the results of the group in that period.

The investments of EUR 6.4 million in the first half of 2014 relate primarily to the continuation of efficiency and infrastructure investments in the various sites. In the first semester of 2013, EUR 5.8 million was invested.

The group is exposed to an exchange rate risk on sales in Pound Sterling (GBP). On 30 June 2014, long term contracts were open for the sale of GBP 1.2 million against EUR and an option to sell GBP 1 million against EUR. On 31 December 2013, long term contracts were open for the sale of GBP 2,75 million against EUR and an option to sell GBP 3.6 million against EUR. On 30 June 2014, no negative market value was recorded on open long term contracts (on 30 June 2013, no negative market value was recorded).

On 30 June 2014, the group had a net GBP position of GBP 1.4 million (GBP 1.9 million on 31 December 2013).

On 30 June 2014, the EUR/GBP balance sheet rate amounted to 0.8015 compared to 0.8366 on 31 December 2013. On 30 June 2014, the average result rate amounted to 0.8217 compared to 0.8506 on 30 June 2013.

NOTES TO THE BALANCE SHEET

Under IAS-34, the balance sheet figures of 30 June 2014 are to be compared with those of 31 December 2013. Changes in balance sheet items are limited as there have been no changes in the scope of consolidation since 31 December 2013.

Non-current assets decreased by EUR 2.2 million. Property, plant and equipment and intangible non-current assets decreased EUR 2.4 million as a result of EUR 6.4 million investments and EUR 8.8 million depreciations and write-downs. Financial fixed assets increased by EUR 0.3 million.

The investment in intangible non-current assets in 2014 concerns primarily the investment in a new ERP system. The EUR 500 thousand loan to the joint venture is a subordinated loan with a 7 year term (expires January 1st, 2021).

Net debt decreased by EUR 3.8 million. This is the result of the incoming cash flow from operations (EUR 15.5 million) and financial movements (EUR -0.1 million), compared to an outgoing cash flow from net paid investments (EUR 6.5 million) and dividend and interest payments (amounting to EUR 5.1 million).

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

NOTES TO THE INCOME STATEMENT

Turnover

In the first six months of the year, the total turnover of the group decreased by EUR 3.3 million (-1.6%) from EUR 202.6 million to EUR 199.3 million.

The turnover of the ready meals division increased by EUR 3.6 million (+6.3%), partly due to a renewed consumer confidence in lasagne.

The turnover of the processed meats division decreased by EUR 6.9 million (-4.7%). This drop in turnover is mainly due to the termination of dried and cured meat manufacturing as per 31 December 2013, as well as extensive optimisation of the product range following which a number of less profitable product varieties were discontinued.

Results of operating activities

The REBITDA increased by EUR 1.9 million (+13%) from EUR 14.4 million in the first half of 2013 to EUR 16.3 million in the same period in 2014.

This is mainly due to sales growth in the ready meals division (see above), increased focus on profitability of the product range and extensive cost management.

Aided by specific consumer campaigns, the Come a casa[®] brand was able to confirm its position as market leader in the fresh Mediterranean meals segment in Belgium.

“Services and miscellaneous goods” comprises:

in '000 EUR	<u>30/06/2014</u>	<u>30/06/2013</u>
Temporary workers and persons put at the disposal of the company	3.982	4.384
Repair & Maintenance	5.209	6.042
Marketing & Sales costs	8.315	9.289
Transport costs	6.790	6.646
Energy	3.944	4.290
Rent	2.875	2.379
Other	5.150	4.948
Total	36.265	37.978

“Other operating income and expenses” comprises:

in '000 EUR	30/06/2014	30/06/2013
Recovery of wage-related costs	564	592
Recovery of logistic costs	61	36
Government grants	2	1
Profits from the disposal of assets	0	30
Recovery waste	59	56
Recovery insurances	51	78
Rent income	32	31
Write-off on disposal of assets	17	-14
Paid or receive indemnities	91	91
Local taxes	-642	-756
Other	162	72
Total	397	217

The recurring non-cash costs in the first half of 2014 (EUR 8.8 million) were EUR 0.1 million lower than the same period in 2013.

Consequently, the REBIT increased by 39.8% from EUR 5.4 million in 2013 to EUR 7.5 million in 2014.

