demanding by nature

ANNUAL REPORT 2012

terbeke
Fresh Food Group

Headlines and key figures 2012

TURNOVER
EUR **421.1** million

EBITDA
EUR **31.1** million

EAT
EUR **8.2** million

INVESTMENTS
EUR **12.1** million

Processed Meats

→ **Significant increase in turnover**, particularly in slicing and packaging activities, has not lead to an improvement in results because of higher raw material prices and changes to the product mix;
→ **Launch of Oligusto® range**.

Ready Meals

→ **Slight increase in turnover** in lasagne and pasta meals;
→ **Come a casa®** continues to grow in Belgium;
→ **Industrial activities in Alby-sur-Chéran** (France) terminated on 30 June 2012.

Proposal to pay a gross dividend of EUR 2.50 per share.

Consolidated key figures 2004 - 2012

Consolidated income statement	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenue	421,078	403,715	402,180	392,374	393,206	366,669	326, 718	236,238	200,035
EBITDA (1)	31,130	33,233	37,501	35,155	29,866	29,274	23,981	21,632	20,855
Recurring operating result	13,948	15,333	17,801	15,087	11,378	12,192	8,606	10,700	11,922
Non-recurring operating activities	-380	0	0	0	-3,425	-1,950	1,500	0	-1,750
Result of operating activities	13,568	15,333	17,801	15,087	7,953	10,242	10,106	10,700	10,172
Result after tax before share in the result of enterprises is accounted for using the equity method	8,024	9,206	10,458	8,256	7,604	6,069	5,973	5,949	5,030
Result after taxes	8,207	9,006	10,458	8,256	7,604	6,069	5,973	5,949	5,030
Net cash flow (2)	25,586	27,106	30,158	28,324	29,517	25,101	19,848	16,881	15,713

Consolidated balance sheet and financial structure	2012	2011	2010	2009	2008	2007	2006	2005	2004
Non-current assets	154,380	153,192	149,323	146,266	150,361	161,173	134,537	83,828	66,541
Current assets	95,177	99,744	93,290	83,750	89,075	86,597	73,621	50,597	45,374
Equity	98,036	93,879	89,116	82,808	78,146	74,421	71,715	45,359	41,101
Balance sheet total	249,557	252,936	242,613	230,016	239,436	247,770	208,158	134,425	111,915
Net financial debt (3)	51,476	59,619	57,168	65,464	69,853	71,681	56,458	28,863	13,666
Net financial debt / Equity	52.5%	63.5%	64.2%	79.1%	89.4%	96.3%	78.7%	63.6%	33.2%
Equity / Balance sheet total	39.3%	37.1%	36.7%	36.0%	32.6%	30.0%	34.5%	33.7%	36.7%

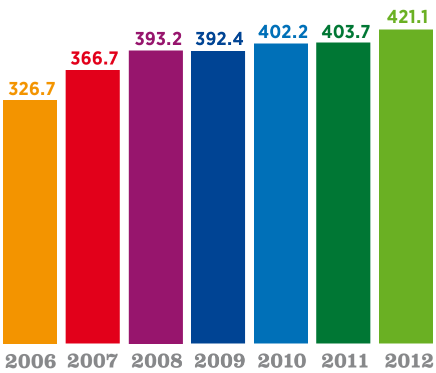
Stock and dividend information	2012	2011	2010	2009	2008	2007	2006	2005	2004
Number of shares	1,732,621	1,732,621	1,732,621	1,732,621	1,732,621	1,730,171	1,722,971	1,369,017	1,363,167
Average number of shares	1,732,621	1,732,621	1,732,621	1,732,621	1,731,641	1,727,118	1,588,088	1,366,698	946,196
Average stock price (December)	47.81	49.67	60.09	54.38	41.91	56.85	65.10	66.10	60.51
Profit per share	4.74	5.20	6.04	4.77	4.39	3.51	3.76	4.35	5.32
Diluted profit per share	4.74	5.20	6.04	4.76	4.38	3.49	3.70	4.24	3.59
EBITDA per share	17.97	19.18	21.64	20.29	17.25	16.95	15.10	15.83	22.04
Net cash flow per share	14.77	15.64	17.41	16.35	17.05	14.53	12.50	12.35	16.61
Dividend per share	2.50	2.50	2.50	2.35	2.10	2.10	2.10	2.10	2.00
Payout ratio	52.7%	48.1%	41.4%	49.3%	47.8%	59.9%	60.6%	48.3%	36.3%
Dividend return (December)	5.2%	5.0%	4.2%	4.3%	5.0%	3.7%	3.2%	3.2%	3.3%

Valuation	2012	2011	2010	2009	2008	2007	2006	2005	2004
Market capitalisation (December)	82,837	86,059	104,113	94,220	72,614	98,360	112,165	90,492	82,485
Net financial debt	51,476	59,619	57,168	65,464	69,853	71,681	56,458	28,863	13,666
Market value of the company	134,313	145,678	161,281	159,684	142,467	170,041	168,623	119,355	96,151
Market value / Result	16.4	16.2	15.4	19.3	18.7	16.2	18.8	15.2	16.4
Market value / EBITDA	4.3	4.4	4.3	4.5	4.8	5.8	7.0	5.5	4.6
Market value / Net cash flow	5.2	5.4	5.3	5.6	4.8	6.8	8.5	7.1	6.1

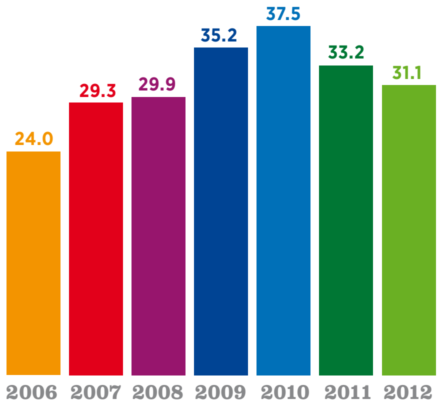
(1) EBITDA = Operating result + depreciations + impairments and provisions
(2) Net cash flow = Result after tax before share in the result of enterprises accounted for using the equity method + depreciation + impairments + changes in provisions
(3) Net financial debt = interest bearing liabilities – interest bearing receivables, cash and cash equivalents

Key figures 2012

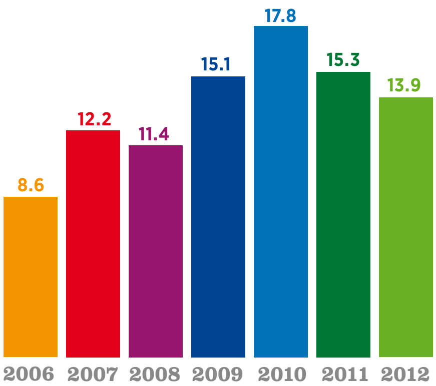
Revenue



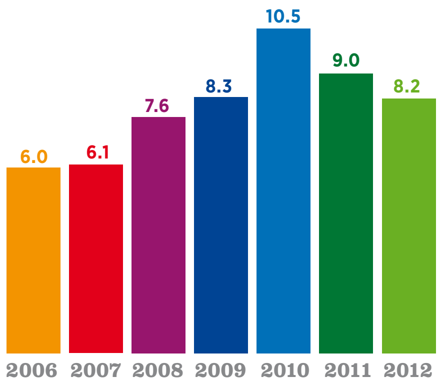
EBITDA



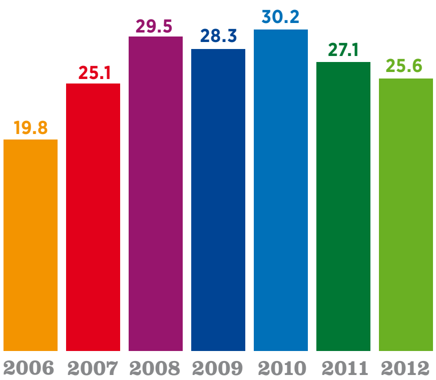
Recurring operating result (REBIT)



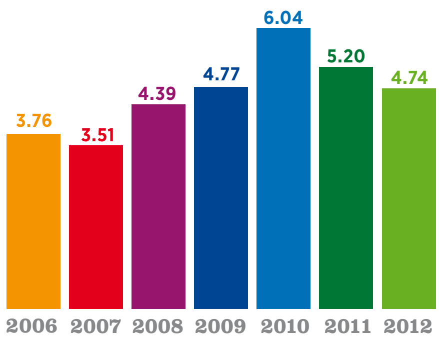
Result after taxes (EAT)



Netto cash flow



Profit per share



CONSOLIDATED FINANCIAL STATEMENTS TER BEKE: All amounts in million EUR, profit per share in EUR.

Group profile

Ter Beke is an innovative Belgian fresh food group that markets its assortment in ten European countries. The group has two core activities: processed meats and fresh ready meals. It has eight plants in Belgium and the Netherlands and has approximately 1,750 employees. In 2012 Ter Beke realised a turnover of EUR 421.1 million. Ter Beke is listed on Euronext Brussels.

Processed Meats Division:

- producer and slicer of processed meats for the Benelux area, the United Kingdom and Germany
- three production sites in Belgium (Wommelgem, Waarschoot and Herstal) and four centres for slicing and packaging processed meats, of which two are located in Belgium (Wommelgem and Veurne) and two in the Netherlands (Wijchen and Ridderkerk)
- innovative in the pre-packed processed meats segment
- private labels and own brands: l'Ardennaise®, Pluma®, Oligusto® and Daniël Coopman®
- approximately 1,100 employees

Ready Meals Division:

- produces fresh ready meals for the European market
- European market leader in chilled lasagne
- two production sites in Belgium (Wanze and Marche-en-Famenne)
- own brands: Come a casa® and Vamos®, in addition to private labels
- approximately 650 employees
- joint venture The Pasta Food Company for Central and Eastern Europe

For more information see www.terbeke.com

Contents

Message from the Chairman

Dear shareholders,

I would like to describe 2012 as better than expected ... but a little worse than we had hoped. I will not discuss the figures here, as these are elaborately discussed elsewhere in this Annual Report.

Strategy means looking ahead and discerning among many events what has long-term value, and based on this adjusting the strategy time and time again. Strategy is not purely intellectual; strategy demands ideas, environmental analysis and action.

There are, dear shareholders, good and bad crises. You are probably familiar with the saying: "Never waste a good crisis". I think I can say that, from the Ter Beke point of view, the food crisis that arose from the fraudulent use of (cheap) horse meat, was a good crisis.

In Belgium the dioxin crisis resulted in an extremely efficient control system. Consumer confidence in food quality therefore has a solid foundation, which rests on reality and not just on perception or regulations. This is not always the case in some other European countries.

We hope that this food crisis will result in better control by the government and all parties in the supply chain and that the market environment will improve for all honest and efficient food suppliers. This is proven by the fact that we observed only limited and temporary impact of the food crisis on Ter Beke. Our consumers and partners in the supply chain conceive Ter Beke as an honest company that provides excellent service.

At this point, I would like to thank all Ter Beke employees who have done everything possible over the years to realise the 'absolute' objectives regarding integrity. It is also fitting to thank our meat suppliers who have not damaged our trust and of course also our long-term shareholders.

All this does not affect Ter Beke's responsibility to monitor and to verify, or our belief that reputation and trust must be earned, over and over again. Each time, you are only worth what your last delivery proved.

We believe that consumer expectations about food, quality and conformity are now higher, and that awareness is increasing that there are limits to 'cheap'. It also seems that assertions based purely on marketing and not on reality are increasingly being challenged, both legally and by consumers. Ter Beke continues to work undauntedly on products that are safe, delicious and healthy. A recent example is Oligusto®, which Testaankoop, the Belgian consumer organisation, found to be fully compliant to the Ter Beke 'claims'. Ter Beke has maintained its food quality strategy even when some competitors attempted to hide their poor performance in the manner we now all know about.

I believe that Ter Beke has the right platform to meet the stricter consumer expectations and that for this, we have embarked on the right partnerships in our supply chain. We aim to strengthen these further.

Naturally our results are influenced by the wider economic environment in Europe, which has been floundering for a number of years now. We experience ups and downs and have therefore repeatedly been obliged to adjust our expectations regarding sustainable growth. Ter Beke is going for the long term and shall continue to control its costs and not to count its chickens before they've hatched... and all this without weakening our innovation efforts.

In the company of many dignitaries, and in accordance with long-standing agreements, Ter Beke has said farewell to Luc De Bruyckere, who as mainstay to Daniël and Edith Coopman and later as CEO and as executive chairman, expanded Ter Beke. Few ever did better. On behalf of the shareholders I would like to express my gratitude once again.

Early this year, Marc Hofman decided to accept an offer to become CFO at Colruyt. With the great integrity he characterises, he supported our new CEO, Dirk Goeminne, in a seamless transition. On behalf of Ter Beke, I would like to thank him for his contribution. He piloted Ter Beke in an exemplary manner through a number of mergers and acquisitions, which, experience shows, is no easy task and he made a major contribution to the Ter Beke management systems. We wish him good speed.

I would like to conclude with you, dear shareholders. We are emerging from a period of 'lean years' as far as the return on shares is concerned.

The better companies have cut their coats according to their cloth without harming their fundamental capacity to consolidate their position in the economy as it begins to recover again. The Board of Directors and the management team believe that Ter Beke belongs among such companies.

Louis-H. Verbeke
Chairman

Group Charter

Mission

"We create **value** for our **customers** and **ourselves** through **leadership** in **high quality fresh ready meals** and **fine processed meats.**"

Objectives

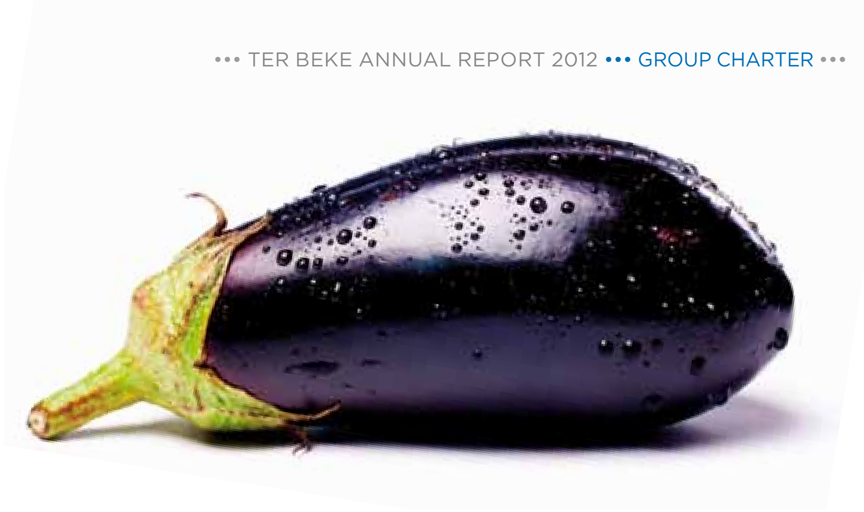
We wish to achieve leadership through the distribution of high quality products, through innovation in our products and services, through reliability of our service provision, through efficiency in our organisation and infrastructure, and as a result of the knowledge, expertise, skills and craftsmanship with which we pursue our activities.

We want to inspire our customers with pioneering products and innovations and by delivering added-value service. In this way, we wish to become their preferred partner.

We regard total quality and efficiency as essential prerequisites for achieving our strategic aims. We wish to be a profitable, open company and we regard profit as a means to achieve continuity, as a method to provide our shareholders with an appropriate reward and as a means to offer our employees a remuneration that is both fair and competitive.

We view growth as a means, a condition and a challenge - and certainly as a goal to be pursued. It is our aim to fully assume our responsibility

- towards our **shareholders**, by offering them a return on investment that is competitive in the market and by building appropriate levels of shareholder value
- towards our **consumers**, by giving them value for money and delivering products that are guaranteed to be safe and that comply with all applicable legal requirements (HACCP, FASFC Auto control, etc.)



- towards our **employees**, whom we wish to motivate through recognition and fair remuneration, through teamwork, by providing a pleasant working atmosphere and by giving them opportunities for continuous learning. We wish to stimulate their personal growth and development, and to acknowledge and respect their dignity and their rights
- towards the **community**, through corporate social responsibility and acting as a corporation with a sense of public responsibility, through ethical corporate conduct in relation to the authorities, our suppliers and our socio-economic environment, by ensuring a healthy and safe working environment and by treating the natural environment with respect.

Main strategic direction

We wish to be a leading European supplier for a number of selected retailers and specialist wholesalers. In our priority product groups, fresh ready meals and processed meats, we wish to gain or retain our leadership position in our selected markets.

We wish to **grow** through product development and **innovation**, via partnerships with key accounts, strategic cooperation, alliances and acquisitions.

We wish to achieve a high standard of service in consultation with our customers.

In our domestic markets we are opting for a differentiated, multi-channel approach based on consumer brands such as Come a casa® (fresh ready meals), l'Ardennaise® and Oligusto® (processed meats), and on the Vamos® (fresh ready meals) and Daniël Coopman® (processed meats) brands for professionals. In our international markets we opt mainly for a retail-oriented approach.

Our product and service strategy is based on constantly striving to achieve greater **efficiency, quality** and **product safety**. Our production infrastructure is designed to enable us to manufacture flexibly and at **low cost**.

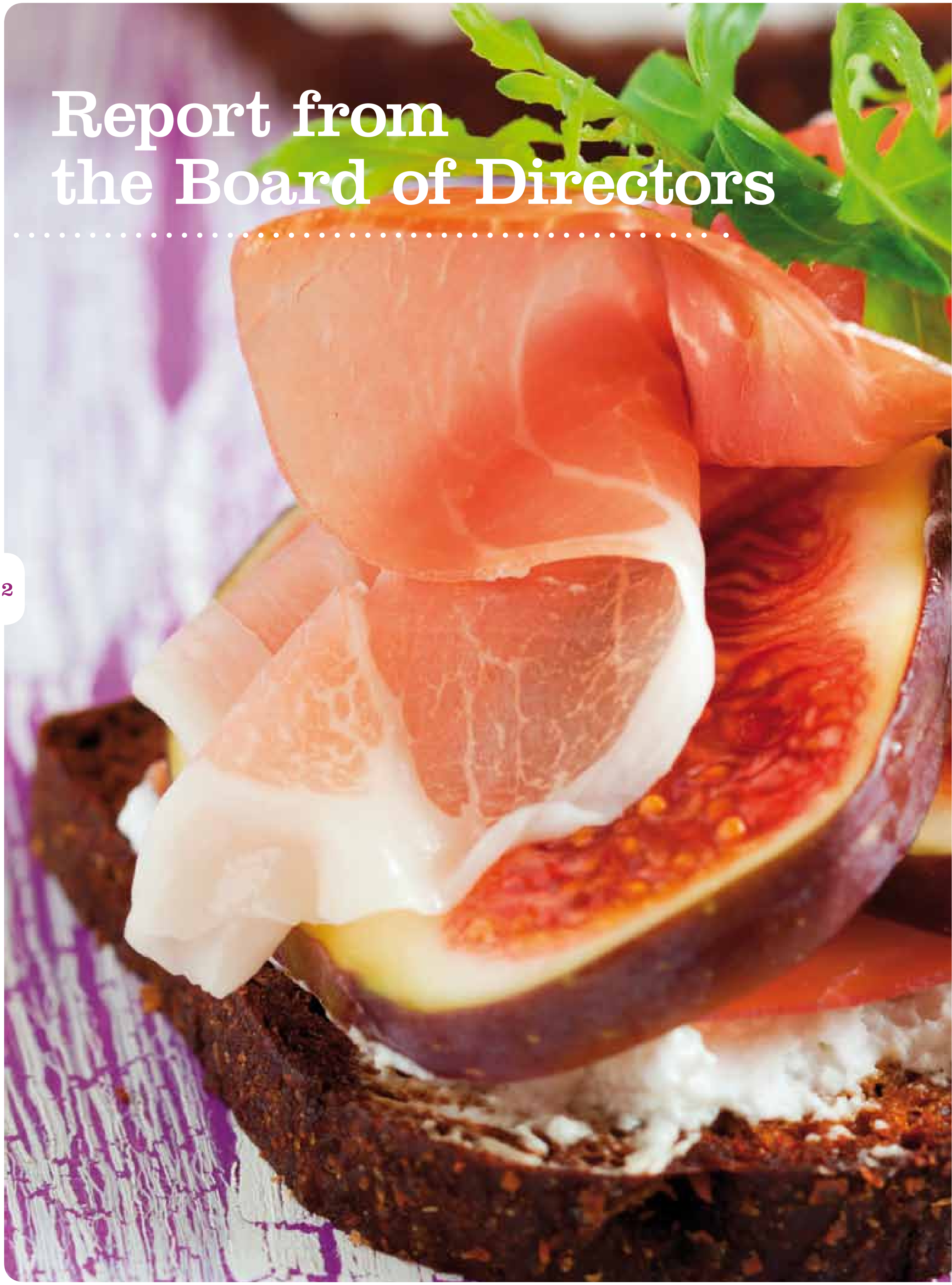
The structure of our organisation is an expression of the strategy stated above. It focuses on the specifics of each of our two core activities, which are conducted in two separate legal entities, and is supported by skilled, highly-motivated employees.