The non-recurring result from the first half of 2014 consists of EUR 1.2 million from miscellaneous redundancy payments. In 2013 this non-recurring result amounted to EUR 0.9 million.

The EBITDA increased by EUR 1.5 million (+11.3%) from EUR 13.6 million in 2013 to EUR 15.1 million in 2014 and the EBIT increased by EUR 1.8 million (+39.8%) from EUR 4.5 million in 2013 to EUR 6.3 million in 2014.

Net financing costs

In the first semester of 2014, the net-financing expenses are EUR 0.1 million higher than in the same period of 2013, mainly due to the negative exchange rate differences.

Taxes

The tax rate over the first half of 2014 (29.8%) is in line with that for 2013 (30.3%).

KEY DATA PER BUSINESS SEGMENT

in '000 EUR	<u>30/06/2014</u>			<u>30/06/2013</u>		
	Processed Meats	Ready Meals	Total	Processed Meats	Ready Meals	Total
Segment income statement						
Segment sales	138.208	61.090	199.298	145.083	57.484	202.567
Segment results	5.501	3.402	8.903	4.689	1.545	6.234
Non-allocated results			-2.568			-1.704
Net financing cost			-778			-640
Taxes			-1.654			-871
Result of companies according to equity method			-217			-18
Consolidated result			3.686			3.001
Other segment information						
Segment investments	4.493	663	5.156	3.865	1.603	5.468
Non-allocated investments			1.220			359
Total investments			6.376			5.827
Segment depreciations and non-cash costs	5.449	2.882	8.331	5.896	2.733	8.629
Non-allocated depreciations and non-cash costs			431			401
Total depreciations and non-cash costs			8.762			9.030

The difference between the current GBP exchange rates and the standard exchange rates is added to the segment result in each period in order to obtain a better view on the economic result of the segment. On 30 June 2014 and 30 June 2013 this amount was non-material. This amount is corrected in the non-allocated results. They also contain the costs of central services that are not allocated to one of the divisions.

As the turnover between both segments is non-material, the group opted to report only the extra-group turnover.

CALCULATION OF EARNINGS PER SHARE

Calculation earnings per share	<u>30/06/2014</u>	<u>30/06/2013</u>
Number of outstanding ordinary shares per 1 January	1.732.621	1.732.621
Effect of issued ordinary shares		
Weighted average number of outstanding ordinary shares per 30 June of the financial year	1.732.621	1.732.621
Net profit	3.686	3.001
Average number of shares	1.732.621	1.732.621
Basic profit per share	2,13	1,73
Calculation diluted earnings per share		
	<u>30/06/2014</u>	<u>30/06/2013</u>
Net profit	3.686	3.001
Average number of shares	1.732.621	1.732.621
Dilution effect warrant plans		
Adjusted average number of shares	1.732.621	1.732.621
Diluted profit per share	2,13	1,73

As the number of treasury shares, purchased within the framework of the liquidity provider contract, is immaterial, it was decided not to take these into account in the calculation of the earnings per share.

3. INTERIM SEMESTER REPORT

KEY FIGURES AND HEADLINES

- Ter Beke group:
 - In the first half of 2014 the group succeeded in improving the result and the net cash flow to by 22.8% and 5.1% respectively.
 - The consolidated turnover decreased in 2014 by EUR 3.3 million (-1.6%) to EUR 199.3 million;
 - REBITDA amounts to EUR 16.3 million in 2014 compared to EUR 14.4 million in 2013 (+13%),
 - The first half of 2014 includes EUR 1.2 million in non-recurring expenses. This concerns redundancy payments.
 - As a result of the above
 - EBITDA amounts to EUR 15.1 million compared to EUR 13.6 million in 2013 (+11.3%);
 - EBIT amounts to EUR 6.3 million compared to EUR 4.5 million in 2013 (+39.8%);
 - the result after taxes amounts to EUR 3.7 million compared to EUR 3.0 million in 2013 (+22.8%);
 - net cash flow amounts to EUR 12.7 million compared to EUR 12.0 million in 2013 (+5.1%);
- Processed Meats Division:
 - Drop in turnover due to extensive optimisation of the product range and the termination of own production of dried and cured processed meats;
 - Development and launch of a range of dried sausage snacks;
 - Relaunch of the range of over the counter processed meats under the Daniël Coopman[®] brand;
 - New range of recloseable packaging for the Dutch and UK market.
- Ready Meals Division:
 - Increase in turnover and results from lasagne, partly due to a renewed consumer confidence;
 - Notwithstanding the high raw material prices, the group improved its result, thanks also to a strict cost control and reduction;
 - Launch of a new microwaveable packaging in the German market;
 - Construction of the new ready meals factory in Opole (Poland) on schedule.

CONSOLIDATED KEY FIGURES FIRST SEMESTER 2014

Income statement in 000 EUR			
	30/06/14	30/06/13	Δ %
Revenue (net turnover)	199.298	202.567	-1,6%
REBITDA ⁽¹⁾	16.307	14.426	13,0%
EBITDA ⁽²⁾	15.097	13.560	11,3%
Recurring result of operating activities (REBIT)	7.545	5.396	39,8%
Result of operating activities (EBIT)	6.335	4.530	39,8%
Net financing costs	-778	-640	21,6%
Result of operating activities after net financing costs (EBT)	5.557	3.890	42,9%
Taxes	-1.654	-871	89,9%
Result after tax before share in the result of enterprises accounted for using the equity method	3.903	3.019	29,3%
Share in enterprises accounted for using the equity method	-217	-18	
Earnings after taxes (EAT)	3.686	3.001	22,8%
Net cash flow ⁽³⁾	12.665	12.049	5,1%
Financial position in 000 EUR			
	30/06/14	31/12/13	
Balance sheet total	231.204	240.676	-3,9%
Equity	98.729	99.489	-0,8%
Net financial debts (4)	36.998	40.823	-9,4%
Equity/Total assets (in %)	42,7%	41,3%	3,3%
Gearing Ratio ⁽⁵⁾	37,5%	41,0%	-8,7%
Key figures in EUR per share			
	30/06/14	30/06/13	
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	7,31	6,95	5,1%
Earnings after taxes	2,13	1,73	22,8%
EBITDA	8,71	7,83	11,3%

(1) REBITDA: EBITDA from recurring operating activities

(2) EBITDA: earnings before taxes + depreciation + amortization + changes in provisions

(3) Net cash flow: earnings after taxes + depreciation + amortization + changes in provisions

(4) Net financial debts: interest bearing liabilities – interest bearing receivables, cash and cash equivalents

(5) Gearing ratio: Net financial debt/Equity

NOTES TO THE CONSOLIDATED KEY FIGURES

Turnover

In the first six months of the year, the total turnover of the group decreased by EUR 3.3 million (-1.6%) from EUR 202.6 million to EUR 199.3 million.

The turnover of the ready meals division increased by EUR 3.6 million (+6.3%), partly due to a renewed consumer confidence in lasagne.

The turnover of the processed meats division decreased by EUR 6.9 million (-4.7%). This drop in turnover is mainly due to the termination of dried and cured meat manufacturing as per 31 December 2013, as well as extensive optimisation of the product range following which a number of less profitable product varieties were discontinued.

Results of operating activities

The REBITDA increased by EUR 1.9 million (+13%) from EUR 14.4 million in the first half of 2013 to EUR 16.3 million in the same period in 2014.

This is mainly due to sales growth in the ready meals division (see above), increased focus on profitability of the product range and extensive cost management.

Aided by specific consumer campaigns, the Come a casa[®] brand was able to confirm its position as market leader in the fresh Mediterranean meals segment in Belgium.

The recurring non-cash costs in the first half of 2014 (EUR 8.8 million) were EUR 0.1 million lower than the same period in 2013.

Consequently, the REBIT increased by 39.8% from EUR 5.4 million in 2013 to EUR 7.5 million in 2014.

The non-recurring result from the first half of 2014 consists of EUR 1.2 million from miscellaneous redundancy payments. In 2013 this non-recurring result amounted to EUR 0.9 million.

The EBITDA increased by EUR 1.5 million (+11.3%) from EUR 13.6 million in 2013 to EUR 15.1 million in 2014 and the EBIT increased by EUR 1.8 million (+39.8%) from EUR 4.5 million in 2013 to EUR 6.3 million in 2014.