Values

Our values are the starting point and the yardstick for our personal and corporate conduct. Our values are:

- **Teamwork**: We commit ourselves to work together in order to realise the objectives of Ter Beke. Working relationships are based on mutual respect, trust, willingness to listen and support.
- **Result driven**: We contribute efficiently to implementing the strategy. Realising common and agreed objectives is our driving force.
- **Innovation**: We encourage an enterprising attitude to create and launch forward looking solutions that create added value and distinguish us from our competitors.
- **Customer focus**: We are driven by the desire to offer solutions to our customers and consumers to meet their current and future demands.
- **Integrity**: We are honest and open in all our relationships.

Report from the Board of Directors



Overview of activities and results of the Ter Beke group in 2012

This overview concerns the consolidated annual accounts of the Ter Beke group for the 2012 financial year.

Key events and evolution of the results in 2012

The total turnover of the group rose in 2012 by 4.3% from EUR 403.7 million to EUR 421.1 million.

Turnover in the Processed Meats Division increased by EUR 14.7 million. The increase in turnover is partially due to the increase in sales prices, which, nevertheless, on a full annual basis were still insufficient to compensate the increase in raw material prices. The increase is also a result of growth in the slicing and packaging activities.

Turnover in the Ready Meals Division increased by EUR 2.7 million, chiefly due to an increase in lasagne sales and despite the fact that a number of contracts in France were terminated, following the closure of industrial activities there.

The increase in turnover did not lead to increased profit.

In 2012, the group launched a new range of processed meats under the brand name Oligusto®. This is a range of meats enriched with olive oil, with a lower total fat content. The launch costs for this have been included in the result of the first semester. The start-up and sales suffered some delays.

The new media campaign at the start of 2012 for the Come a casa® brand in Belgium has again resulted in an increasing market share. Come a casa® is increasingly fulfilling its leading position as brand of chilled Mediterranean meals.

The increased volumes, the implemented price increases and a far-reaching cost control and reduction were not able to entirely offset increased production costs (chiefly raw materials, energy and wages) and the costs of market investments. The changed product mix, with an increase in the sales of cheaper products at the expense of more expensive products caused by the general economic climate, put pressure on the results of the Processed Meats Division.

The REBITDA is therefore EUR 33.1 million compared to EUR 33.2 million in 2011.

On 5 April 2012 the group announced its intention to terminate industrial activity at the site in Alby-sur-Chéran (France). In the meantime, these activities were effectively terminated per 30 June 2012. However, the group does retain its commercial activities in France for products that are produced at the Belgian ready meals division sites (Marche-en-Famenne and Wanze). The cost of terminating these activities amounted to EUR 1.1 million. These costs, together with other dismissal expenses amounting to EUR 0.9 million, result in an EBITDA of EUR 31.1 million in 2012.

Markets, marketing & product development

Processed Meats Division

In 2012, the Processed Meats Division marketed a varied and innovative range of high quality processed meat products such as salami, processed poultry, cooked meats, paté, cooked hams and dried and cured meats, in bulk as well as in pre-packed and sliced formats.

In 2012 we recorded a slight increase in volume and a higher turnover. The division further improved its position as the largest slicer and pre-packager of fine meat products in the Benelux in 2012.

In 2012 the sale of paté increased strongly again. Our industrial slicing and packaging activities also continued to grow in 2012. After all, sales of pre-packed processed meats continue to rise at the expense of sales of over-the-counter products.

In 2012, the division grew in all geographic markets where it is active. Naturally, the **Benelux** market is still the most important. Despite the loss of a few volume contracts in the Netherlands, the division grew in the Benelux, partly due to the further strengthening of the position in slicing activities. The group also improved its position even further in the **German** market. Again the largest growth in volume in 2012 came from the **United Kingdom**, this thanks to the increased turnover in paté.

This growth in the Processed Meats Division was mainly due to the introduction of a number of new products and packaging concepts (see below) and a well-balanced promotion policy for the existing product ranges to discount and retail customers as well as in the traditional segment.

By regularly translating research into product and package development, Ter Beke succeeded, together with its **discount and retail customers**, in booking growth in almost all product categories.

In addition to the increasing sales of pre-packed meat products in the retail segment, we are also investing in our customers in the **traditional segment** (wholesaler, butcher, caterer). Our customers in this segment continue to adjust flexibly to the changing market conditions and we continue to support our customers by responding to their specific needs with an adapted product range and commercial support. We do this under our brand Daniël Coopman® as well as under our customers' own brands. In 2012, this undoubtedly contributed to our continued growth in market share in the traditional market segment and in the Belgian market in its entirety.

The key achievements for the Processed Meats Division in 2012 include:

- **Limited Edition Daniel Coopman®:** Market research has shown that consumers occasionally seek variety in processed meats. As market leader in Belgium Ter Beke considers introducing new products as one of its tasks and so we can create dynamism in the current offering of processed meats. For this we have developed Limited Edition Daniel Coopman® so we can respond to consumers' needs with a range of in & out products. These products, each one a culinary topper, are linked to the seasons, and are available for a limited period to the butcher and his customers. We also provide posters and accompanying price tags for maximum visibility in the butcher's counter.
- **Maja de Bij®** (Maya the bee): Since 2008, Maja de Bij® is in the hands of Studio 100, which has given the figure a new élan. In the autumn of 2012, 3D episodes were aired on television. Maja de Bij® appeals to the target group of children from 3 to 7 years, but adults are also enthused at the sight of this cute little bee and her friends who have exciting adventures every day.
  In addition to the **Plopworst®** and **Samsonworst®**, which we have been marketing successfully for many years, in March 2012 we launched the first **Maja de Bij®** meat products, namely a luncheon meat for sale at the butcher's and a flow pack sausage 2x50g for the retail segment, which was later followed by a 50g version for the butcher.
- **Oligusto®**: With the launch of the Oligusto® range in May 2012, which was widely discussed in the media, Ter Beke now has a bold response to contemporary trends in the food industry - there is a clear trend towards tasty, authentic and healthier food. Oligusto® meat products fit in with a healthier lifestyle for the whole family. Oligusto® ensures a more balanced fat intake from meat, with on average 40% less fat and 60% less saturated fat. Furthermore, these meat products are more succulent and tender. By replacing a proportion of the animal fats in the Oligusto® meat products with olive oil, the sliced chicken fillet and cooked ham are not only low in saturated fats, but also less dry and thus much more succulent and tender. The compound products such as salami and ham sausage retain their rich flavour and in addition have the unsaturated fats from olive oil. Despite the unique concept, the delicious products, a distinctive packaging, the many

positive comments in the press and our employees' efforts, Oligusto® has not yet lived up to the business expectations. With assertive promotional support in the last period of the year we are working step by step on the further growth of our market penetration.
- **Category management & slicing and packaging activities**: as the processed meats market in the retail segment is characterised by the dominant position of our customers' own brands, again in 2012 we continued to actively contribute to the management of meat products with our retail partners. In this respect we developed a series of new products, new packaging and new services and agreed significant long-term contracts with several key retailers.

Through all these initiatives we strengthened our position in the markets where we are active. As a result, in 2012 the division's market share grew further in Belgium, the United Kingdom and Germany.

Ready Meals Division

In 2012, the Ready Meals Division marketed a wide range of chilled Mediterranean ready meals, including lasagne, pizza, moussaka, and other pasta meals such as spaghetti, penne and tagliatelle. We market these products under our customers' brands and under our own brands Come a casa® and Vamos®.
In 2012 the division again confirmed its position as one of the leading manufacturers of chilled lasagne and pasta meals in Europe.

Despite the closure of the production site in France on 30 June 2012 and the termination of a number of remaining barely profitable contracts with French customers, the volume of ready meals grew in almost all markets. Competitive pressure on prices in Northern Europe and a decrease of the volume sold in Spain, mean that the net turnover growth of the division was limited to 1%. Sales of products under the Come a casa® brand in Belgium rose further in line with our ambitious long-term objectives (see separate section). As our home market, the **Benelux** remains our primary geographic market for ready meals, for private labels as well as for our own brand Come a casa® in Belgium. Please refer to the separate section for information about the innovations we launched for our own brand. It goes without saying that the greatest opportunities for growth lie in the international markets. In the **German** market for fresh ready meals, efforts to increase the volume of products sold reaped benefits. The private label lasagne market shows steady growth. Meanwhile we have added another pasta meal to the product range. In 2012, we continued to distribute our ready meals via local distributors in Switzerland, Ireland and Denmark. Growth is continuing even in Sweden. After a successful launch with lasagne Bolognese, new openings arose for other pasta meals. A quiche was also launched in Sweden. In Switzerland our products are also sold under our Come a casa® brand and in Ireland we have a co-branding agreement for Come a casa® and the brand Carroll Cuisine® which belongs to our local distributor. Local market research in all these international markets has now given us the necessary additional insights so that together with our customers we can opt for further growth in 2013. For example, in Ireland a number of pasta meals are ready for launching to better meet consumer expectations. Large-scale consumer research enabled us to gain the necessary consumer insights so that we can align the product portfolio better to the market. In Switzerland we are considering the further development of products in wholesale packaging, and this for the service counter for certain retail clients who wish to distinguish themselves, as well as for food service/caterer clients.

In the Ready Meals Division we follow not only a multi-country policy, but also a multi-segment policy, whereby we can operate separate commercial approaches for the discount, the retail and the traditional wholesaler segments. Thanks to many years of commercial experience and a specific approach with a product range adapted to the different countries, we have once again succeeded in further consolidating our position as a recognised supplier of fresh ready meals in the growing **discount segment** and are even expanding with a new test market in an international context. Sales of lasagne and pasta meals in particular were responsible for further growth in volume in 2012.
In each country where we are active, we endeavour to create intensive partnerships with our primary **retail customers**. In these partnerships we do not singularly concentrate on selling our products, we also focus on providing a comprehensive service throughout the entire logistics chain. Together with the wholesalers we are continuing to build on our position in the **traditional segment**.

The **Benelux** remains the traditional, primary market and we continue to pursue intensive partnerships with our customers. For a few years now, our focus in **Spain** and **France** lies mainly in the wholesale segment, where we have built up a strong

market position for ourselves over the years. We are consolidating this position through a network of wholesalers who ensure efficient distribution of the product range throughout the country. In 2012 we started analysing further growth potential within the **Portuguese** market. For the time being, the general economic climate is preventing further growth in the Spanish market and hinders the expansion of the Portuguese market.

Butchers and caterers in the traditional segment are actively working to better serve their customers and consumers. In the future, creativity and further activation of the product range in this segment will be on the agenda of the **Vamos®** brand. For this reason, in 2012 our NPD department has worked hard developing new recipes so that in 2013 we can expand and liven up the Vamos® product range thus responding to the wishes of butchers and caterers as well as those who are constantly looking for variety.

Another product range that we now offer are the products we market under the **Weight Watchers**®* label. The familiarity of this brand in Belgium continues to grow. However, sales (under licence) of ready meals in the Weight Watchers® range showed slightly slower growth in 2012. Strong visibility in the shop and a dynamic product range policy are needed to continue to surprise the target audience. Combined with appropriate in-store campaigns and a strong field team, this mix is the basis for further successes. In 2012 our NPD department worked hard to develop new recipes so we can offer new references to consumers in 2013. The WW consumer is looking for more variety and pays more than the usual attention to products with low "propoints®" without wanting to compromise on the great taste. Further constructive cooperation with our retail partners will have a positive impact on consumer behaviour in this special category of fresh ready meals.

VAMOS
FOR PROFESSIONALS

WeightWatchers

* Weight Watchers® is a registered trademark of WW Foods LLC

“We are constantly researching the relationship between our consumers and our Come a casa® brand.”

Come a casa®

In 2012, Come a casa®, Ter Beke's Ready Meals Division's consumer brand, achieved excellent results in various areas.

Come a casa® succeeded in further strengthening its position within the Mediterranean market and in confirming its role as growth engine in the category.

As facilitator of spontaneous, enjoyable meal times, Come a casa® wants to bring people together.

In 2011, Come a casa® realised this promise via an innovative TV campaign ‘Supper's ready’, where the parents could call their children to the table with their own personal TV spot. This brand activation did not go unnoticed and was rewarded by various external organisations. In 2011 we already received a Silver Award at the Eurobest festival and a short listing at the Cannes festival. In 2012, Come a casa® won more awards: 1 Silver and 3 Bronze Awards at the IMC (Integrated Marketing Communication) Awards, a Gold & Silver Best of Activation Award and a Silver & Bronze Award at the CCB (Creative Club of Belgium) Awards.

In 2012, Come a casa® continued to build on the momentum generated in 2011. As market leader in the fresh ready meals category it is our absolute responsibility to respond to major consumer trends:

1. Consumers want fresh, natural products.
To strengthen the brand functionally, we emphasise the fact that Come a casa® only contains ingredients of the best quality. This message is conveyed through testimonials from our farmers who express their pride for their ingredients in our new TV campaign “farmers pride”. The result is a creative and amusing saga between our tomato farmer Carlo and our courgette farmer Juan. Recognisable, actual situations taken from everyday life with a genuine feel.

Furthermore, Come a casa® considers respect for animals and nature very important: Come a casa® consciously uses free-range eggs. In 2012, GAIA (a Belgian animal welfare organisation) rewarded us with the Good Egg Award®.

2. Consumers want more convenience.
To respond even better to the trend towards convenience, in 2012 Come a casa® launched two delicious fresh lasagnes, ready in just 4 minutes in the microwave. This microwave range is designed with singles and students in mind who have no time to lose and are looking for maximum convenience. Specifically for this target group in 2012 we established a ‘meal deal’ campaign together with Coca Cola® and we ran numerous campaigns via the social media platform Facebook®.

3. Consumers want healthy products.
It is well-known that whole grain products are important for a balanced and healthy diet. Yet, the Belgian food consumption survey shows that 4 out of 10 Belgians don't eat enough fibre. There is plenty of choice when it comes to whole grain products, but because of our busy lifestyles we often opt for a quick and easy meal. And there lies a role for us, as market leader and innovator, responding to consumption trends and consumer expectations. In 2012, Come a casa® brought the solution, introducing the first fresh ready meals with 100 per cent wholemeal pasta to the Belgian market. There are two varieties in the Come a casa® wholemeal range: wholemeal lasagne Bolognese, with an authentic flavour, and wholemeal lasagne Verdure, a vegetarian variety without meat, but with an abundance of fresh Mediterranean vegetables. A first, because for the first time, health conscious consumers can now enjoy a fresh ready meal with 100 per cent wholemeal pasta! Considering that various studies show that consumers judge food initially on its taste, with this innovation, Come a casa® has made no concessions in this area. An independent flavour test among consumers even resulted in top scores for the new wholemeal lasagnes!

To give the Come a casa® consumer the first opportunity to discover the new wholemeal lasagnes even before they entered the shops, Come a casa® opened ‘Ristorante Del Grano’, the largest open-air restaurant in the world and at the same time the first real wholemeal restaurant, in the middle of a wheat field in rural Wolvertem. Here, 400 consumers could enjoy a tasty five-course meal, with, naturally, wholemeal lasagnes as main course. The number of reactions was overwhelming, the setting breathtaking. No less than 31,366 people tried to reserve a place and needless to say the restaurant was sold out, 45 times, in no time. This brand activation did not go unnoticed in the press and with external organisations. With this campaign Come a casa® won a nomination for a Business Excellence Award (BEA).

The entire support programme was decisive in strengthening the brand both functionally as well as emotionally, and it contributed to further deepening the relationship between our users and the Come a casa® brand. Throughout the year we also ensure consistent communication via the retail outlets. Here, our enthusiastic support team, in close cooperation with our customers, ensured a strong visual presence, on the traditional shelf as well as via appealing extra promotional stands. In 2012 our field team placed 2,048 displays. The key initiatives were the campaigns with free ovenproof dishes, the campaign with free bread baskets and the Martini Brut® end of year promotion. During the year fans of the Come a casa® Facebook page were the first to be informed of the new products, promotions and events.

Product and process development

In 2012, the focus of our product development departments, in the Processed Meats Division as well as in the Ready Meals Division, lay primarily on the following two areas:

- improving existing products and developing new ones, for our own brands as well as for our customers' own brands;
- supporting innovations and production process optimisation as well as introducing new technologies in cooperation with the operations departments of both divisions at the various production sites

In 2012, our product development programmes were further inspired by the following general objectives:

- **Consumer focus:** we produce for consumers and tune our development projects to consumer needs. We continued to build on our knowledge of consumers in 2012 based on extensive market research. Each development project is therefore led by marketing whereby the knowledge of the target group and its specific needs as well as general food trends are of overriding importance.
- **Sustainability:** we are aware of our environmental responsibilities to society and the living environment. In all development projects, particularly concerning packaging materials, we also evaluate the impact on the environment and we endeavour to minimise this. We use raw materials rationally. With this in mind, in 2012 we developed packaging that meets the requirements concerning biodegradability (OK Compost label) and renewable resources (see separate section about bio-based packaging). Furthermore, we also make use of sustainably grown palm oil according to the RSPO standards (Roundtable on Sustainable Palm Oil). We also conduct intensive research into alternatives for ingredients containing palm fat or palm oil. In this, our requirement is that the alternatives investigated may not have an impact on the nutritional or organoleptic quality of our products. Finally, we exclude all ingredients of GMO origin (genetically modified organisms) from our products and do not use irradiated ingredients. Ter Beke prefers to use pork and poultry, which is less harmful to the environment, rather than beef.
- **Salt reduction and salt substitutes**: under this heading we took a number of initiatives to structurally improve the quality of our products and their impact on health. In 2010 we have already achieved the targets set by BReMA and FSA for 2012 for the products we sell under our own brands. These targets include a reduction of salt in ready meals by an average of 15% and in processed meat products by 10%. In 2012 we continued to work together with our customers to further reduce salt levels in the products sold under our customers' own brands.
- **Fat reduction and improved fat composition**: we continue to investigate technologies for fat reduction in order to further reduce fat levels – saturated fats in particular – in our products, without this having a detrimental effect on the products' current organoleptic qualities and taste. In 2012 we launched a range of meat products under the Oligusto® brand. In addition to specific enrichment with olive oil, these products contain up to 40 % less fat and 60 % less saturated fat, in comparison to traditional meat products. These reductions are most pronounced for the so-called fatty meats such as salami, paté and cooked sausage.

- **'Clean label'**: We endeavour to systematically reduce the use of unnatural additives in our products. This remains a continuous challenge in 2013.
- **Animal welfare**: In 2012 we continued to work consciously on animal welfare. In addition, we implemented some customer specific requirements. Examples of these include the AWF (Animal Welfare Foundation) rules in the United Kingdom and the 'Beter Leven' characteristic (better life) in the Netherlands. Our consistent choice for eggs from free range chickens in our Come a casa® products (see separate section) was recognised by GAIA with the Good Egg Award®.

We can summarise our key development projects in 2012 as follows:

- Continuous sensory research contributes to regularly **reformulating our products** with the aim of maintaining our role as leader in the fresh ready meals products and strengthening our position in each of our geographic markets. External partners regularly compare our products to those of competitors. Based on this information our product development department gains a clear understanding of the preferences in the various markets and the recipes can be reformulated as necessary.

- Building on 2011, in 2012 we initiated various projects to add differentiation and value to the existing ready meals portfolio. Not only in the retail channel but also in the key wholesale markets in the Benelux.
- Through an integrated approach with the quality, production, specification management, and sales and marketing departments, in 2012 we once again succeeded in winning several major **private label contracts** for processed meat products as well as ready meals, national and international. For these kinds of projects, a professional approach is essential in order to develop products with a good price/quality ratio. Because we have a thorough knowledge of our customers' specific guidelines regarding quality and product content, we are able to react fast and flexibly to their enquiries. Furthermore it is also essential for us to know the local organoleptic preferences in the various markets. For this we often work together with local suppliers who know their region's typical taste patterns.
- In 2012 we continued to critically evaluate every aspect or element of the cost price of a product in the development process. However, one aspect of the product is left untouched: the **intrinsic quality of the product**. The initiatives we took in the past year focussed mainly on the following aspects:
- Alternative suppliers for existing ingredients: together with the procurement and quality departments we thoroughly evaluate every new proposal on price, quality, availability, and so on.
- Alternatives for existing ingredients: we conduct targeted research into improving the functionality of ingredients. Our product development department evaluates new suggestions from our suppliers for potential relevant applications. With this we endeavour to reach a win-win situation for ourselves and our customers.
- Alternative and innovative production methods: we evaluate these on their usability and work them out with our production and engineering departments.

Regarding **packaging development** the focus is always on the ease of use for the customer, but we never lose sight of the sustainability aspects.

Our group is very aware of its responsibility towards people, society and the environment. From the very start when developing new packaging we give consideration to the 5 Rs: Remove, Reduce, Reuse, Renew and Recycle. This is a constant guiding principle for deploying packaging intelligently.

We want to guarantee a safe and delicious product for consumers. This places considerable technical requirements on the packaging: it has to meet our internal requirements (act as gas barrier, protect the product, attractive design, efficient

"It is a daily challenge to deliver our products to our customers on time and in perfect condition."

deployment on the machines, etc.) but also the European Directives in this regard (Direct Food Contact, Migration limits, etc.) We adhere to these standards fully and usually we even go even one step further. This is an essential part of our food safety strategy.

In 2012 we initially continued on the momentum of 2011: consolidating, improving and optimising the many new packaging concepts which we have launched in recent years. In particular the new paté tubs, the bio-based packaging, paper laminates, resealable packaging, the relocation of our packaging lines, and so on.

Furthermore, in 2012 we started preparations for a new tray for our fresh ready meals. For this we were looking for a tray that would better meet our stringent requirements regarding shelf life while retaining the delicious taste during the whole shelf life of the product.

In 2012 we also paid specific attention to the display boxes, the so-called SRP box (Shelf-Ready Packaging). These are boxes that retailers can place on the shelves directly and from which consumers can make their choice. This trend has been used in the discount segment for some time and has now experienced further growth among retailers who were previously supplied in ordinary cardboard boxes or reusable plastic crates. The majority of our range of secondary packaging is now SRP.

Finally, Ter Beke is actively contributing to various studies on packaging which were initiated by organisations such as Pack4food (UGent) and Flanders Food. We are also active participants in various Flemish Government projects related to innovation policy. Via organisations such as Fost Plus, Valipac and similar organisations abroad we take our full responsibility, also to reduce the quantity of packaging materials used.

Operations & supply chain

Logistics

The share of transport costs consumed by fuel remains considerable. Partly because the group either has 12-month contracts or medium-term agreements with logistics partners, price changes have remained modest, or were averaged out on an annual basis.

Our long-term contract transport and storage for the Belgian market was extended in 2012. After an intensive tender process we finally chose to continue with our current partner for another period of 3 years.

Completing products to order (postponed) is nothing new for the group, yet in 2012 we successfully took the first steps to implement similar projects in the United Kingdom and the Netherlands. Within our own logistics platform in Wijchen (Netherlands) we had already initiated some Value Added Logistics-projects in our Processed Meats Division in 2011. In 2012 we also successfully started similar processes for our ready meals in the Dutch market. Postponing the completion of products increases our flexibility and our delivery reliability to our customers.

In addition to transport and storage, reverse logistics is a third pillar in our outbound logistics strategy. Managing all empties flows is a discipline in itself. A number of contracts with pooling partners have been renewed and/or adjusted. Specific tools for monitoring all movements of empties have been further refined and rolled out across the whole group.

Ter Beke first in Europe to introduce sustainable source packaging for sliced and prepacked meats, with “OK compost” & “OK biobased 4*” label

As of October 2012 Ter Beke customers can order sliced and prepacked meats in packaging manufactured from fully sustainable sources. As part of its continuous quest for sustainability and in close cooperation with our packaging foil suppliers, Ter Beke has developed a range of packaging that meets the “OK compost” and “OK biobased 4*” criteria certified by Vinçotte since 2004. The company is conscious of its customers' increasing awareness of environmental issues and wants to meet the rising demand and requirements from end consumers for packaging manufactured from renewable raw materials.

Ter Beke considers quality, food safety and freshness of great importance. The development process for this sustainable packaging has consequently taken considerable time. Following 5 years of research Ter Beke is now able to offer this brand new, innovative packaging, which guarantees the same quality and shelf life for meats as the packaging currently available.

Following 5 years of research in conjunction with Innovia Films, a supplier of sustainable packaging foil, we have progressed from recyclable packaging (reusing the packaging for alternative purposes) to compostable packaging (returning the packaging to organic material) and biobased 4* packaging (based on renewable material sources).

The main challenge throughout this research was to find a combination of renewable materials that would enable an oxygen barrier to be introduced into the foil. This oxygen barrier is vital in order to retain the same freshness and shelf life as that offered by packaging types based on the current standard. The new packaging (foil) is based on a combination of an easily weldable polymer with cellophane (wood fibre) and coating in order to create a reliable barrier against gases and water vapour. The foil was awarded the “OK biobased” label and is also compostable in both industrial and home environments. This unique combination guarantees the freshness and quality of the meat products

Ter Beke can now offer its full range of sliced and prepacked processed meats in this new packaging, which can be utilised in all its production and slicing plants.

Good cooperation between sales and operations, supported in day-to-day operations by both customer service and the forecasting unit, means that the group has succeeded for the fourth year in succession in improving logistics service levels to customers. Initiating and reinforcing specific cooperation projects with customers forms the basis for achieving the objectives envisaged. Assessing market demand for specific detailed capacity models for our production lines means that we can respond even more pro-actively to ever more changeable consumption patterns. Our monthly S&OP meetings are the ultimate forum for responding flexibly to an ever changing market environment.

Purchasing

In 2012 the markets for almost all our raw materials and packaging were under considerable pressure.

The fresh pork market, which is critical to our operations, experienced steep price increases in 2012. Prices started at high levels at the beginning of the year, however, from the summer months prices rose unprecedentedly to a 10-year record. After the summer, prices remained at these higher levels for the remainder of 2012, and 2013 also commenced with fresh pork prices at the highest ever levels.

Due to long-term contracts previously concluded for various other important raw materials (flour, semolina, cheese, tomatoes) Ter Beke managed to protect itself from extreme price fluctuations in these markets.

Processed Meats Division production sites

In the Processed Meats Division we invested approximately EUR 10 million in material fixed assets during 2012.

Here, we focused on greater efficiency improvements, additional production capacity, introduction of new packaging, and sustainability.

Efficiency improvements:
The automation systems for paté production in Wommelgem were completed in 2012. In the central warehouse for the Netherlands in Wijchen another fully automatic machine for performing Value Added Logistics activities was commissioned, so that in addition to meat products we can now expand our personalised services in the Dutch market to fresh ready meals.

Additional capacity:
To meet the continuously increasing demand for our paté products, a new large production installation was commissioned in our factory in Wommelgem, which has enabled us to maximise the capacity of our fully automated cooking and cooling installation.

With this extra production capacity for paté products we were once again very successful in meeting demand during the peak period (pâté products for Christmas) while maintaining a very high delivery service to all our customers.

New packaging:
In our Dutch slicing companies, 2012 was dominated by the 'new resealable packaging'. In both locations investments were made in a completely new slicing and packing line and in transforming all other existing packing machines. Towards the end of the year all alterations were complete and from 2013 we can now offer our customers three different types of resealable packaging for sliced meat products.

Sustainability:
Corporate social responsibility and sustainable entrepreneurship are important cornerstones in Ter Beke's global policy at all locations.

In line with group strategy, again in 2012 we purchased 'green electricity' for all our locations in Belgium and the Netherlands, so that all Ter Beke locations consume electricity fully generated from renewable non-polluting sources.

Thanks to sustained efforts we succeeded in substantially reducing our specific primary energy consumption, which we had been able to stabilise at the lower level during the past few years (now 10% less than in 2008).

A continuous awareness campaign under our employees and some specific investments have ensured that water consumption in our processed meat factories dropped slightly again in 2012 (now 30% less than in 2008).

Despite increased volumes, thanks to the integrated Sales & Operations Planning Process we have been able to stabilise the waste flows generated within our total supply chain (70% less than in 2008). As a result, again in 2012 we confirmed a level well-below that of the industry average.

Also in 2012, all the division's business locations were awarded the highest certification under the IFS (International Food Standard)

and BRC (British Retail Consortium) quality standards. These standards also focus on quality and sustainability.

Ready Meals Division production sites

2012 was characterised by more challenging market conditions, which made fast and effective improvements all the more necessary.

Improved performance with the substantial investments already made: to date that was the main idea behind our actions, which were mainly targeted on improving our organisation and working practices, supported by sustained, targeted investment (EUR 3 million).

The forecasted operational result was more or less realised and at the production sites in Marche-en-Famenne, even exceeded. The transfer of production arising from site specialisation in a range of products in certain formats is now mostly complete. This provides scope for us to develop an industrial policy adapted to these reforms.

Our substantial performance improvements continue:

- further improved service to excellent level while also reducing stock surpluses;
- considerable additional reductions in non-conformities;
- significant steady reductions in energy consumption per kilogram product since 2008.

The situation regarding safety at work in the Wanze site, which already performs very well, remained stable and the Marche-en-Famenne site showed a marked improvement with almost 40% fewer incidents.

As in previous years all sites obtained certification according to the IFS (International Food Standard).

To realise and support these first-rate performances, the TPM method (Total Productive Maintenance) was ratified and above all extended with modified instruments such as the 5S and SMED projects, which were implemented according to the specific characteristics of the production sites. Improvements were also booked with a cost reducing project called 'hunt for losses', which was supplemented by the other projects. For example, we introduced the projects autonomous maintenance and preventive maintenance in addition to the important project concerning skills development. To achieve this global TPM, which is synonymous with realising our very ambitious objectives, we will be adding the pillars quality and maintenance in the coming months.

The TPM method, which focuses on continuous improvement, is based on real changes to our internal working practices through an ideal combination of increased discipline, creativity, participation and involvement of all our employees, without whom such a project would not be sustainable.

In addition to this typical approach to improving industrial performance, other steps were also worked out, yet always in the same spirit of participation and involvement.

- We put more effort into separating waste at the source in the production areas as well as in the

offices by implementing procedures and physical support for an increasing number of waste categories.
- Because Wanze obtained a GMP certificate, certain waste products could be given greater added value for reuse in animal feed. This same procedure will soon be implemented at the Marche-en-Famenne site.

In terms of energy we worked with the 3R strategy (Reduce, Reuse, Recycle):
- Regarding waste water management, the quality of the treated water in the Marche-en-Famenne factory will be improved due to ongoing investments in the construction of a water treatment plant there. A project for recycling treated water from the water treatment plant at Wanze is currently under investigation.
- A second generation sector agreement was agreed with the government for the two factories. This is designed to encourage greater energy efficiency and reduce CO_2 emissions. It specifically includes:
  - Realisation of an overall audit of the installations and buildings
  - Commitment to a substantial reduction in energy consumption
  - Monitoring of the energy performance
  - Implementing energy accounting that guarantees the sustainability of the improvements
- A number of organisational changes are planned for the coming months to bring our production processes even more in line with the objectives. For example, in the butcher's shop in Wanze a large number of unnecessary and expensive manual and mechanical operations will be scrapped.
- Studies of our process flow are now being conducted to investigate how new technologies can be integrated to help to further reduce our energy consumption.
- The generally high (and better than expected) energy efficiency of the combined heat and power system at our Marche-en-Famenne site has prompted us to conduct a feasibility study for the installation of a similar project at our Wanze site.

Although far from complete, the above gives a good impression of the many initiatives and realisations that show that we are continually and sustainably improving our performance, but then from a global approach.

Economic performance is critical in our current, increasingly competitive market, but this will fall short of the mark if it is not linked, as in our case, to a more global dimension in which the environment is also taken into consideration. However, that is by no means the only necessary condition: the participation and involvement of each of our employees is equally important. Accessible measurement systems that provide information about the results and invite everyone to make suggestions for improvement are likewise steps that lend more weight to such improvements.

Research and Development

Ter Beke's social commitment

In 2012, Ter Beke again demonstrated its strong social commitment with its active membership of organisations such as VBO, UWE and VOKA. We are also an active member of the professional association FEVIA (food industry), the Belgian sector federations FENAVIAN (National Federation of Manufacturers of Meat products and Canned products) and BReMA (Belgium Ready Meals Association), as well as the overarching CLITRAVI (Liaison Centre for the Meat Processing Industry in the European Union). Furthermore we are an active member of ECFF (European Chilled Food Federation) and we maintain close contacts with the Dutch branch organisations.

In addition, we are a preferred partner of the Vlerick Business School and in this way we encourage research towards corporate social responsibility and good corporate governance.

Ter Beke plays, especially in the person of our R&D QA Manager Dr Guido Bresseleers, an active and intensive role in policy preparation and consultation within the food chain. Ter Beke is directly represented in the most important consultative bodies with other stakeholders in the chain. We do not hesitate to take our responsibility within these structures. For example, in 2012 we fulfilled the chairmanship of the technical committees within FENAVIAN and BReMA, as well as the Technical, Legal and Food Safety Committee of our European branch federation CLITRAVI. The pioneering role that we fulfil in this

"In our operations we are constantly seeking technical improvements, reliable procedures and the opportunity to further deploy our competences to serve our customers."

respect is recognised across the borders and praised in our numerous contacts with customers, suppliers and other stakeholders such as colleagues in the food industry (FEVIA, FDE), distribution (COMEOS), the Belgian government's regulating (FOD) and controlling (FASFC) bodies and consumer organisations (Testaankoop, Oivo, and so on).

In 2012, Ter Beke also participated in the chain consultations that took place regularly under the chairmanship of Mr Piet Vanthemsche (chairman of Boerenbond, the Belgian farmers association) with the Agrofront, Unizo, BEMEFA/APFACA, COMEOS, UCM and FEVIA to promote cooperation between the various actors in the Belgian agri-food chain. In this context, Ter Beke has also signed the Code of Conduct for fair relationships between suppliers and purchasers in the agro-food chain. At the same time, we actively contribute to the implementation and realisation of the National Food and Health Plan for Belgium.
A number of objectives of this plan, primarily concerning the reduction of salt and fat, a balanced calorie intake and an increase in the percentage of vegetables, were translated into concrete adjustments to existing products and the development of new products, under our own brands as well as under our customers' brands (see above). In this way we more than amply fulfil the branch commitments that were made in this area with other stakeholders.

Fundamental research

By conducting basic research, Ter Beke is continually acquiring the knowledge it needs to support operational activities in the short term and to continue its innovations in the medium and long term. The pillars of our knowledge structure encompass:

- the optimal quality and functionality of raw materials and ingredients;
- innovation in processing and packaging, while retaining the taste and nutritional value of our products;
- guaranteeing the food safety of the products produced and maintaining the quality;
- the role of our products in the diet and health of our consumers;
- the convenience or user friendliness of our products;
- the impact of our raw materials, ingredients and packaging on the environment.

We complement our own knowledge available at our production sites with external research, by means of collaboration agreements within Flanders' Food, Pack4Food, VLAV (Flemish advisory centre for the meat industry) and other research initiatives, as well as by agreeing confidential bilateral collaboration agreements with external knowledge centres and selected suppliers.

The fundamental scientific insights acquired in this way are transformed via further research into generic building blocks, which in turn are used to support product development and quality assurance. Throughout this process, the quality of the basic research, the smooth flow of knowledge throughout the organisation and its valorisation are monitored by the R&D QA department. Research and development is a group activity where maximum synergy between the various knowledge domains and maximum use thereof, and monitoring the knowledge acquired and its application act as the guiding principle.

"Quality and food safety are extremely important at Ter Beke."

Quality and Food Safety

Quality and food safety play a key role in the continuous improvement of our products, our service and our internal functioning. The foundation for our quality assurance and food safety policy is Ter Beke's internal quality charter. This charter forms the basis of an integrated auto control system that deploys clear guidelines and regulations for the various aspects of the quality and safety policy such as:

- **Selection and monitoring of suppliers:** Ter Beke only works with suppliers with proven ability to comply persistently with Ter Beke's requirements. We base our selection on a structured procedure which focuses on quality assurance.

- **Specification management:** all raw materials and packaging materials are thoroughly inspected for compliance with legal and other quality standards and critical parameters are defined that are a determining factor in the safety and quality of the end product in which they are processed.

- **Traceability:** upon receipt, a unique code is assigned to raw materials and packaging materials. It is used throughout the entire production process and is subsequently carried through as a unique lot number for finished products. This results in full traceability of all products, towards our customers as well as our suppliers.

- **Process management and safety:** when products are developed, their composition and the production process are subjected to a risk analysis in accordance with the principles of HACCP (Hazard Analyses and Critical Control Points). This identifies critical control points for the safety and quality of the production process. Perfect control of ingredients that may cause allergic reactions such as nuts, milk, eggs and shellfish is an inherent part of product safety control at Ter Beke.

- **Quality of finished products:** the quality of our finished products is verified systematically. Ter Beke has its own verification laboratory for this purpose which operates independently from the production units.

- **Independent verification audits:** the correct implementation of the auto control system is verified internally and certified externally on a regular basis by different independent certification institutions. These audits are conducted in line with the quality standards imposed on us by our customers. All our factories are certified at least according to IFS (International Food Standard) or BRC (British Retail Consortium). In addition, all our Belgian production sites are under permanent supervision by the FAVV (Federal Agency for the safety in the Food chain) and are certified annually according to the Belgian auto control model according to the ACS branch guide number 19 (auto control system for meat products and ready meals). Finally, our production sites abroad are also monitored by the local national government bodies (in the Netherlands, nVWA and in France, DGCCRF).

- **Integral chain approach:** because quality and food safety are not restricted to supplying raw materials to and delivering finished products from Ter Beke companies, our suppliers and logistics partners are subject to the same requirements for their auto control system, including the verification and certification

All these systems enable Ter Beke to fully guarantee the quality and food safety of its products and services at all times.

“Team work, result driven, innovation, customer focus and integrity are vitally important values to us.”

Social policy

General

Ter Beke develops and manufactures from eight specialised production sites which still have ‘human dimensions’, whereby employees are highly committed to ‘their’ activity, and where communication lines are short, open and direct.

In 2012 we continued to work on constructing a performance organisation that can react fast and flexibly to the ever more rapidly evolving and demanding environment in which we operate, and at the same time maintain our stability.

In 2012, we continued our work within the organisation around the project ‘Together is Better’, in which we aim to further communicate our common vision and values and to bring these to life throughout the Ter Beke group.

In addition to the periodic information and consultation moments where employees from various departments and disciplines are invited to share their knowledge and experience to train colleagues, we also conducted the ‘Feet on the street’ project. In this project we invited all employees, in a jovial manner, to spend one day in the field accompanying a sales team. This provided a unique opportunity to experience the retail end of the chain and at the same time to personally experience and disseminate our values Teamwork, Result driven, Innovation and Customer focus.

Competences

Achieving our business objectives strongly depends on the motivation, efforts and dedication of our employees. Ter Beke aims to create a working environment that attracts talented people, enables them to develop themselves to their full potential and offers plenty of further opportunities for professional and personal development. The optimal employment and development of competencies leads to a successful and sustainable development of the company. The most important pillars towards this are the recruitment of talented employees, a suitable evaluation policy and permanent development.

Our starting point here is a competence model which, in addition to generic competencies such as commitment to the organisation, customer focus and flexibility, also comprises a number of job specific competencies.

We use this competence model as the foundation for strengthening the organisation via external and internal recruitment, as well as for developing the competences already present via the annual review cycle and the training and development plans linked to this for the employees concerned.

Recruitment

In 2012 we attracted 123 new employees.

In 2012 the workforce decreased from 1,790 to 1,742 FTEs, partly due to the closure of the production site in Alby-sur-Chéran (France), and partly because there were fewer temporary employees.

Total employment in full-time equivalents as at 31 December 2012: (including the average number of temporary employees)

	2009	2010	2011	2012
Blue collar	1,411	1,448	1,435	1,389
White collar	359	370	355	353
Total	**1,770**	**1,818**	**1,790**	**1,742**

Education, training and development

Many factors, such as continuous changes regarding the situation on the market and consumer demand, increasingly more stringent food safety requirements and our unwavering concern when it comes to offering our consumers safe, high quality and honest food, serve to make continuous training essential so that our employees will permanently be able to satisfy requirements with respect to flexibility, competency and expertise.