Net financing costs

In the first semester of 2014, the net-financing expenses are EUR 0.1 million higher than in the same period of 2013, mainly due to the negative exchange rate differences.

Taxes

The tax rate over the first half of 2014 (29.8%) is in line with that for 2013 (30.3%).

Balance sheet

Under IAS-34, the balance sheet figures of 30 June 2014 are to be compared with those of 31 December 2013. Changes in balance sheet items are limited as there have been no changes in the scope of consolidation since 31 December 2013.

Non-current assets decreased by EUR 2.2 million. Property, plant and equipment and intangible non-current assets decreased EUR 2.4 million as a result of EUR 6.4 million investments and EUR 8.8 million depreciations and write-downs. Financial fixed assets increased by EUR 0.3 million.

Net debt decreased by EUR 3.8 million. This is the result of the incoming cash flow from operations (EUR 15.5 million) and financial movements (EUR -0.1 million), compared to an outgoing cash flow from net paid investments (EUR 6.5 million) and dividend and interest payments (amounting to EUR 5.1 million).

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

Investments

The investments amounting to EUR 6.4 million in the first half of 2014 relate primarily to the further investments in efficiency and changes to the infrastructure at the various sites. In the first semester of 2013, EUR 5.8 million was invested.

The foundation stone of the new ready meals factory in Opole (Poland) was laid on 26 June 2013; this factory is being constructed by the joint venture The Pasta Food Company. The construction is progressing on schedule. From September 2014 the first ready meals will be produced for the Central and Eastern European markets.

The initial costs of the full manufacturing operation in Opole will initially result in a significantly higher loss in the joint venture in the second half of the year. The group's share in this result will be recognised via the equity method.

PROSPECTS FOR 2014

Barring unexpected market conditions the group expects the result for 2014 to exceed that of 2013, even after allocation of the start up losses in the Opole factory.

RELATED PARTY TRANSACTIONS

In the first semester of 2014, no related party transactions occurred that had a material influence on the financial position or the results of the group in that period.

MATERIAL RISKS AND UNCERTAINTIES

The material risks and uncertainties for the remainder of 2014 are largely the same as described in the annual report on the financial year 2013 and relate primarily to the quality and price fluctuations of the raw materials used.

4. DECLARATION OF THE RESPONSIBLE PERSONS

The undersigned, Dirk Goeminne*, Managing Director, and René Stevens, Chief Financial Officer, declare that, to their knowledge:

- the condensed interim consolidated financial statements on the first semester of 2014, established in accordance with the International Financial Accounting Standards ("IFRS"), provide a true and fair view of the estate, the financial position and the results of Ter Beke NV and the consolidated companies;
- the half year financial report provides a true and fair view of the important events of the first semester of the financial year 2014, of the related party transactions and of the material risks and uncertainties for the remainder of the financial year.

Waarschoot, 25 August 2014

Dirk Goeminne*
Managing Director

René Stevens
Chief Financial Officer

*representing NV Fidigo

5. REPORT FROM THE STATUTORY AUDITOR ON THE HALF YEAR INFORMATION

FREE TRANSLATION
The original text of this report is in Dutch

Ter Beke NV

Limited review report on the consolidated interim financial information for the six-month period ended 30 June 2014

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance sheet as at 30 June 2014, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Ter Beke NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The consolidated condensed balance sheet shows total assets of 231.204 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 3.686 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Ter Beke NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Kortrijk, 25 August 2014

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Kurt Dehoorne

6. CONTACTS

If you have any questions on the present half year report or for further information, please contact:

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You can also review the present half year report and send us your questions through the Investor relations module on our website (www.terbeke.com)

7. FINANCIAL CALENDAR

Annual result 2014:	27 February 2015 before market opening
Annual report 2014:	At the latest on 28 April 2015
General Meeting of Shareholders 2015:	28 May 2015 at 11 a.m.

8. 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 1,650 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[®], Pluma[®] and Daniël Coopman[®];
- 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[®] and Vamos[®] in addition to distribution brands;
- employs approximately 600 staff;
- joint venture The Pasta Food Company established in Poland (2011).