Through internal 'on the job' company training, introduction sessions, company visits, regular product training sessions and more, we ensure, in the first instance, that our employees permanently have sound and up-to-date knowledge of operations and products at their disposal.

Basic and advanced training programmes on food safety, quality, hygiene, safety, and ergonomics as well as the continuously changing legislation and regulations with respect to all these mean these basic issues receive our constant attention and that there is a permanent awareness among employees throughout the entire organisation.

In addition to general training programmes, more job specific training needs and the individual development potential of employees are also mapped out through annual performance interviews or periodic evaluation moments. These are then translated into customised coaching or training programmes.

Rapid developments in our environment and the evolution of our organisation mean that a number of production-related functions must evolve too. Our key response here is to encourage multi-skilling by developing new competencies and investing in training.

In this context we have launched an extensive programme on the Total Productive Maintenance (TPM) theme, which, in addition to improving performance, also focuses on increasing the commitment of employees to seeking solutions and formulating improvements, and on drawing up and accurately monitoring operating procedures.

All this is designed to guarantee the sustainability of the improvements realised.

The non-technical competencies are mapped out with the aid of assessment centres for new employees and development centres for promising and ambitious employees, all of this with a view to career counselling and development.

In the context of career opportunities, the organisation also provides its own employees with the opportunity to apply for job openings in the organisation with precedence. All job openings are advertised through the Ter Beke job site and by e-mail and are posted on the bulletin boards at the production sites.

Balance and development of personnel

Ter Beke is aware that achieving a proper balance between work and personal life is essential to its employees. We are continually seeking solutions to improve this permanently and to achieve a balance that is satisfying for both the organisation (the department, the colleagues) and the employee involved.

Among the permanent staff, 18% of the blue collar workers and 26% of the white collar employees work on a part-time basis. Part-time employment runs both through voluntary part-time employment schemes as well as time credit and leave systems such as the Belgian basic system for time credit and leave, the maternity leave system, medical aid, palliative leave etc.

Diversity

In our current multi-cultural society, where population aging is a fact, as a company we take our responsibility towards society regarding diversity seriously.

Ter Beke is convinced that a policy aimed at diversity will have a positive effect on the quality of its employment and the company's image. We have opted to develop a sustainable diversity policy, step by step, with pillars such as respectfully dealing with the diversity among employees in terms of age, education, background, culture, nationality, and so on, within an organisation which is gradually becoming more international.

Social partners

Social dialogue and consultation form one of the keys to a company's success. The main changes that the organisation has gone through were partly conceived through an open and constructive dialogue with our social partners. We ensure that our social partners are continually informed of our activities and decisions, and we also invite them to think along with us towards solutions that are agreeable to everyone at the start of a project.

Description of the most important business risks

The most important risks which we face now and again are the following:

Raw materials and packaging prices: the most important business risk for our group, which is active in the food industry and above all works with natural raw materials, is the risk associated with the quality and the price fluctuations of raw materials and packaging materials.

We strive to limit this risk by concluding term contracts when possible and by working with volume agreements on an annual basis and in relation to the customer contracts.

Supplier risk: amongst others for quality reasons, we purchase our key raw materials from a limited number of suppliers. If, despite the efforts of our procurement department to guarantee the continuity of supply, certain of these suppliers are no longer able to supply their goods or services and we are unable to secure alternative sources in time, this could have a significant impact on our operating activities.

Risks related to the customer portfolio: the Processed Meats and Ready Meals Divisions sell our products to a wide customer base which includes most large European discount and retail customers. Turnover with these customers is realised through a variety of contracts and products with varying maturities, under our own brand as well as under customers' brands and in different countries. While our customer portfolio is diversified, the complete termination of a relationship with a large group of customers could have an impact on our operating activities.

Product liability and food safety: we produce and sell processed meats and fresh ready meals. As previously mentioned in the section on corporate social responsibility, we place high demands on our product safety and quality. Insurance was taken out to cover this product liability. We cannot ignore the fact that if problems concerning food safety occur in the market this can also negatively affect our business, even if there is no food safety risk involved with our own products.

Credit risk: we follow customers and outstanding receivables closely in order to control potential risks and to reduce these to a minimum. By far the greatest part of the receivables relates to major European retailers, which in principle limits the risk.

Exchange rate risk: the exchange rate risk consists of the potential fluctuations in the value of financial instruments due to fluctuating exchange rates. The group is exposed to an exchange rate risk on the sales, procurement and interest-bearing loans and borrowings expressed in a currency other than the company's local currency, for example, the British pound. We

endeavour to limit the consequences of this risk via a consistent hedging policy. We do not use financial instruments for trading and we do not take on speculative positions.

Liquidity and cash flow risks: due to the significant net cash flow with respect to the net financial debt position, our group liquidity risk is likely to be limited. To limit the liquidity risk even more, we pursue the treasury policy centrally.

Risks related to technological developments: our activities are subject to changes in product and production technologies. Each year we invest considerable sums in material fixed assets to maintain and improve our level of technology. We also maintain good contact with our suppliers so that we are always well-informed of the most recent developments. However, we can never fully exclude the possibility that competitors have access to alternative technologies that may win over consumers' favour at a certain point in time.

Risks related to changing legislation: we endeavour to fully comply with the legislation applicable to our activities. In recent years we have made substantial investments to comply with new legislation, particularly with respect to the environment and sustainability. As an organisation we are fully committed to increasing the sustainability of our business and promoting respect for the environment, even if these investments have a short-term impact on the profitability of our activities.

Risks related to electronics and information systems: just as many companies, we too are becoming more and more dependent on information systems and integrated control systems which are managed by a complex set of software applications. This dependence involves risk, the risk that these systems do not function properly or that they fail. We ensure that all systems are maintained appropriately and are upgraded as necessary; we also ensure that all our data files are regularly backed up.

Risks related to the competitive environment: we are active in extremely competitive markets. The mature processed meats market is dominated by the house brands belonging to large discount and retail customers. The market for ready meals is still growing, but the competition in this market is very tough, which allows the customers to increase pressure on the manufactures' margins. We endeavour to distinguish ourselves through product and concept differentiation, through extensive and perfect service, and by working continually on internal efficiency improvements and cost management.

Risks related to legal disputes: occasionally we are involved in legal proceedings or disputes with customers, suppliers, consumers and the government. We endeavour to budget for the possible impact of these disputes in our accounts in accordance with the prevailing accounting standards.

Risks related to customers and consumer behaviour: just like all companies we depend on the choices made by our customers and even more so on choices made by the end consumer. If consumers change their pattern of consumption and no longer choose our products, this will have a significant impact on our activities. We are continually on the lookout and we conduct repeated research into consumer behaviour and trends in all relevant local markets so we can anticipate this risk and limit its impact.

Risks related to the general economic climate: economic circumstances such as cyclical fluctuations, employment, interest rates, the price of gas and electricity and fuel, changes in fiscal policy, and so on, can all influence consumer spending patterns. This may have an impact on our activities.

Important events after balance sheet date

On 7 January 2013 Marc Hofman announced that he had accepted the position of CFO with the Colruyt Group and consequently had resigned his position of Managing Director and Chairman of the Executive Committee at the Ter Beke group with immediate effect.

The Board of Directors decided to appoint one of its members, Dirk Goeminne, as CEO ad interim.

Prospects for 2013

In January 2013 the frozen meals sector was shocked by a scandal surrounding the presence of horse meat or horse-DNA in frozen meals which according to the labelling should not contain any.

Ter Beke only produces chilled meals. We regret that these events have also had a negative impact on our sector, even though Ter Beke's products were not involved in this in any way.

The decrease in demand has meant that Ter Beke adjusted the production planning on a daily basis and made temporary use of economic unemployment in the lasagne departments in Wanze and Marche-en-Famenne. This was unavoidable because we work with fresh products and consequently only keep limited stocks.

We directed all our attention to open and transparent communication with our customers and our consumers and did everything possible to regain the confidence of our consumers in our chilled fresh products.

We cannot assess the impact on the results for 2013 at the time of writing. In so far as possible we will be making a statement on this issue together with our communications regarding the results for the first quarter.

Corporate governance statement 2012

General

This corporate governance statement is the statement as referred to in Article 96 §2 and 3 and in Article 119 of the Belgian Company Code and the Corporate Governance Code 2009 and contains factual information on the Corporate Governance policy at Ter Beke in 2012, including a description of the key features of the internal control and risk management systems, the legal information required, the composition and operation of the governing bodies and their committees and the remuneration report.

We have adopted the Belgian Corporate Governance Code 2009 as reference code. This code is publicly available at www.commissiecorporategovernance.be

The group's Corporate Governance Charter is published on the company website (www.terbeke.com). In it we clarify our position with regard to the provisions of the Corporate Governance Code 2009 and describe the other corporate governance practices we apply in addition to the Corporate Governance Code 2009.

We also respect the legal provisions on corporate governance, as set out in the Belgian Company Code and other specific laws on this matter.

In principle, there are no provisions of the Corporate Governance Code 2009 that we did not apply in 2012.

Composition and operation of the governing bodies and committees

Board of Directors

Composition: The composition of the board as per 31 December 2012, as well as the meetings and those present in 2012 are summarised in the table below.

Operation: The operation of the Board of Directors is described in detail in the Internal Regulations of the Board of Directors, which form an integral part of the group's Corporate Governance Charter.

Assessment: The Board of Directors continuously evaluates its own composition and functioning as well as the composition and functioning

Name	Type **	End mandate	Commit- tees *	16 Feb	28 Feb	10 May	30 Aug	19 Oct	6 Dec
Louis-H. Verbeke Chair (1)	NE	2016	RNC	x	-	x	x	x	x
Marc Hofman Managing Director	E	2016	-	x	x	x	x	x	x
Frank Coopman (2)	NE	2014	-	x	x	x	x	x	x
Dominique Coopman	NE	2014	-	x	-	x	x	x	x
Eddy Van der Pluym	E	2016	-	x	x	x	x	x	x
Willy Delvaux (3)	I	2014	RNC	x	x	x	x	x	x
Thierry Balot (4)	I	2017°	AC	x	x	x	x	x	-
Jules Noten (5)	I	2014	AC - RNC	x	x	-	x	x	x
Dirk Goeminne (6)	I	2014	AC	x	x	x	x	x	x
Guido Vanherpe (7)	I	2015	AC	-	-	x	x	x	x

As permanent representative of: (1) BVBA Louis Verbeke (2) NV Holbigenetics (3) BVBA Delvaux Transfer (4) Sparaxis SA (5) Comm. V. Lemon (6) BVBA Dirk Goeminne (7) BVBA Guido Vanherpe * AC = Audit Committee RNC = Remuneration and Nomination Committee ** E=Executive NE=Non-executive I=Independent ° Subject to reappointment by the Shareholders' Meeting. Honorary mandates: Daniël Coopman Honorary Chairman, Prof. L. Kympers† Honorary Director.

of the committees. A formal evaluation is organised regularly, led by the chairman of the Board of Directors. A comprehensive evaluation was conducted in November 2010 and the findings of this evaluation were implemented. No further evaluation took place in 2012.

Appointments/Reappointments: On the recommendation of the Remuneration and Nomination Committee and in accordance with the procedure stated in the Group Corporate Governance Charter for the reappointment from directors, the General Meeting of 31 May 2012 reappointed, Marc Hofman, Eddy Van der Pluym and BVBA Louis Verbeke, represented by Louis-H. Verbeke, as director for a period of three years expiring at the General Meeting of 2016.

Luc De Bruyckere resigned as director as per 31 August 2012.

The Board of Directors appointed BVBA Louis Verbeke, permanently represented by Louis-H. Verbeke, as chairman as per 1 September 2012.

The Board of Directors will propose to the General Meeting of 30 May 2013 to reappoint SA Sparaxis, permanently represented by Thierry Balot, as independent director in the sense of Article 524 and 526ter of the Belgian Company Code, for a period of four years, expiring at the General Meeting of 2017. This reappointment is proposed after appraisal by and on the recommendation of the Remuneration and Nomination committee.

Marc Hofman resigned as director of NV Ter Beke with immediate effect on 7 January 2013.

Ter Beke will timely abide by the law of 28 July 2011 on the presence of women in the Board of Directors.

Committees within the Board of Directors

Two committees were active within the Board of Directors in 2012: the Audit Committee and the Remuneration and Nomination Committee. The composition of the committees is in accordance with the legislation and adheres to the regulations of the Corporate Governance Code. The committees work within the mandate given by the Board of Directors as described in the comprehensive regulations in the annexes to the Corporate Governance Charter.

Audit Committee: the composition of the Audit Committee as per 31 December 2012, as well as the meetings and those present in 2012 are summarised in the table below:

	Meetings 2012			
Name	16 Feb	03 May	28 Aug	29 Nov
Thierry Balot*	x	x	x	x
Jules Noten	x	x	-	x
Dirk Goeminne	x	x	x	x
Guido Vanherpe	-	x	x	x

* Chairman, X = present

All members of the Audit Committee have expert knowledge of financial management. If necessary, the committee met together with the Statutory Auditor. The Audit Committee advised the Board of Directors on the annual results of 2011 and the first semester results of 2012, and with respect to the group's internal control and risk management. It supervises the internal audit function which it put in place. The committee regularly assesses its own regulations and its operation.

Remuneration and Nomination Committee: the composition of the Remuneration and Nomination Committee as per 31 December 2012, as well as the meetings and those present in 2012 are summarised in the table below:

	Meetings 2012			
Name	16 Feb	2 Apr	3 May	29 Nov
Louis-H. Verbeke*	x	x	x	x
Willy Delvaux	x	x	x	x
Jules Noten	x	x	x	x

* Chairman, X = present

All members have expert knowledge of human resources management. The Remuneration and Nomination Committee advises the Board of Directors on the remuneration of group executives, the chairman and the director's remunerations. The committee also advises on the general remuneration policy for directors and the executive management as well as on the principles of the variable remuneration system. Furthermore the committee advises the Board of Directors on the appointment and reappointment of directors, the composition of the committees within the Board of Directors, the members and the chairman of the Executive Committee and the Managing Director. The committee regularly assesses its own regulations and its operation.

Secretary

Dirk De Backer is appointed as secretary of the Board of Directors and as secretary of the committees within the board.

Executive Committee and day-to-day management

Composition: The composition of the Executive Committee in 2012 was as follows:

- Marc Hofman, Chairman/ Managing Director
- Wim De Cock, Operations Director Processed Meats
- Marc Lambert, Operations Director Ready Meals
- Annie Vanhoutte, Human Resources Director
- René Stevens, Group CFO
- Asadelta Consulting VOF, represented by Gunter Lemmens, Commercial Director

Operation: In 2012, the Executive Committee met every two weeks and whenever the operational situation so required, and was responsible for reporting to the Board of Directors. The operation of the Executive Committee is described in detail in the Internal Regulations of the Executive Committee, which forms an integral part of the group's Corporate Governance Charter.

Assessment: Once a year the Board of Directors assesses the performance of the CEO in the absence of the CEO and also assesses the performance of the other members of the Executive Committee together with the CEO. This assessment took place in 2012. The board uses both qualitative and quantitative criteria in this respect

Conflicts of interest

Board of Directors: In 2012 a conflict of interest arose among the Board of Directors in the sense of Article 523 Belgian Company Code following the appointment of BVBA Louis Verbeke, represented by Louis-H. Verbeke, as Chairman of the Board of Directors and the determination of the remuneration for this mandate.

The minutes regarding the meeting of the Board of Directors dated 30 August 2012 are included in full in the statutory annual report of Ter Beke NV. The decision taken with application of Article 523 Belgian Company Code is as follows (free translation) :
"In application of Article 16 of the articles of association, the Board of Directors has appointed BVBA Louis Verbeke, represented by Mr Louis-H. Verbeke, as Chairman of the Board as from 1 September 2012.
The Board will propose a remuneration to the General Meeting of 2013 for the external office of Chairman of the Board of Directors of EUR 70,000 on an annual basis. This remuneration, subject to the approval of the General Meeting, will be payable from 1 January 2013. The Board agreed that this remuneration would be granted pro-rata for the period from 1 September 2012 to 31 December 2012."

No other conflicts of interest were reported in the context of Annex 2 to the Corporate Governance Charter related to transactions with related parties.

Executive Committee: In 2012 there were no conflicts of interest in the sense of Article 523 Belgian Company Code within the Executive Committee, neither were any conflicts reported in accordance with Annex 2 of the group's Corporate Governance Charter with respect to transactions with related parties.

External control

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Dirk Van Vlaenderen and Kurt Dehoorne, was appointed by the General Meeting of 27 May 2010 as Statutory Auditor for a period of three years. We consult regularly with the Statutory Auditor and prior to the semi-annual and annual reporting he is invited to attend the meeting of the Audit Committee. The Statutory Auditor has no relationships with Ter Beke that might influence his judgment and he confirmed his independence towards the group. The remuneration that was paid in 2012 for audit services to Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA and to the persons affiliated to Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA was EUR 179,000. The remuneration paid for non-audit services amounted to EUR 42,000.

The Board of Directors will propose to the General Meeting of 30 May 2013 to reappoint Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Mr. Kurt Dehoorne, as Statutory Auditor for a period of three years expiring at the General Meeting of 2016.

Protocol concerning transactions in Ter Beke shares

Ter Beke employs a Protocol applicable to the rules concerning transactions in Ter Beke securities. This Protocol is enclosed as annexe 3 to the Corporate Governance Charter of the group. The Protocol provides that information that may have an impact on the stock price must be communicated immediately. Directors, executives and insiders are required to submit intended share transactions to the Compliance Officer for approval. If the approval is refused, the party involved must renounce the transaction or submit the intended transaction to the Board of Directors. The Protocol also includes guidelines designed to protect the confidential nature of privileged information and provides for closed periods within which transactions in Ter Beke securities are not allowed for the directors and relevant persons. The Protocol is submitted for signature to all new members of the Board of Directors, the Executive Committee and other persons who have access to privileged information on a regular basis. The company also maintains a list of the persons who have access to privileged information on a regular basis.

Remuneration report

Procedures adopted to develop the remuneration policy and determine the remuneration and the remuneration policy applied in 2012

Remuneration procedure: the remuneration policy for the members of the Board of Directors, the CEO and the members of the Executive Committee was prepared by the Remuneration and Nomination Committee and was approved by the Board of Directors.

The remuneration policy for the members of the Board of Directors, the CEO and the members of the Executive Committee is an integral part of the Corporate Governance Charter and is an annex to the Remuneration and Nomination Committee's internal regulations. The Remuneration and Nomination Committee monitors the application of this policy and advises the Board of Directors in these matters.

The level of remuneration for the members of the Board of Directors in the 2012 financial year was presented by the Board of Directors to the General Meeting of Shareholders for approval.

The level of remuneration for the CEO and the members of the Executive Committee in the 2012 financial year was confirmed by the Board of Directors based on recommendations from the Remuneration and Nomination Committee.

Remuneration policy: we can summarise the key elements of the policy as follows:

All members of the Board of Directors are entitled to an annual fixed remuneration. For 2012 this remuneration amounted to EUR 16,000. The members of the committees within the Board of Directors are also entitled to an additional annual fixed remuneration for their membership of one or more committees. For example, a member of the Audit Committee receives an annual remuneration of EUR 4,000, a member of the Remuneration and Nomination Committee receives an annual remuneration EUR 3,000, the chair of the Audit Committee receives an annual remuneration of EUR 8,000 and the chair of the Remuneration and Nomination Committee receives an annual remuneration of EUR 5,000, in so far as he is not also chair of the Board of Directors.

For the mere performance of their mandate of director, directors are not entitled to any variable, performance-related or equity-related remuneration, nor any other remuneration.

In principle, the remuneration of the CEO and members of the executive management consists of a basic allowance, an annual variable allowance, a company car and fuel card and other remuneration components, such as pensions and insurance, all in line with current company guidelines.

The CEO and members of the executive management receive an annual variable remuneration allocated according to the achievement of targets set each year related to the financial year over which the variable remuneration is due.

These targets are based on objective parameters and are closely related to the group's results and the role that the CEO and/or members of the executive management play in achieving these results. The main parameters applied are volume, turnover, EBIT, EAT and ROCE. Which of these parameters are used in a given year and what the targets are relating to these parameters is evaluated annually by the Remuneration and Nomination Committee and presented to the Board of Directors for approval.

The basis of the variable remuneration is not higher than 25% of the annual gross fixed remuneration (fixed+variable).

In a given year, if less than 75% of a target is achieved, the right to the variable remuneration linked to that target lapses. On the other hand, if the target is exceeded, up to 150% of the variable remuneration linked to that target can be earned.

The CEO's variable remuneration for the 2012 financial year is 50% dependent on a qualitative assessment conducted by the Remuneration and Nomination Committee.

In addition to the system of variable remunerations, the Board of Directors retains the power, following a proposal from the Remuneration and Nomination Committee, to allocate an (additional) bonus for specific performance or merit to the CEO and/or to the members of the executive management or a number of their staff.

There are no specific agreements or systems that give the company the right to recover the variable remuneration paid if this was allocated based on information that subsequently transpires to be incorrect. If necessary the company will rely on the facilities provided in common law.

In principle, the group's remuneration policy will not be subject to substantial changes in 2013 nor in the subsequent two financial years.

Remuneration and other allowances for non-executive directors and executive managers in their role as a member of the Board of Directors (in EUR)

The remuneration of the members of the Board of Directors (executive, non-executive and independent directors, see overview above) for the performance of their responsibilities in 2012 can be summarised as follows:

	Mandate Director	Mandate RNC	Mandate AC		Total
BVBA Delvaux Transfer (Willy Delvaux)	16,000	3,000	-		**19,000**
NV Sparaxis (Thierry Balot)	16,000	-	8,000		**24,000**
BVBA Louis Verbeke	37,333	-	-	(1)	**37,333**
Comm. V. Lemon (Jules Noten)	16,000	3,000	4,000		**23,000**
NV Holbigenetics (Frank Coopman)	16,000	-	-		**16,000**
Dominique Coopman	16,000	-	-		**16,000**
Dirk Goeminne	16,000	-	4,000		**20,000**
Luc De Bruyckere	10,667	-	-	(2)	**10,667**
Marc Hofman	16,000	-	-		**16,000**
Eddy Van der Pluym	16,000	-	-		**16,000**
BVBA Guido Vanherpe	16,000	-	4,000		**20,000**
Total	**192,000**	**6,000**	**20,000**		**218,000**

(1) Chairman as from 1 September 2012 (2) Resigned on 31 August 2012

Remuneration of the CEO and other executive managers (in EUR).
The individual remuneration of the Managing Director/Chairman of the Executive Committee (Marc Hofman) and the joint remuneration of the other members of the Executive Committee and the executive directors (Annie Vanhoutte, René Stevens, Wim De Cock, Marc Lambert, Asadelta Consulting VOF, Luc De Bruyckere – till 31 August 2012 - and Eddy Van der Pluym) in 2012 amounted to (total cost to the group, excluding the allowance for mandate of director of Ter Beke NV):

	CEO	Other members of the executive management
Base pay	366,218.18	1,631,877.10
Variable pay (cash)	12,638.66	50,423.77
Pensions*	13,341.72	127,004.22
Other insurances	4,827.06	7,507.78
Company car	12,585.44	92,821.11

* The pension arrangement is a defined contribution arrangement

Share-related remuneration
Members of the Board of Directors and Executive Committee do not have access to stock options, warrants or any other rights to acquire shares.

In 2012 no shares, stock options, or any other rights to acquire shares in the group were awarded to any of the members of the Board of Directors or Executive Committee.

Contractual arrangements on hiring and termination fees
In 2012 no appointment or departure arrangements were made with members of the Executive Committee, nor with the executive directors, which would give right to a departure fee of more than 12 months' pay or that would otherwise be in conflict with the statutory provisions, the provisions of the Corporate Governance Code 2009 or common practice in the market. The contractual notice period for Marc Hofman, Eddy Van der Pluym, Wim De Cock and Asadelta Consulting VOF is in principle maximum 12 months, whereas the notice period for Annie Vanhoutte, Marc Lambert and René Stevens is in principle calculated on the basis of the legal provisions that apply to their employment contract.

Key features of the internal control and risk management systems

We attach great importance to highly efficient internal control and risk management and integrate this in our structure and business operations to the maximum possible extent. We have implemented many internal controls in line with the integrated **COSO II** or Enterprise Risk Management Framework®. The key elements can be summarised as follows:

- Each year, based on the proposal put forward by the Executive Committee, the Board of Directors determines or confirms the group's mission, values and **strategy** and with this, the group's risk profile. We actively and repeatedly promote our **values** to all our employees, at least once every six months, during the informative meetings. The value **integrity** is the most important where risk management is concerned. At the same time we communicate the key aspects of the strategy and objectives for the group and the divisions.
- The **governance structure** of our group, described in detail in our articles of association, in our Corporate Governance Charter and in this Corporate Governance Statement, defines clearly distinguishable duties and responsibilities for each of our management bodies, more specifically the Board of Directors, the Audit Committee, the Remuneration and Nomination committee, the Executive Committee and the Managing Director/CEO. These duties and responsibilities are in line with the statutory provisions and the provisions of the Corporate Governance Code 2009 in this respect. Coherent regulations have been drawn up for each of the bodies mentioned above which are evaluated regularly and adapted if necessary so that authorisations and responsibilities are always at the right level and so that the higher level can exercise appropriate control on the performance of the authorisations that are delegated to the lower level.
- We organise and monitor our human resources via a job grading system in which all group employees are classified and in which detailed **job descriptions** have been drawn up. These not only describe the educational and competency requirements for the job but also the tasks, responsibilities and the reporting lines for the position. These job descriptions are adapted as the contents of certain jobs changes due to internal or external circumstances.
- We appraise all our employees annually using a detailed **appraisal tool**. This includes the specific assessment of behaviour in line with company values.

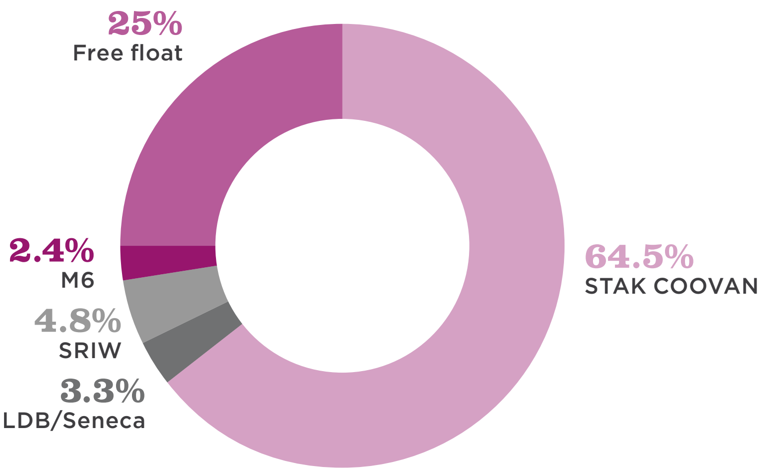
- We have also defined clear policy lines for the **education** and **remuneration** of our employees.
- We apply the statutory provisions regarding **conflicts of interest** rigorously (see above) and have implemented regulations regarding transactions with related parties that do not form a legal conflict of interest (see Appendix 2 to the Corporate Governance Charter).
- We have established an **internal audit function** that periodically conducts risk audits and audits of the internal controls in all group departments and reports on these inspections to the Audit Committee. Based on the findings of the internal auditor and in consultation with the Audit Committee, the essential adjustments are implemented in the internal control system.
- We have an **Audit Committee** that dedicates at least two meetings per annum to discussing the risks that we are exposed to (see above), the internal controls and risk management. This is based on a formal and detailed risk assessment drawn up by the executive management and reporting on how the risks identified are dealt with. The Audit Committee reports on its activities at the subsequent meeting of the Board of Directors.
- We uphold a protocol to prevent market abuse (see Appendix 3 to the Corporate Governance Charter) and we have appointed a Compliance Officer to supervise correct compliance of the rules concerning **market abuse** (see above).
- In consultation with the Audit Committee and the internal auditor, the executive management has drawn up an action plan for implementing a number of controls that are currently not in place at some of the group's locations for various valid reasons (for example, following acquisition, transfers etc.).
- For our most important risks we have agreed appropriate **insurance contracts**.
- We have a **hedging-policy** in place to manage exchange rate risks.
- A number of other risk management practices that we apply are mentioned in the description of the main risks we are exposed to (see above).

The following control and risk management systems have been established with respect to the **financial reporting** process:
- The internal regulations of the Board of Directors, the Audit Committee and the Executive Committee clearly describe the responsibilities concerning preparing and approving our group's financial statements.
- The financial results of the group and the divisions are reported monthly by the financial department and are discussed within the Executive Committee. The Executive Committee reports on the results of the group and the divisions to the Board of Directors quarterly. The Executive Committee reports the results of the first six months and the annual results to the Audit Committee in advance. These results are discussed in the Audit Committee with the internal and external auditor and subsequently presented to the Board of Directors for approval and published in the format required by law.
- We publish a calendar internally and externally that gives an overview of our periodic reporting obligations regarding the financial market.
- We have implemented clear timings for the financial reporting at all levels of the company so that we can meet all statutory requirements in this regard correctly and in time.
- We have a clear policy with respect to security of and access to financial data, as well as a system for backup and safe custody of this data.
- The finance department has a detailed manual in which all relevant accounting principles and procedures are described for those involved.
- We have implemented the key internal controls from the COSO II framework regarding financial affairs.

These systems and controls are designed to help guarantee that the published financial results give a true and fair picture of the group's financial position.

Other legal information

Shareholding structure as per 31 December 2012



The group was informed on 24 August 2012 that STAK Coovan and Mr and Ms Coopman-De Baedts filed a notification on the basis of article 74§6 of the 1 April 2007 Statute.
Mr and Ms Coopman-De Baedts have an agreement with Luc De Bruyckere on the possession, acquisition or sale of shares. This agreement grants to Mr and Ms Coopman-De Baedts a right of pre-emption on some shares of Luc De Bruyckere in Ter Beke.
STAK Coovan has an agreement with NV M6 with regard to the possession, the acquisition or the sale of shares. This agreement grants a put option to NV M6 on a number of Ter Beke shares under specific conditions and grants a purchase option to STAK Coovan on a number of shares NV M6 holds in Ter Beke under specific conditions.

Ter Beke NV held 2000 (two thousand) of its own shares on 31 December 2012 (Ter Beke NV held none of its own shares on 31 December 2011).

Transparency

In application of the statutory provisions regarding transparency with respect to shareholdings in listed companies, in 2012 no notifications were received with respect to shareholdings in the capital of Ter Beke NV.

Notifications pursuant to Article 34 of the 14 November 2007 Royal Decree

There are no persons holding any securities that contain special voting or other rights.

In line with the applicable legal rules, the voting rights of own shares which the group holds are suspended.

The company's by-laws can be changed with a 75% majority of votes cast at an Extraordinary Shareholders' Meeting, provided that the shareholders present represent at least 50% of the capital in accordance with Article 558 of the Belgian Companies Code. The statutory purpose of the company can be altered with an 80% majority of votes cast (Article 559 Belgian Companies Code).

The procedure for the appointment and reappointment of directors, as followed with regard to the above-mentioned reappointments, is set out in article 4 of the internal rules of the Remuneration and Nomination Committee, annexed to the group's Corporate Governance Charter.

The Board of Directors of Ter Beke NV is authorised by the Shareholders' Meeting, within the limits of the authorised capital, to increase the capital by issuing ordinary shares of the company subject to the provisions laid down in Article 607 of the Belgian Company Code. This authorisation was granted for a period of three years as from 16 January 2012 and is extendible.

Due to a resolution of the Extraordinary Shareholders' Meeting of 14 December 2011, the Board of Directors is authorised, subject to the provisions laid down in Article 620 of the Belgian Company Code to obtain shares in the company to the account of the latter, if the acquisition is necessary to prevent the company from suffering acute and threatening losses. This authorisation is valid for a period of three years as from 16 January 2012 and is extendible.

Consolidated financial statements 2012*

* All amounts in '000 EUR, unless stated otherwise.

Consolidated income statement as at 31 December 2012 and 2011

	Note	2012	2011
Revenue	**4**	**421,078**	**403,715**
Trade goods, raw and auxiliary items	5	**-226,969**	-213,713
Services and miscellaneous goods	6	**-86,132**	-84,627
Wages and salaries	7	**-77,764**	-72,742
Depreciation costs	16	**-17,311**	-18,048
Impairments, write-offs and provisions	8	**-251**	148
Other operating income and expenses	9	**917**	600
Result of operating activities	**10**	**13,568**	**15,333**
Financial income	11	**372**	180
Financial expenses	12	**-2,796**	-2,893
Results of operating activities after net financing expenses		**11,144**	**12,620**
Tax	13	**-3,120**	-3,414
Result after tax before share in the result of enterprises accounted for using the equity method		**8,024**	**9,206**
Share in the result of enterprises accounted for using the equity method		**183**	-200
Profit of the year		**8,207**	**9,006**
Basic profit per share	32	**4.81**	5.20
Diluted profit per share	32	**4.81**	5.20

Ter Beke NV is directly and indirectly 100% owner of all fully consolidated subsidiaries (see Note 34). The group's share of the result is therefore also 100%.

Consolidated statement of comprehensive income as at 31 December 2012 and 2011

	2012	2011
Profit in the financial year	**8,207**	9,006
Translation differences	**398**	23
Comprehensive income	**8,605**	**9,029**

Consolidated balance sheet as at 31 December 2012 and 2011

	Note	2012	2011
Assets			
Non-current assets		**154,380**	**153,192**
Goodwill	14	35,204	35,204
Intangible non-current assets	15	2,313	2,121
Tangible non-current assets	16	101,835	106,403
Joint venture using equity method	17	4,897	4,331
Deferred tax assets	20	0	0
Other long-term receivables	18	131	133
Long-term interest-bearing receivables	19	10,000	5,000
Current assets		**95,177**	**99,744**
Stocks	21	25,316	24,404
Trade and other receivables	22	65,515	69,598
Cash and cash equivalents	23	4,346	5,742
Total Assets		**249,557**	**252,936**

	Note	2012	2011
Liabilities			
Shareholder equity	24	**98,036**	**93,879**
Capital and share premiums		53,095	53,191
Reserves		44,941	40,688
Non-controlling interest		0	0
Deferred tax liabilities	20	**8,484**	**8,370**
Long-term liabilities		**41,637**	**41,665**
Provisions	25	2,006	1,668
Long-term interest-bearing liabilities	26	39,631	39,997
Other long-term liabilities		0	0
Short-term liabilities		**101,400**	**109,022**
Short-term interest-bearing liabilities	26	26,191	30,364
Trade liabilities and other debts	27	62,856	62,873
Social liabilities		10,499	12,761
Tax liabilities		1,854	3,024
Total liabilities		**249,557**	**252,936**

Consolidated statement of changes in equity as at 31 December 2012 and 2011

	Capital	Capital reserves	Share premiums	Reserved profits	Translation differences	Total	Number of Shares
Balance on 1 January 2011	**4,903**	**-94**	**48,288**	**36,448**	**-429**	**89,116**	**1,732,621**
Capital increase						0	
Treasury shares reserve		94				94	
Dividend				-4,332		-4,332	
Results in the financial year				9,006		9,006	
Other elements of the comprehensive income for the period					23	23	
Comprehensive income for the period				9,006	23	9,029	
Movements via reserves							
• Result from treasury shares				-28		-28	
• Translation differences						0	
Balance on 31 December 2011	**4,903**	**0**	**48,288**	**41,094**	**-406**	**93,879**	**1,732,621**
Capital increase						0	
Treasury shares reserve		-96				-96	
Dividend				-4,332		-4,332	
Results in the financial year				8,207		8,207	
Other elements of the comprehensive income for the period					398	398	
Comprehensive income for the period				8,207	398	8,605	
Movements via reserves							
• Result from treasury shares				-20		-20	
• Translation differences						0	
Balance on 31 December 2012	**4,903**	**-96**	**48,288**	**44,949**	**-8**	**98,036**	**1,732,621**

Consolidated cash flow statement as at 31 December 2012 and 2011

	2012	2011
Operating activities		
Result of operating activities	13,567	15,333
Adjustments for:		
• Depreciation and impairments on fixed assets	17,311	18,048
• Change in impairments and write-offs	34	94
• Change in provisions	218	-242
• Proceeds from the sales of fixed assets	-22	-33
Changes in net operating capital		
• Changes in stock	-913	-592
• Change in trade and other receivables	978	-3,385
• Change in trade and other liabilities	-2,198	-1,575
• Change in other items	15	23
Cash from operating activities	**28,990**	**27,671**
Tax paid	-3,395	-2,955
Net cash from operating activities	**25,595**	**24,716**
Investing activities		
Proceeds from the sale of tangible fixed assets	1,502	1,105
Investments in intangible fixed assets	-1,052	-789
Investments in tangible fixed assets	-11,015	-15,871
Net investments in financial fixed assets	0	4
Net investment in joint venture	2	-4,531
Investment in third party loans	-5,000	-5,000
Takeover of subsidiaries	0	0
Net cash used in investing activities	**-15,563**	**-25,082**
Financing activities		
Proceeds from repurchase of treasury shares	-118	66
Proceeds from take-up of new loans	25,925	29,600
Dividend payments to shareholders	-4,348	-4,437
Interest paid (through P&L account)	-2,275	-2,558
Loan settlement	-30,429	-21,042
Repayment of financial leasing liabilities	-35	-152
Other financial resources / (expenses)	-149	-155
Net cash from financing activities	**-11,429**	**1,322**
Net change in cash and cash equivalents	**-1,397**	**956**
Cash funds at the beginning of the year	5,742	4,786
Cash funds at the end of the year	**4,345**	**5,742**

Accounting policies for financial reporting & explanatory notes

1. Summary of the key accounting principles

Declaration of conformity

Ter Beke NV (the 'Entity') is an entity domiciled in Belgium. The Entity's consolidated financial statements cover the Entity Ter Beke NV and its subsidiaries (hereafter jointly referred to as the "group"). The consolidated financial statements were issued for publication by the Board of Directors on 28 February 2013. The consolidated financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRS) as accepted within the European Union.

The consolidated statements are set out in EUR x000. The consolidated financial statements have been drawn up on the basis of the historical cost method, with the exception of the derivatives and the financial assets available for sale, which are valued at fair value. However, if no reliable market price or estimate of the fair value is readily available, these financial assets will be valued on the historical cost basis. Assets included in the balance sheet and obligations that are covered are valued at fair value up to the amount of the hedged risk. The accounting principles are applied uniformly to the entire group and are consistent with the previous financial year. The comparative information has been restated in accordance with IFRS.

Standards and interpretations applicable to the annual period beginning on 1 January 2012

- Amendments to IFRS 7 Financial Instruments: Disclosures – Derecognition (applicable to annual periods beginning on or after 1 July 2011)

Standards and interpretations published, but not yet applicable to the annual period beginning on 1 January 2012

- IFRS 9 Financial Instruments and subsequent amendments (applicable to annual periods beginning on or after 1 January 2015)
- IFRS 10 Consolidated Financial Statements (applicable to annual periods beginning on or after 1 January 2014)
- IFRS 11 Joint Arrangements (applicable to annual periods beginning on or after 1 January 2014)
- IFRS 12 Disclosures of Interests in Other Entities (applicable to annual periods beginning on or after 1 January 2014)
- IFRS 13 Fair Value Measurement (applicable to annual periods beginning on or after 1 January 2013)
- Improvements to IFRS (2009-2011) (normally applicable to annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (applicable to annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 1 First Time Adoption of International Financial Reporting Standards – Government Loans (applicable to annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable to annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (applicable to annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities (applicable to annual periods beginning on or after 1 January 2014)
- Amendments to IAS 1 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (applicable to annual periods beginning on or after 1 July 2012)
- Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets (applicable to annual periods beginning on or after 1 January 2013)
- Amendments to IAS 19 Employee Benefits (applicable to annual periods beginning on or after 1 January 2013). The impact of IAS 19 R is estimated at a decrease of the shareholders' equity by EUR 133,000. The impact on the income statement is considered insignificant.

- Amendments to IAS 27 Separate Financial Statements (applicable to annual periods beginning on or after 1 January 2014)
- Amendments to IAS 28 Investments in Associates and Joint Ventures (applicable to annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (applicable to annual periods beginning on or after 1 January 2014)
- IFRIC 20 Offsetting Costs in the Production Phase of a Surface Mine (applicable to annual periods beginning on or after 1 January 2013)

Consolidation principles

The consolidated financial statements cover financial information of Ter Beke NV, its subsidiaries and joint ventures and the group's share in the profits or losses of affiliated companies. A list of these entities is included in Note 34.

Subsidiaries included in the consolidation in accordance with the integral method

Subsidiaries are those over which Ter Beke NV exercises control. Control is understood to mean that the Entity can determine the financial and operational policies of an entity either directly or indirectly, in order to gain benefits from its activities. The financial statements of the subsidiaries are recognised in the consolidated financial statements from the date on which such control begins till the date on which it ends. A list of the group's subsidiaries is included in Note 34.

Joint Ventures

A joint venture is a contractual agreement whereby Ter Beke NV and other parties set up an economic activity directly or indirectly, over which they exercise control jointly. Joint ventures are recognised according to the equity method. The company eliminates the net results between the joint venture and the Ter Beke group. On 22 June 2011 Ter Beke and the shareholders of Stefano Toselli established a 50/50 joint venture in Opole (Poland). This joint venture bears the name 'Pasta Food Company' and will produce and commercialise lasagne and pasta meals in Central and Eastern Europe. As Pasta Food Company is booked via the equity method, only 50% of the equity is recognised in the balance sheet and 50% of the net result is recognised in the Ter Beke group consolidated figures.

If a group member carries out transactions with a joint venture, profits and losses are eliminated up to the amount of the interests of the group in the joint venture concerned.

Investments in affiliated companies

Affiliated companies are those in which the group has significant influence, directly or indirectly, but does not have control over the financial and operational policy of the entity. This is assumed when the group has 20% or more of the voting rights in the company. An investment in an affiliated company is processed in the consolidated financial statements in accordance with the equity method.

The results, assets and liabilities of affiliated companies are recognised in the financial statements in accordance with the equity method, unless the investment is classified as being held for sale and therefore must be processed in accordance with IFRS 5, Non-current assets held for sale and discontinued business activities. Investments in affiliated companies are initially recognised at cost price under the equity method, and then adapted to take account of the change in the investor's share of the net assets of the participation after takeover, minus any exceptional depreciation in the value of individual investments.

Any losses of an affiliated company that exceed the group's interests in that affiliated company (also taking account of all long-term interests that, in essence, form part of the group's net investments in that affiliated company) are not recognised.

The difference between the cost price of the investment and the investor's share in the net fair value of the identifiable assets, obligations and conditional obligations of the affiliated company, which were recognised on the takeover date, are recognised as goodwill. This goodwill is recognised in the book value of the investment and is tested for impairment as part of the investment. The difference after re-assessment between the fair value of the group share in the identifiable assets, liabilities and contingent liabilities of the affiliated company and the cost price of the affiliated company are recognised immediately in the Income statement.

If a group member carries out transactions with an affiliated company, profits and losses are eliminated up to the interests of the group in the affiliated company concerned. In 2012 and 2011 there were no affiliated companies.

Eliminations at consolidation

All intra-group balances and transactions, including profits not realised on intra-group transactions, are eliminated when the consolidated financial statements are drawn up. Unrealised profits arising from transactions with affiliated companies are eliminated up to the amount of the group's interest in the entity. Unrealised profits arising from transactions with affiliated companies are eliminated up to the amount of the participation in those entities. The same elimination rules apply to unrealised losses as for unrealised profits, with the difference that they are only eliminated if there is no indication of impairment.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is valued as the sum of the fair value on acquisition date of the consideration transferred and the amount of the minority interest in the acquiree. For each business combination, the acquirer measures the minority interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The costs relating to the acquisition are recognised immediately in the income statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held minority interests are revalued at fair value on acquisition date and any profit or loss is recognised immediately in the income statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value on the acquisition date. Subsequent changes to this fair value which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or in other elements of the comprehensive income. Changes to the fair value of the contingent consideration classified as equity, are not recognised.

Goodwill is initially recognised as the amount by which the total of the consideration transferred, the amount of any minority interest in the acquiree and the fair value of any previously held equity interest held by the acquirer in the acquiree exceeds the net balance of the amounts determined on acquisition date of the identifiable assets and liabilities acquired. If, after review, the interest of the group in the fair value of the identifiable net assets exceeds the total of the consideration transferred, the amount of any minority interest in the acquiree and the fair value of any equity interest previously held by the acquirer in the acquiree, then the surplus must be recognised in the income statement as a profit on an advantageous purchase.

After initial recognition, goodwill is recognised at cost less any accumulated impairments. For the purpose of impairment testing, goodwill is allocated to the cash-generating units of the group which are expected to generate synergy benefits for the business combination, irrespective of whether assets or liabilities of the acquired entity were assigned to the cash flow generating units concerned.

Cash flow generating units to which goodwill is allocated are tested for impairment annually, or more frequently if there is an indication that the book value of the unit may exceed the realisable value. If the realisable value of a cash flow generating unit is less than the book value of the unit, the impairment is allocated first to reduce the book value of any goodwill allocated to the unit; the impairment is subsequently allocated to the other assets of the unit pro-rata on the basis of the book value of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is recognised in the book value of the operation when determining the gain or loss on disposal of the operation. Goodwill 'disposed' of in this manner is valued at the relative value of the operation disposed of and the portion of the cash flow generating unit retained.

No business combinations were conducted in 2011 and 2012.

Foreign currencies

Foreign currency transactions

Foreign currency transactions in the group's individual entities are recognised at the exchange rate applicable on the transaction date. Monetary balance sheet items in foreign currency are converted at the closing rate applicable on balance sheet date. Profits and losses arising from transactions in foreign currency and from the conversion of monetary balance sheet items in foreign currency are recognised in the income statement. Any profit or loss on a non-monetary item is recognised in the income statement, unless it was directly recognised in the shareholders' equity. For non-monetary items on which the profit or loss was directly recognised in the shareholders' equity, any exchange-rate component of that profit or loss is also recognised in the shareholders' equity.

Financial statements of foreign operations

All the group's activities abroad are conducted in the EURO zone, except for SDF Foods Ltd (liquidated in 2011) and TerBeke-Pluma UK Ltd which conducts its business in British Pounds and Pasta Food Company Sp. Z.o.o. which conducts its business in Polish Zloty. The assets and liabilities of these foreign entities are converted to Euros at the exchange rate applicable on balance sheet date. The income statement of these entities is translated each month to Euros at average rates which approximate the exchange rate on the transaction date. Translation differences arising here are recognised immediately in the shareholders' equity.

The following exchange rates were used when drawing up the financial statements:

1 euro is equal to	2012	2011
Pound Sterling		
Closing rate	0.8199	0.8355
Average rate	0.8112	0.8679
Polish zloty		
Closing rate	4.0688	4.4580
Average rate	4.1872	4.2365

Segment reporting

IFRS 8 defines an operational segment as a part of an entity of which the operational results are regularly assessed by a high ranking officer of the entity who takes important operational decisions, in order to be able to take decisions on the resources to be allocated to the segment and to assess the financial performance of the segment and on which separate financial information is available.

IFRS 8 replaced the earlier IAS 14 standard from 1 January 2009 but does not alter segment reporting.

In view of its mission, main strategic lines and management structure, for segment reporting Ter Beke has opted to split the group's activities into two operational segments, according to the two business activities (business segments) of the group: 'Processed Meats' and 'Ready Meals'. In addition, it provides geographical information for the regions in which the group is active.

The profit or loss of a segment encompasses the income and expenses generated directly by a segment, including that part of the income and expenses that can reasonably be attributed to the segment.

The assets and liabilities of a segment encompass the assets and liabilities directly pertaining to a segment, including the assets and liabilities that can reasonably be attributed to the segment. The assets and liabilities of a segment are shown excluding tax.

Discontinued activity

A discontinued activity is a clearly distinguishable component within the group's activities as a whole:

- which is disposed of or discontinued as part of a specific plan;
- which represents a separate, important business activity or a geographical area of activities;
- which can be distinguished operationally and for the purposes of financial reporting

Intangible assets

Intangible assets are initially valued at cost price. Intangible assets are recognised if it is likely that the Entity will enjoy the future economic advantages that go with them and if the costs thereof can be determined reliably. After their initial recognition, intangible assets are valued at cost price less the accumulated depreciation and any accumulated impairment. Intangible assets are depreciated linearly over their best estimated period of use. The amortisation period and the depreciation method used are evaluated again each year at the conclusion of the reporting period.

Research and development

Expenses incurred for research activities, undertaken with a view to gaining new scientific or technological knowledge, are recognised as an expense in the income statement as they occur. Expenses incurred for development activities, in which the findings of research are applied in a plan or design for the production of new or substantially improved products and processes, are recognised in the balance sheet if the product or process is technically and commercially viable and the group has sufficient resources at its disposal to implement them. The capitalised expense includes the costs of raw materials, direct wage costs and a proportionate part of the overheads. Capitalised expenses for development are valued at cost price less the accumulated depreciation and impairments.

All other expenses for development are recognised as expense in the income statement as a debit in the income statement as they occur. As Ter Beke's development expenses in 2012 did not fulfil the criteria for capitalisation, these were recognised as expenditure in the income statement. In 2011 the group capitalised EUR 156,000 of costs for the development of innovative products which were launched during 2012 and 2013.

Other intangible assets

Other costs for internally generated intangible assets, such as brand names, are recognised in the income statement as they occur. Other intangible assets, such as brand patents or computer software, acquired by the group are valued at cost price less the accumulated depreciation and impairments. In 2011 and 2012 Ter Beke's consolidated other intangible fixed assets consisted only of computer software.

Depreciation
Intangible assets are depreciated according to the linear method over their expected economic lifetime, from the date they are first used.

The depreciation percentages applied are:

Research and development	33.3%
Computer software	20%
Brand patents	10%

Goodwill
We talk of Goodwill when the cost price of a business combination at acquisition date exceeds the interest of the group in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is initially recognised as an asset at cost price and is subsequently valued at cost price less any accumulated impairment losses.

The cash flow generating unit to which goodwill is attributed is tested each year for impairment, and every time there is an indication that the unit might be impaired by comparing the book value of the unit with its realisable value. If the realisable value of the unit is lower than the book value, the impairment losses will first be allocated to the book value of the goodwill allocated to the unit and then to the unit's other assets in proportion to the book value of each asset in the unit. An impairment loss recognised for goodwill cannot be reversed in a subsequent period. When a subsidiary or joint venture is sold, the goodwill allocated is recognised when determining the profit or loss on the sale.

In case the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the remaining surplus after reassessment is recognised immediately in the income statement.

Tangible non-current assets
Tangible non-current assets (tangible assets) are recognised if it is likely that the future economic benefits associated with the asset will flow to the Entity and the cost price of the asset can be determined reliably.

The tangible non-current assets property owned are valued at cost price or at production cost, less the accumulated amortisation and any accumulated impairment. In addition to the purchase price, the cost price also includes, if applicable, non-refundable taxes and all costs directly attributable to getting the asset ready for use. The production cost of self-made property, plant and equipment (tangible assets) includes direct material costs, direct manufacturing costs, a proportionate part of the fixed costs of material and manufacturing, and a proportionate part of the depreciation of assets used in the production process.

Costs after initial recognition are only recognised in the balance sheet as part of the book value of an asset, or for an exceptional asset, if it is likely that the future economic benefits associated with the asset will flow to the group and these costs can be determined reliably. All other repair and maintenance costs are recognised in the income statement in the period in which they were incurred.

Tangible non-current assets are depreciated in accordance with the linear method from the date they are first used and over the expected useful economic life.

The primary depreciation percentages currently applied are in the table below.

Land is not depreciated, since it is assumed that it has an unlimited useful life.

Buildings	3.33; 4 and 5%
Installations	5 and 10%
Machines and equipment	14.3; 20 and 33.3%
Furniture and rolling equipment	14.3; 20 and 33.3%
Other tangible fixed assets	10 and 20%

Government subsidies

Government subsidies may only be recognised if there is reasonable assurance that:

- the group will meet the conditions pertaining to the subsidy; and
- the subsidies will be received.

Government subsidies are systematically recognised as revenues over the periods necessary to attribute these subsidies to the related costs which they are intended to compensate. A government subsidy that is received in compensation for expenses or losses already incurred or for the purpose of providing immediate financial support to the group without future related costs is recognised as income in the period in which it is received.

Investment subsidies are deducted from the book value of the asset concerned.

Operating subsidies are recognised if they are received and reported under Other Operating Revenues

Leasing

A lease contract is recognised as a financial lease if almost all of the risks and benefits associated with the property are transferred to the lessee. All other forms of lease are considered as operational leases. The group only acts as lessee.

Financial leases - Assets held under a financial lease are recognised as group assets for amounts equal to the fair value of the leased asset or, if it is lower, at the present value of the minimum lease payments less the accumulated depreciation and impairment losses. The complementary liability to the lessor is recognised in the balance sheet as a liability under financial leases.

The minimum lease payments are recognised partly as financing costs and partly as repayment of the outstanding liability in such a way that this results in constant periodic interest over the remaining balance of the liability. The financing costs are immediately recognised as an expense in the income statement.

The amount of a leased asset to be depreciated is systematically attributed to each reporting period during the period of its expected useful economic life, on a basis that is consistent with the depreciation policy that the lessee applies to owned assets to be depreciated. If it is reasonably certain that the lessee will acquire the property at the end of the lease period, then the expected useful economic life period is equal to the useful life of the asset. In all other cases, the asset is depreciated over the lease term or its useful life, if the latter is shorter.

Operational leases - Lease payments based on operating leases should be recognised as an expense in time for the entire lease period, unless another systematic basis is more representative of the time pattern of benefits the user enjoys. Benefits received as incentive to conclude an operational lease contract are also spread over the lease period on a time-proportional basis.

Stocks

Stocks are valued at the lowest value of the cost price or the net realisable value. The FIFO method forms the basis for calculating the cost price. The cost price for work in progress and finished products encompasses all conversion costs and other costs incurred to get the stocks to their current location and in their current state. The conversion costs include the production costs and the attributed fixed and variable production overhead costs (including depreciation). The net realisable value is the estimated sales price that the group believes it will make when selling the stocks in normal business, less the estimated costs of finishing the product and the estimated costs needed to realise the sale thereof.

Impairment losses from intangible fixed assets and property, plant and equipment (except for goodwill): On every reporting date, the group investigates its balance sheet values for intangible fixed assets and tangible non-current assets to determine whether there is any indication for impairment of an asset. If there is such an indication, the realisable value of the asset will be estimated in order to determine any impairment losses. However, if it is not possible to determine the realisable value of an individual asset, the group will estimate the realisable value for the cash flow generating unit to which the asset belongs.

The realisable value is the highest value of the fair value minus the cost of sales and its value in use. The value-in-use is determined by discounting the expected future cash flows using a discount rate before tax. This discount rate reflects the present time value of the money and the risks specific to the asset.

If the realisable value of an asset (or a cash flow generating unit) is estimated to be lower than the book value of the asset (or a cash flow-generating unit), the book value is reduced to its realisable value. An impairment loss is recognised immediately as expense in the income statement. A previously recognised impairment loss is reversed, when a change has occured in the estimates used to determine the realisable value, but not for a higher amount than the net book value that would have been determined, if in the previous years no impairment loss was recognised.

Financial instruments

Trade receivables

Trade receivables are initially booked at fair value and are then valued at the amortised cost price calculated based on the effective interest method. Appropriate impairment losses are recognised in the income statement for estimated non-realisable amounts if there are objective indications that an impairment loss has occurred.

The amount of loss is specified as the difference between the book value of the asset and the present value of estimated future cash flows discounted at the originally effective interest rate on initial recognition. Considering the short term nature of the trade receivables in the group, the trade receivables are booked de facto at fair value.

Investments

Investments are no longer recognised on the transaction date if the purchase or sale of the investment is linked to a contract whose conditions prescribe the delivery of the asset within the period generally prescribed or agreed on the market concerned. They are initially valued at the fair value, plus the directly attributable transaction costs. For an investment that is not valued at fair value, write-downs are incorporated in the income statement.

Held-to-maturity investments

Debt securities which the group definitely intends to hold till their maturity date (held-to-maturity debt securities) are valued at the amortised cost price calculated by means of the effective interest method, less any impairments losses for the purpose of taking non-realisable amounts into consideration.

Such impairment losses are recognised in the income statement if, and only if, there are objective indications for impairment losses. Impairment losses are reversed in subsequent periods if the rise in the realisable value can be objectively related to an event that took place after the write-down. The reversal may not exceed the amortised cost price as it would have been if the impairment had not been recognised.

Other investments

Investments other than those held till maturity are classified as financial assets available for sale which are valued at fair value after initial recognition. If no fair value can be determined, they are valued at cost price. The profits and losses following changes in the fair value are recognised directly in the shareholders' equity until the financial asset is sold, or on determining the impairment losses. In this case the cumulative loss or profit that was recognised immediately in the shareholders' equity is transferred from the shareholders' equity to the income statement. Impairment losses recognised in the income statement on an investment in an equity capital instrument classified as available for sale are not reversed via the income statement.

Impairment losses recognised in the income statement on a debt instrument classified as available for sale are later reversed in the income statement if the rise in the fair value of the instrument can be objectively related to an event that took place after the impairments loss was recognised. With the exception of equity capital instruments, changes in the fair value due to exchange rate results are recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash, demand deposits and other short-term, highly liquid investments that can be immediately converted to cash, the amount of which is known and which bears no material risk of depreciation.

Financial liabilities and equity capital instruments

Financial liabilities and equity capital instruments issued by the group are classified based on the economic reality of the contractual agreements and the definitions of a financial liability and an equity capital instrument. An equity capital instrument is any contract that includes the residual interest in the group's assets, net of all liabilities. The financial reporting policies regarding specific financial liabilities and equity capital instruments are described below.

Bank loans

Interest-bearing bank loans and credit excesses are initially valued at fair value and are then valued at the amortised cost price calculated on the basis of the effective interest method. Any difference between the receipts (after transaction costs) and the repayment of a loan is recognised over the loan period, in accordance with the policies for financial reporting regarding financing costs, which are applied by the group.

Trade liabilities

Trade liabilities are initially booked at fair value and are then valued at the amortised cost price calculated based on the effective interest method. Considering the short term nature of the trade liabilities in the group, the trade liabilities are booked de facto at fair value.

Equity capital instruments

Equity capital instruments issued by the company are recognised at the amount of the sums received (after deduction of directly attributable issue costs).

Derivatives

The group uses derivatives to limit risks with regard to unfavourable swings in exchange rates and interest rates arising from operational, financial and investment activities.

The group does not use these instruments for speculative purposes and does not hold any derivatives and does not issue derivatives for trading purposes. Derivatives are initially valued at cost price and after initial recognition are valued at fair value.

There are three sorts of hedging relationships:

(a) Cash flow hedges: Changes in the fair value of derivatives indicated as cash flow hedges are recognised in the shareholders' equity. The non-effective part is recognised in the income statement.

If the cash flow hedges of a firm commitment or an expected future transaction leads to the recognition of a non-financial asset or a non-financial liability, at the time the asset or liability is booked, the profits or losses on the derivative financial instrument previously incorporated in the shareholders' equity are recognised in the initial valuation of the asset or liability when it is booked.

If the hedge of an expected future transaction leads to the inclusion of a financial asset or a financial liability, the related profits or losses on the derivative financial instrument recognised directly in the shareholders' equity are transferred to the income statement in the same period or periods in which the acquired asset or the commitment affects the income statement.
If it is expected that (part of) the loss incorporated directly into the shareholders' equity will not be realisable in one or more future periods, the expected non-realisable part is transferred to the income statement. For hedges that do not lead to the recognition of an asset or a liability, the amounts directly included in the shareholders' equity are transferred to the income statement in the same period or periods in which the hedged expected future transaction affects the profit or loss.

(b) Fair value hedges: Changes in the fair value of derivatives which were indicated and qualify as fair value hedges are recognised in the income statement, together with any change in the fair value of the hedged asset or the hedged liability which is to be attributed to the hedged risk.

(c) Hedges of net investments in foreign entities: Hedges of net investments in foreign entities are processed in a similar manner as cash flow hedges. The part of the profit or loss on the hedging instrument for which it is determined that it is an effective hedge is recognised directly in the shareholders' equity; the profit or loss on the non-effective part is recognised immediately in the income statement. The profit or loss on the hedging instrument regarding the effective part of the hedge which is directly recognised in the shareholders' equity is recognised in the income statement when the foreign entity is divested. The changes in the fair value of derivatives that are not classified can be recognised immediately in the income statement as cash flow hedging (on the basis of IAS 39).

Derivatives that cannot be classified as hedges

Certain derivatives do not qualify as hedging transactions. Changes in the fair value of each derivative that does not qualify as a hedging transaction are recognised immediately in the income statement.

Repurchased treasury shares

If the group repurchases its own treasury shares, the amount paid, including the directly attributable direct costs, is incorporated as a reduction in the shareholders' equity. The revenue from the sale of treasury shares is recognised directly in the shareholders' equity and has no impact on the net results.

Dividends

Dividends are recognised as a liability in the period in which they are formally allocated.

Non-current assets held for sale

Non-current assets and groups of assets that are divested are classified as 'held for sale' if their book value will mainly be realised in a sale transaction and not through the continued use thereof. This condition is met solely if the sale is highly probable and the asset (or the group of assets being disposed of) is immediately available for sale in its current state. The management must have committed itself to a plan to sell the asset (or the group of assets being disposed of), which is expected to be considered for inclusion as a completed sale within one year of the classification date.

A non-current asset (or group of assets being disposed of) classified as held for sale will be included at the lowest value of its book value and its fair value minus the costs of sale.

Provisions

A provision will be recognised if:

(a) the group has an existing obligation (legally enforceable or effective) as the result of an event in the past;

(b) it is likely that an outflow of funds embodying economic benefits will be required to settle the obligation; and

(c) the amount of the obligation can be reliably estimated.

The amount recognised as a provision must be the best estimate of the expenses required to settle the existing obligation on the balance sheet date.

If the impact is important, provisions are determined by discounting the expected future cash flows, using a discount rate before tax. This discount rate reflects the present time value of the money and the specific risks pertaining to the obligation.

A provision for restructuring is laid down when the group has approved a detailed and formalised plan for the restructuring and when the restructuring has either commenced or has been announced publicly. No provisions are laid down for costs relating to the group's normal activities. A provision for loss-making contracts will be laid down when the receivable economic benefits for the group are lower than the unavoidable cost related to the obligatory quid pro quo.

Employee benefits

Employee benefits comprise all forms of remuneration granted by the Entity in exchange for the services provided by employees.

Employee benefits include:

- short-term employee benefits, such as wages, salaries and social security contributions, holiday pay, paid sick leave, profit-sharing and bonuses and benefits in kind for the current employees;
- post-employment benefits, such as pensions and life insurance;
- other long-term employee benefits;
- termination benefit; and
- share-based payments.

Retirement benefit plans

The group provides retirement benefit plans for its employees mainly via defined benefit contribution schemes and has only a limited number of defined benefit pension schemes.

Defined contribution schemes

Contributions paid to these defined contribution schemes are recognised immediately in the income statement.

Defined benefit pension schemes

The book value of the defined benefit pension scheme is determined by the present value of the pension payment liabilities, taking account of the actuarial gains or losses, minus the past service pension costs not yet recognised and with the fair value of the investments in investment funds. If this calculation results in a net surplus, then the value of the resulting asset is limited to the actuarial losses not recognised and past service pension costs and the present value of the future payments from the pension scheme or the reductions in the future contributions to the pension scheme.

The inclusion of actuarial gains and losses is individually determined for each defined benefit plan. If the net cumulative profits or losses not recognised contribute more than 10% of the present value of the defined benefit plan or, if higher, of the fair value of the assets, then this surplus is recognised in the income statement over the expected average remaining careers of the employees participating in the scheme. In all other cases, the actuarial gains or losses are not recognised. Pension costs for completed service are spread as a cost in accordance with the linear method over the average period until the benefits are allocated. If the benefits are already allocated upon the introduction of a new scheme or upon changes to an existing defined benefit plan, past service cost pension costs are recognised immediately as a cost.

The present value of the liabilities of the defined benefit plan and the related pension costs are calculated by a qualified actuary in accordance with the projected unit credit method. The discount rate used is equal to the yield on the balance sheet date from corporate bonds of high creditworthiness with a remaining term that is comparable to the term of the group's liabilities. The amount recognised in the income statement consists of the pension costs allocated to the year of service, the financing cost, the expected yield from the pension fund investments and the actuarial gains and losses.

Termination benefit

Termination benefits are recognised as a liability and a cost if a group entity demonstrably commits itself either to:

- the termination of the employment of an employee or group of employees before normal pension date;
- or the allocation of termination benefit as a result of an offer to encourage voluntary retirement (early retirement scheme).

If redundancy payments are due after twelve months following the balance sheet date, then they are discounted at a discount rate equal to the yield on balance sheet date from corporate bonds of high creditworthiness with a remaining term that is comparable to the term of the group's liabilities.

Variable pay

The variable pay of clerical staff and management is calculated based on key financial figures and the balanced scorecards. The expected amount of the variable pay is recognised as a cost in the reporting period concerned.

Share-based payments

The cost of the group's liability in relation to stock option plans is the fair value of these instruments. This fair value is determined by means of the fair value of the shares on the allocation date. The total amount recognised as an expense over the vesting period is determined taking account of the fair value of the options granted. Conditions that must be met in order to make the options unconditionally are included in the assumptions when calculating the number of options that are expected to be exercisable. The group reviews the number of options that are expected to be exercisable at the end of each financial year. Any impact of this review is recognised in the income statement, together with an adjustment to the shareholders' equity over the remaining vesting period.

Tax on profits

The tax on profits includes the tax on profits and deferred taxes. Both taxes are recognised in the income statement, except in those cases where it concerns components that are part of the shareholders' equity. In this latter case, this is recognised via the shareholders' equity. The term 'tax on profits' is taken to mean that which is levied on the taxable income for the reporting period, calculated at the tax assessment rates applicable at the balance sheet date, as well as the adjustments to the tax due over previous reporting periods. Deferred taxes are calculated according to the balance sheet method and arise mainly from the differences between the book value of assets and liabilities in the balance sheet and the tax basis of those assets and liabilities. The amount of deferred tax is based on the expectations regarding the realisation of the book value of the assets and liabilities, whereby use is made of the tax assessment rates known on the balance sheet date.

A deferred tax liability is only recognised if it is sufficiently certain that the tax credit and the unused fiscal losses can be set off against taxable profits in the future. Deferred tax assets are reduced to the extent that it is no longer likely that the tax saving can be realised. Deferred taxes are also calculated on temporary differences arising from participations in subsidiaries, unless the group can decide on the time when the temporary difference is reversed and it is unlikely that the temporary difference will be reversed in the near future.

Income

Income is recognised if it is likely that the future economic benefits relating to the transaction will accrue to the Entity and the amount of the income can be determined reliably. Turnover is reported after tax and discounts.

Sale of goods: Income from the sale of goods is recognised if all the following conditions are met:
(a) the group has transferred the essential risks and benefits of owning the goods to the buyer;
(b) the group does not maintain actual control over the goods sold or the involvement that usually accrues to the owner;
(c) the amount of the revenue can be reliably determined;
(d) it is likely that the economic benefits relating to the transaction will accrue to the group, and
(e) the costs incurred or that will be incurred in relation to the transaction can be reliably valued.

In order to encourage customers to pay immediately, the group grants discounts for payments in cash. Such discounts are recognised as a reduction in the revenue at the time of invoicing.

Royalties: Royalties are recognised according to the attribution principle in accordance with the economic reality of the contract concerned.

Rental income: Rental income is recognised directly in the income statements on a linear basis, spread over the rental period.

Financial income: Financial income consists of interest received, dividends received, the exchange-rate revenues and the revenues from hedging instruments that are recognised in the income statement.

Interest: Interest is recognised on a proportional basis that takes account of the effective duration of the asset to which it relates (the effective interest method).

Dividends: Dividends are recognised at the time when the shareholder has been given the right to receive the payment thereof. Exchange rate differences from non-company activities and profits from hedging instruments for non-company activities are also presented under financial income.

Expenses

Expenses per type of cost are shown in the income statement. Expenses that relate to the reporting period or to previous reporting periods are recognised in the income statement, regardless of when the expenses are paid. Expenses can only be transferred to a subsequent period if they comply with the definition of an asset.

Purchases: Purchases of trade goods, raw and auxiliary materials and purchased services are recognised at cost price, after deduction of the permitted trading discounts.

Research and development, advertising and promotional costs and system development costs: Research, advertising and promotional costs are recognised in the income statement in the period in which they were incurred. Development costs and system development costs are recognised in the income statement in the period in which they were incurred if they do not meet the criteria for capitalisation.

Financing costs: Financing costs include such things as the interest on loans, exchange rate losses and losses on hedging instruments that are recognised in the income statement. Exchange rate differences from non-company activities and losses from hedging instruments for non-company activities are also presented under financing costs.

2. Group consolidation

The group consolidated statement for 2012 includes the Entity and 19 consolidated subsidiaries over which the Entity exercises control (Note 34). The consolidated financial statement for 2011 includes 20 consolidated subsidiaries.On 29 June 2012 Come a Casa and N.S. Vamos et Cie SA were merged by absorption, retroactively on 1 January 2012.

Furthermore, in 2011 the group, together with the shareholders of Stefano Toselli, established a 50/50 joint venture The Pasta Food Company Sp. Z.o.o. In 2011 SDF Foods Ltd., Ter Beke International BV and Ter Beke Holding BV were liquidated.

3. Reporting per segment and geographical region

Ter Beke is a food group, specialising in the development, production and sale of processed meats and fresh ready meals in Europe. At the end of 2012 the Ter Beke group had a workforce of 1,742 (2011: 1,790) (full-time equivalents on 31 December 2012 and the average number of temporary workers in 2012). The group's management structure and the internal and external reporting systems have been set up in accordance with these business activities.

Ter Beke's reporting format therefore covers the organisation around the two existing product groups:

- The Processed Meats business segment develops, produces and sells a range of processed meats including, salami, cooked ham, poultry, other cooked meats, patés and preserved meats.
- The Ready Meals business segment develops, produces and sells fresh ready meals including lasagne, pizza, pasta dishes and sauces.

The profit or loss of a segment includes the income and expenses generated directly by a segment, including that part of the income and expenses to be allocated that can reasonably be attributed to the segment. Financial costs and taxes are not attributed to the segments.

The assets and liabilities of a segment encompass the assets and liabilities directly pertaining to a segment, including the assets and liabilities that can reasonably be attributed to the segment. The assets and liabilities of a segment are shown excluding tax. Assets and liabilities per segment include the intangible non-current assets, goodwill, tangible non-current assets and the elements of the operational working capital. All other assets and liabilities have not been allocated to the business segments and are stated as 'not allocated'. Assets and liabilities per segment are proposed for elimination of inter-segment positions. Competitive conditions form the basis for intersegment transfer pricing. The investment expenses per segment include the cost of the acquired assets with an expected useful life of more than one year. In this segment reporting the same accounting principles are used as in the consolidated Financial statements.

The Processed Meats and Ready Meals divisions sell our products to a large customer base, which includes most large European discount and retail customers. Turnover with these customers is realised through a diversified number of contracts and products with various durations, under our own brand as well as under the customers' own brands, and in different countries. While our customer portfolio is diversified, the complete termination of a relationship with a large group of customers could have an impact on our operating activities.

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

Ter Beke's geographical information shows the five geographical regions in which the group is active - Belgium, the Netherlands, Great Britain, Germany and the rest of Europe. The rest of Europe includes France, Switzerland, Spain, Portugal, Ireland, Austria, Denmark, the Czech Republic and Poland.

The net turnover is split per region based on the geographical location of the external clients. The total assets and investment expenses are split per region based on the geographical location of the assets. The investment expenses per region include the cost price of the acquired assets with an expected useful economic life of more than one year.

Key data per business segment

	2012			2011		
	Processed Meats	Ready Meals	Total	Processed Meats	Ready Meals	Total
Segment income statement						
Segment Net turnover	288,728	132,350	421,078	274,011	129,704	403,715
Segment Results	6,370	10,136	16,506	7,195	10,451	17,646
Non-allocated results			-2,938			-2,313
Net financing cost			-2,424			-2,713
Tax			-3,120			-3,414
Share in businesses accounted for using the equity method			183			-200
Consolidated result			8,207			9,006
Segment balance sheet						
Segment assets	157,497	59,234	216,731	160,123	64,780	224,903
Non-allocated assets			32,826			28,033
Total consolidated assets			249,557			252,936
Segment liabilities	57,237	26,733	83,970	59,454	26,023	85,477
Non-allocated liabilities			165,587			167,459
Total consolidated liabilities			249,557			252,936
Other segment information						
Segment investments	9,231	1,739	10,970	9,486	4,217	13,703
Non-allocated investments			1,129			872
Total investments			12,099			14,575
Segment depreciation and non-cash costs	11,212	5,539	16,751	10,821	6,382	17,203
Non-allocated depreciation and non-cash costs			811			697
Total depreciation and non-cash costs			17,562			17,900

Key data per geographic region

Third party turnover	2012	2011
Belgium	181,804	171,055
Netherlands	152,499	146,618
UK	26,490	24,732
Germany	31,497	28,260
Other	28,788	33,050
	421,078	403,715

Assets per region	2012	2011
Belgium	176,487	181,989
Netherlands	49,166	46,669
Other	23,904	24,278
	249,557	252,936

Investments per region	2012	2011
Belgium	8,825	12,946
Netherlands	3,270	1,623
Other	4	6
	12,099	14,575

4. Operating revenues

	2012	2011	%
Sale of goods	421,078	403,715	4.3%

In 2012, the total group turnover increased by 4.3% from EUR 403.7 million to EUR 421.1 million.

Turnover in the Processed Meats Division increased by EUR 14.7 million. The increase in turnover is partially due to the increase in sales prices, which, nevertheless, on a full annual basis was still insufficient to compensate the increase in raw material prices. The increase is also caused by growth in the slicing and packaging activities.

Turnover in the Ready Meals Division increased by EUR 2.7 million, chiefly due to an increase in lasagne sales and despite the fact that a number of contracts in France were terminated, following the closure of industrial activities there.

5. Trade goods, raw and auxiliary materials

	2012	2011
Purchases	227,864	214,248
Change in stocks	-895	-535
Total	226,969	213,713

6. Services and miscellaneous goods

	2012	2011
Fee for third parties	19,011	19,970
Maintenance and repairs	13,364	14,825
Cost of marketing and sales	20,769	17,099
Transport Costs	14,428	14,522
Gas and electricity	9,270	9,195
Rent	6,045	5,878
Other	3,245	3,138
Total	**86,132**	**84,627**

Third party fees include remuneration for temporary labour, consultants and administrators.
The account 'other' includes items such as insurance and office expenses.

7. Wages and salaries

Wages and salaries in 2012 amounted to EUR 77,764,000 compared to EUR 72,742,000 in 2011.

Wages and salaries can be split up as follows:

	2012	2011
Wages and salaries	52,727	49,083
Social security contributions	17,330	16,150
Other wages and salaries	7,707	7,509
Total	**77,764**	**72,742**
Number of employees expressed in FTEs (excl. temporary employees)	1,474	1,494

The increase of EUR 5,000,000 in 2012 is mainly due to the Indexation of wages and EUR 1,700,000 for redundancy payments.

8. Impairments, write-offs and provisions

	2012	2011
Impairments	34	94
Provisions	217	-242
Total	**251**	**-148**

9. Other operating income and expenses

	2012	2011
Recovery of wage-related costs	1,321	768
Recovery of logistics costs	110	168
Government grants	114	0
Profits from the disposal of assets	116	85
Insurance recoveries	150	459
Amortization	-51	-53
Local tax	-1,126	-1,411
Compensation	40	83
Other	243	501
Total	**917**	**600**

10. Result of operating activities

	2012	2011
Current net profit from operating activities	13,948	15,333
Non-current loss of operating activities	-380	0
Profit from operating activities (EBIT)	**13,568**	**15,333**

In 2012, the group launched a new range of processed meats under the brand name Oligusto®. This is a range of processed meats enriched with olive oil and a lower total fat content. The launch costs for this have been recognised in the result of the first semester. The commercial start-up suffered some delays.

The new media campaign at the start of 2012 in the Come a casa® brand in Belgium has again resulted in an increasing market share. Come a casa® is increasingly fulfilling its leading position as captain of the fresh Mediterranean meals market.

The increased volumes, the price increases implemented and a far-reaching cost control and reduction were not able to entirely offset increased production costs (chiefly raw materials, energy and wages) and the costs of market investments. The changed product mix, with an increase in the sales of cheaper products at the expense of more expensive products caused by the general economic climate, curbed margin growth in the Processed Meats Division.

Hence, REBITDA amounts to EUR 33.1 million compared to EUR 33.2 million in 2011.

On 5 April 2012 the group announced its intention to terminate industrial activity at the site in Alby-sur-Chéran (France). In the meantime, these activities were effectively terminated on 30 June 2012. However, the group does retain its commercial activities in France for products that are produced at the Belgian Ready Meals Division sites (Marche-en-Famenne and Wanze). The cost of terminating these activities amounted to EUR 1.1 million. These costs, together with other dismissal expenses amounting to EUR 0.9 million, result in an EBITDA of EUR 31.1 million in 2012.

The total non-cash costs decreased by EUR 0.3 million to EUR 17.5 million in 2012.

This results in an EBIT of EUR 13.6 million in 2012 compared to EUR 15.3 million in 2011 (-11.5%).

As the 2012 non-cash costs comprise a one-time reversal of write-offs on the tangible non-currents assets in Alby-sur-Chéran for the sum of EUR 1.6 million, the non-recurring operational result amounts to EUR -0.3 million. Hence, the 2012 REBIT amounts to EUR 13.9 million compared to EUR 15.3 million in 2011 (-9.0%).

11. Financial income

	2012	2011
Interest income	189	44
Positive translation differences	41	0
Other	142	136
Total	**372**	**180**

12. Financial expenses

	2012	2011
Interest cost on loans	2,031	2,302
Interest cost on leasing	153	165
Negative translation differences	248	96
Bank charges	92	91
Other	272	239
Total	**2,796**	**2,893**

13. Tax

Tax booked in income statement	2012	2011
Tax on profits		
Financial year	2,999	3,285
Previous financial years	7	-119
Deferred tax liabilities		
Effect of temporary differences	114	248
Total tax in the income statement	**3,120**	**3,414**

The tax rate in Belgium amounts to 33.99% (2011: 33.99%). For the other countries, the tax rates applicable in those countries are used.

Relationship between tax burden and the accounting profit	2012	2011
Accounting profit before tax	11,144	12,620
Tax at Belgian tax rate	3,788	4,290
(2012 : 33.99% and 2011 : 33.99%)		
Effect of the different tax rates of the foreign companies	-513	-654
Effect of the expenses not deductible for tax purposes	578	524
Deferred tax assets and liabilities in result	0	0
Realisation of previously unrecognised deferred tax assets	-19	-251
Notional interest deduction	-467	-257
Other effects	-247	-238
Actual tax burden	**3,120**	**3,414**
Effective tax percentage	28.0%	27.0%

14. Goodwill

	2012	2011
Goodwill		
Start of the financial year	36,944	36,944
Acquisitions		
Transfers and decommissioning		
Translation differences		
End of the financial year	**36,944**	**36,944**
Impairments		
Start of the financial year	1,740	1,740
Impairment losses		
Transfers and decommissioning		
End of the financial year	**1,740**	**1,740**
Net book value	35,204	35,204

Goodwill arises when the cost price of a business combination at acquisition date exceeds the interest of the group in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. The group has elected to allocate the goodwill to its segments.

This choice is based on the fact that to date, the acquired business combinations had a risk profile which was almost identical to the previous business and/or that cash flows were fully aligned. Furthermore, these business combinations were fully integrated in the segment right from the acquisition date, whereby it was impossible to recognise, let alone monitor, any individual cash flows at a lower level. Management reporting is therefore at segment level.

Each year the group conducts an impairment analysis on this goodwill based on the discounted cash flow method. If the realisable value of the segment is lower than the book value, the impairment losses will first be allocated to the book value of the goodwill allocated to the unit and then to the other assets of the unit until in proportion to the book value of each asset in the segment.

In 2012 the goodwill amounted to EUR 29,096,000 (2011: EUR 29,096,000) for processed meats and EUR 6,108,000 (2011: EUR 6,108,000) for Ready Meals.

The above-mentioned 'impairment' analysis is based on:

- The budget estimate for the following year of the own operational cash flows for each segment individually. This budget estimate is the result of a detailed analysis of all known and estimated developments in turnover, margin and costs adjusted to the commercial environment for each segment. Here, equilibrium is sought between challenge and realism.
- These cash flows are extrapolated over five years bearing in mind:
  - Average turnover growth of the Ter Beke group over the previous ten years. Furthermore, senior management considers this percentage (+2.6%) (2011: 2.6%) to be a realistic estimate for the coming years for both segments.
  - Estimated EBITDA margin. This margin is in line with the projections for the coming year and with the longer term targets for each segment.
  - Estimated tax burden on the operational cash flow. Estimates are based on the average of the Belgian and Dutch and tax rates for processed meats and the higher Belgian rate for ready meals. This takes the tax flow taxation location into consideration.
  - For each year the cash flows calculated in this manner are adjusted with the estimated replacement investment required to maintain the current production facilities in an operational status and with the movement in working capital. This is different for each segment.
  - The cash flow as calculated above in the 5th year is extrapolated to the future without growth as a precaution to give the residual value.

- All these cash flows are capitalised at the weighted average cost of capital (WACC) of 7.53% (2011: 8.56%) after tax, as estimated by Bank Degroof. The calculation is based on a desired shareholders' equity/debt ratio of 35/65 (2011: 35/65), an average tax rate of 29% (2011: 29%), a return on investment of 10% (2011: 11.38%) and gross cost of loan capital of 4.1% (2011: 4.7%). The risks in both segments are sufficiently related to justify using one and the same WACC.

In both divisions, the realisable value exceeds the book value significantly (by more than 50%). This impairment analysis does not result in impairments in any segment.

If the discount rate is increased by 1%, the difference between the estimated realisable value and the book value decreases by 27% in Processed Meats and 18% in Ready Meals. If the ratio of EBITDA to sales decreases by 1% these differences decrease by 26% and 12% respectively. If the drop in the turnover growth after 2013 decreases by 1%, the difference between the estimated realisable value and the book value decreases by 6% in Processed Meats and 5% in Ready Meals.

15. Intangible non-current assets

	2012			2011		
	Software	Develop-ment costs	Total	Software	Develop-ment costs	Total
Acquisition value						
Start of the financial year	14,527	156	14,683	14,162	0	14,162
Group consolidation extension			0			0
Acquisitions	1,051	0	1,051	791	156	947
Transfers and decommissioning	-50	0	-50	-426	0	-426
Transfer from / to other entries			0			0
End of the financial year	**15,528**	**156**	**15,684**	**14,527**	**156**	**14,683**
Depreciation						
Start of the financial year	12,562	0	12,562	12,153	0	12,153
Group consolidation extension			0			0
Depreciation*	807	52	859	840	0	840
Transfers and decommissioning	-50	0	-50	-431	0	-431
End of the financial year	**13,319**	**52**	**13,371**	**12,562**	**0**	**12,562**
Net book value	2,209	104	2,313	1,965	156	2,121

In 2011 the group capitalised EUR 156,000 of costs for the development of innovative products which were launched during 2012 and 2013. In 2012 no additional costs for development activities were capitalised.

16. Tangible non-current assets

2012	Land and buildings	Installations, machines and equipment	Furniture and rolling equipment	Leasing	Other	Assets under construction	Total
Acquisition value							
Start of the financial year	96,475	223,795	2,774	1,964	81	715	325,804
Group consolidation extension							0
Acquisitions	854	8,334	164			1,696	11,048
Transfers and decommissioning	-97	-20,219	-90	-1,684			-22,090
Transfer from / to other entries	94	1,096				-1,190	0
Translation differences							0
End of the financial year	**97,326**	**213,006**	**2,848**	**280**	**81**	**1,221**	**314,762**
Depreciation							
Start of the financial year	51,434	159,009	2,368	1,902	81	0	214,794
Group consolidation extension							0
Depreciation*	3,004	14,705	147	31			17,887
Transfers and decommissioning	0	-19,735	-90	-1,684			-21,509
Translation differences							0
End of the financial year	**54,438**	**153,979**	**2,425**	**249**	**81**	**0**	**211,172**
Impairment							
Start of the financial year	1,797	445	2	0	0	0	2,244
Group consolidation extension							0
Addition*							0
Reduction*	-1,251	-340					-1,591
Transfers and decommissioning	-46	48	-2				0
End of the financial year	**500**	**153**	**0**	**0**	**0**	**0**	**653**
Net capital grants							
Start of the financial year	398	1,940	25	0	0	0	2,363
Group consolidation extension							0
New allocations							0
Other	-39	-1,355	-23				-1,417
Depreciation*	28	122	6				156
End of the financial year	**387**	**707**	**8**	**0**	**0**	**0**	**1,102**
Net book value as per 31 December 2012	42,001	58,167	415	31	0	1,221	101,835

2011	**Land and buildings**	**Installations, machines and equipment**	**Furniture and rolling equipment**	**Leasing**	**Other**	**Assets under construction**	**Total**
Acquisition value							
Start of the financial year	101,173	218,978	2,816	3,259	81	86	326,393
Group consolidation extension							0
Acquisitions	989	11,790	168			680	13,627
Transfers and decommissioning	-5,687	-7,019	-215	-1,295			-14,216
Transfer from / to other entries		46	5			-51	0
Translation differences							0
End of the financial year	**96,475**	**223,795**	**2,774**	**1,964**	**81**	**715**	**325,804**
Depreciation							
Start of the financial year	50,810	151,620	2,455	2,977	81	0	207,943
Group consolidation extension							0
Depreciation*	3,248	14,383	128	133			17,892
Transfers and decommissioning	-2,624	-6,994	-215	-1,208			-11,041
Translation differences							0
End of the financial year	**51,434**	**159,009**	**2,368**	**1,902**	**81**	**0**	**214,794**
Impairment							
Start of the financial year	2,997	445	2	0	0	0	3,444
Group consolidation extension							0
Addition*							0
Reduction*							0
Transfers and decommissioning	-1,200						-1,200
End of the financial year	**1,797**	**445**	**2**	**0**	**0**	**0**	**2,244**
Net capital grants							
Start of the financial year	478	2,521	33	0	0	0	3,032
Group consolidation extension							0
New allocations							0
Other		16					16
Depreciation*	-80	-597	-8				-685
End of the financial year	**398**	**1,940**	**25**	**0**	**0**	**0**	**2,363**
Net book value as per 31 December 2011	42,846	62,401	379	62	0	715	106,403

With respect to the takeover contract for the business units Pronto, Les Nutons and l'Ardennaise from Unilever Belgium NV, a 99-year ground lease contract was signed in July 1996 for the use of the land and buildings. The part for the buildings is recognised as financial leasing, the part for the land under operational leasing.

The lines selected with * in notes 15 and 16 are recognised in the amount of depreciations and impairments of non-current assets in the income statement. The reversal of the impairment in 2012 refers to the tangible non-current assets at the site in Alby-sur-Chéran.

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

17. Joint venture using equity method

The French Stefano Toselli (Caen, Normandy) and the Belgian listed company Ter Beke have agreed a joint venture to commercialise lasagne and pasta meals in Central and Eastern Europe. The business plan also includes the construction of an automated production site in Central Europe which will manufacture exclusively for the Central and Eastern European markets. For this purpose, a joint holding company (50/50) was established by Ter Beke and YHS Holdings (YHS), the holding company that controls Stefano Toselli. For Ter Beke, the agreements include a call option on the share of YHS in the joint venture as well as on the shares of Stefano Toselli. The valuation formulas for these call options, which may be exercised in 2018, are based on cash flows and on generally accepted market multiples. Within the framework of the long-term collaboration between the partners, in 2011 Ter Beke issued a EUR 5 million loan to YHS and in 2012 to DH & GS Holdings. These are interest-bearing loans and are guaranteed by a pledge on the shares in the joint venture structure.

This joint venture was established on 22 June 2011 in Opole (Poland) under the name Pasta Food Company. The group recognises this joint venture according to the equity method. This means that the investments are recognised in the balance sheet under the group's share (50%) in the equity of the joint venture. The joint venture's non-audited balance sheet and income statement are as follows (EUR x 1000):

	2012	2011
Services and miscellaneous goods	46	-404
Interests	320	4
Result after tax	**366**	**-400**

Abbreviated balance sheet	2012	2011
Tangible non-current assets	1,742	936
Other receivables	326	176
Cash and cash equivalents	7,970	8,036
Total Assets	**10,038**	**9,148**
Shareholder equity	9,795	8,662
Trade liabilities	243	486
Total liabilities	**10,038**	**9,148**

18. Other long-term receivables

	2012	2011
Receivables and securities in cash	131	133
Total	**131**	**133**

19. Long-term interest-bearing receivables

Within the framework of the long-term collaboration between the partners in the joint venture (see note 17), Ter Beke issued a EUR 5 million loan to YHS in 2011 and to DH & GS Holdings in 2012. These are interest-bearing loans and are guaranteed by a pledge on the shares in the joint venture structure. The loans mature on 31 March 2018.

	2012	2011
Long-term interest-bearing receivables	10,000	5,000
Total	**10,000**	**5,000**

20. Deferred tax assets and liabilities

The deferred tax assets and liabilities are attributable to the following categories :

	2012	2011
Debts	-81	-40
Tangible non-current assets	8,216	8,250
Receivables	813	561
Provisions	-333	-270
Transferred losses less other items	-131	-131
Deferred tax assets and liabilities	**8,484**	**8,370**

In 2012, the group did not acknowledge EUR 9,412,000 (EUR 8,068,000 in 2011) in deferred tax assets on tax deductible losses and EUR 352,000 (2011: EUR 416,000) of transferable notional interest deduction because it is insufficiently certain that these will be realised in the near future. These transferable losses are transferable with no time limitation, the transferable notional interest deduction is transferable for 7 years only. From 2011, the unused portion of the notional interest of the year is no longer transferable.

21. Stocks

	2012	2011
Raw and auxiliary materials	16,846	15,426
Work in progress	3,855	3,726
Finished products	4,476	5,106
Goods for resale	139	146
Total	**25,316**	**24,404**

22. Trade and other receivables

	2012	2011
Trade receivables	57,137	57,441
Receivable grants	0	1,396
VAT to be reclaimed	1,844	2,178
Tax to be reclaimed	6	790
Receivable from disposal of building in the Netherlands	0	916
Adjustment accounts	2,093	1,990
Receivable interest	11	20
Receivable compensation	0	40
Empties	3,765	4,090
Other	659	737
Total	**65,515**	**69,598**

Our trade receivables are not intrest-bearing.

The average number of days of customer credit for the group is 50 (2011: 52). This number of days is distorted because of the strong sales in the fourth quarter of both years. In 2012, impairments on trade receivables to the value of EUR 41,000 were recognised as a cost in the income statement (EUR 102,000 in 2011).

23. Cash and cash equivalents

	2012	2011
Current accounts	4,338	5,730
Cash	8	12
Total	**4,346**	**5,742**

24. Shareholder equity

The various components of the shareholder equity, together with the changes between 31 December 2011 and 31 December 2012 are shown in the Consolidated statement of changes in equity.

Capital
The Entity's issued capital amounted to EUR 4,903,000 on 31 December 2012, divided into 1,732,621 fully paid-up ordinary shares without nominal value. Dividends are payable on all these shares, which have the same voting rights.

Treasury shares reserve
The treasury shares reserve includes the acquisition value of the treasury shares held by the group.
On 31 December 2012 the group held 2.000 treasury shares compared to no treasury shares on 31 December 2011.

Exchange rate differences
The exchange rate differences include both the exchange rate differences arising from the conversion of the annual income statements of foreign activities that are not considered as being activities of the Entity itself, and the exchange rate differences arising from the conversion of the liability that covers the net investment of the Entity in a foreign entity.

Dividends

On 28 February 2013, the Board of Directors proposed paying out EUR 4,331,552.50 or EUR 2.50 per share. This dividend has not yet been approved by the Ter Beke General Meeting of Shareholders and has therefore not yet been recognised in the accounts.

25. Employee benefits

Provisions for pensions and similar liabilities

The group and its subsidiaries provide for pension schemes and other employee benefits. On 31 December 2012 the total net debt for pension schemes and similar liabilities was EUR 1,656,000. This was EUR 1,510,000 on 31 December 2011.

	Obligations under IAS 19 Defined benefit plan	**Other provisions**	**Total provisions**
1 January 2011	**1,566**	**225**	**1,791**
Group consolidation extension			0
Service costs	92		92
Interest costs	80		80
Actuarial effect			0
Payments			0
Allocations and redemptions	-175	-67	-242
Other	-53		-53
31 December 2011	**1,510**	**158**	**1,668**
Group consolidation extension			0
Service costs	12		12
Interest costs	86		86
Actuarial effect			0
Payments			0
Allocations and redemptions	25	192	217
Other	23		23
31 December 2012	**1,656**	**350**	**2,006**

IAS 19	2012	2011
Liabilities recognised in the balance sheet regarding defined benefit plan obligations Not recognised in the balance sheet	1,656	1,510
Past service pension costs	-11	-24
Defined benefit pension schemes	**1,667**	**1,534**
Net liability / (asset)	**1,656**	**1,510**
Of which liabilities	2,026	1,840
Of which investments in investment funds	-370	-330
Amounts recognised in the income statement:		
Pension costs allocated to the year of employment	102	111
Interest charges	86	80
Expected return on investments in investment funds	-13	-13
Recognised actuarial (profits)/losses	169	39
Past service pension costs	-15	-19
Losses/ (profits) from curtailments or settlements	-108	0
Cost recognised in the income statement regarding defined benefit pension schemes	**221**	**198**
Present value of the gross liability at the beginning of the year	**1,840**	**1,861**
Employer's contributions	-89	-153
Pension costs allocated to the year of employment	221	198
Other	54	-66
Present value of the gross liability at the end of the year	**2,026**	**1,840**
Fair value of the investments in investment funds at the beginning of the year	**-330**	**-295**
Expected employer's contributions	-27	-131
Expected benefits paid (excl. interest)	18	130
Expected return on investments in investment funds	-14	-14
Expected value of the investments in investment funds at the end of the year	**-353**	**-310**
Fair value of the investments in investment funds at the end of the year	**-370**	**-330**
Actual employer's contributions	-28	-153
Actual benefits paid	5	127
Actuarial profit (losses) on the investments in investment funds	-3	4

The primary actuarial assumptions are:

	2012		2011	
	Belgium	France	Belgium	France
Discount rate	3.00%	3.40%	5.10%	4.70%
Future salary increases including inflation	2.50%	4.00%	2.50%	4.00%
Inflation	2.00%	2.00%	2.00%	2.00%

Defined Contribution

The Ter Beke companies contribute to public or privately managed pension or insurance funds under the fixed contribution schemes relating to employee benefits. Once the contribution is paid, the group's companies have no further payment liabilities. The periodic contributions constitute a cost for the year in which they are owed. In 2012 this cost amounted to EUR 2,057,000. In 2011 this was EUR 1.846,000.

The other provisions consist of restructuring provisions and redundancy payments. Costs regarding IAS 19 are booked under personnel costs. The interest component is recognised in the financial result.

26. Interest-bearing liabilities

2012	Maturity period Within the year	Between 1 and 5 years	After 5 years	Total
Interest-bearing obligations				
Credit institutions	26,171	27,115	12,515	65,801
Lease liabilities	20	1		21
Total	**26,191**	**27,116**	**12,515**	**65,822**

2011	Maturity period Within the year	Between 1 and 5 years	After 5 years	Total
Interest-bearing obligations				
Credit institutions	30,329	32,559	7,417	70,305
Lease liabilities	35	21	0	56
Total	**30,364**	**32,580**	**7,417**	**70,361**

Loans from credit institutions include:

- long-term loans with a fixed interest rate for EUR 26,415,000;
- long-term loans for which the interest rates are regularly reviewed for agreed periods of less than one year for EUR 28,084,000;
- short term loans for agreed periods of less than one year for EUR 11,300,000.

	2012	2011
Loans with fixed interest rate	3.47%	4.07%
Loans with variable interest rate	1.72%	2.79%

Minimum payments to credit institutions (including interest) in 2012:

	2012	2011
- less than 1 year	27,371	32,148
- more than 1 year and less than 5 years	28,826	35,090
- more than 5 years	12,655	8,017

The group has sufficient short-term credit lines to fulfil its short-term requirements. The group did not pledge any assets, nor were any guarantees given by third parties to obtain the credit lines with the institutions mentioned above. The financial covenants are based on the net debt to EBITDA ratio and the consolidated equity to total consolidated assets ratio. The group conforms to these covenants in 2012 and 2011.

The minimum financial lease payments (including interests) are:

	2012	2011
- less than 1 year	21	37
- more than 1 year and less than 5 years	1	21
- more than 5 years	0	0

The group leases certain assets under financial leasing. The average duration is 3 years. The interest payable was established at the start of the contract. All lease contracts have a fixed repayment scheme. In all cases the underlying asset is the legal property of the leasing company.

27. Trade liabilities and other debts

	2012	2011
Trade liabilities	58,959	57,372
Dividends	89	106
Other	3,808	5,395
Total	**62,856**	**62,873**
Of which empties	2,684	3,143

Most trade liabilities have a due date of 60 days or 30 days from invoice date.

28. Risks arising from financial instruments

Exposure to risks associated with interest rates and exchange rates are a consequence of the normal conduct of the group's business activities. Derived financial instruments are used to limit these risks. The group's policy forbids the use of derivative financial instruments for trading purposes.

Interest risk

The interest risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market interest rates.

In 2011 the company agreed a CAP without repayments for EUR 5,000,000 for which interest rate increases have been limited to a pre-determined rate until 31 March 2016. The market value at 31 December 2012 amounted to EUR 5,000 (EUR 34,000 in 2011).

Exchange rate risk

The exchange rate risk consists of possible fluctuations in the value of financial instruments resulting from exchange rate fluctuations. The group is exposed to an exchange rate risk on the sales, procurement and interest-bearing loans and borrowings expressed in a currency other than the company's local currency, for example, the British pound. On 31 December 2012, the group had a net position in Pound Sterling of GBP 2,069,000, on 31 December 2011 this position was GBP 2,451,000.

As hedge against exchange rate risk, on 31 December 2011 the group had an option contract for the sale of GBP 3,1000,000 for EUR and forward contracts for the sale of GBP 2,435,000 for EUR. On 31 December 2012 the group had option contracts for the sale of GBP 2,000,000 for EUR and forward contracts for the sale of GBP 3,940,000 for EUR.

Credit risk

The credit risk is the risk that one of the contracting parties fails to honour its obligations with regard to the financial instrument, giving rise to a loss for the other party. The Processed Meats and Ready Meals divisions sell our products to a large customer base, which includes most large European discount and retail customers. Turnover with these customers is realised through a diversified number of contracts and products with various durations, under our own brand as well as under the customers' own brands, and in different countries. The management has worked out a credit policy and exposure to the credit risk is monitored continually.

- Credit risks on trade receivables: credit risks on all customers are monitored constantly

- Credit risks on cash and cash equivalents and short-term investments: short-term investments are made in easily-tradable securities or in fixed-term deposits in reputable banks.

- Transactions with derivative financial instruments: transactions with derivative financial instruments are only permitted with counter-parties who have a high degree of creditworthiness.

The maximum credit risk for all these exposures equals the balance sheet amount. Trade receivables are subject to standard terms of payment. There are no important outstanding and due amounts per closing date.

Liquidity risk

The liquidity risk is the risk that the group cannot honour its financial obligations. The group limits this risk by monitoring the cash flows on a continuous basis and ensuring that sufficient credit lines are available. See also note 26.

29. Operational leasing

The group leases its cars and a number of freight vehicles under a number of operational leasing contracts. At the end of 2010 the group signed an operational lease agreement for a new state of the art value added logistics platform in Wijchen, where Ter Beke has now centralised the slicing activities of Langeveld/Sleegers and all the Dutch logistic activities. Future payments under this non-terminable operational leasing contracts amount to:

	2012	2011
- less than 1 year	2,199	2,182
- more than 1 year and less than 5 years	7,179	7,281
- more than 5 years	12,610	14,083
Total	**21,988**	**23,546**

30. Off balance sheet rights and obligations

The group has not set up any sureties as a guarantee for debts or obligations to third parties.

The total purchase obligations concerning major investment projects for which the respective contracts had already been assigned or orders placed amounted on 31 December 2012 to EUR 1,712,000 (2011: EUR 885,000).

31. Transaction with affiliated parties

Transactions with directors and members of the executive committee

The compensation policy was prepared by the Remuneration and Nomination Committee and approved by the Board of Directors. The compensation paid to the executive directors and members of the Executive Committee is structured in a fixed part, a variable part that is defined as a function of an evaluation by the Remuneration and Nomination Committee, and long-term incentives such as a pension plan. As from 1 January 2006, the compensation policy was included as an integral part of the Corporate Governance Charter of the group. The remunerations of the members of the Board of Directors and the Executive Committee in relation to the financial year 2011 can be summarised as follows:

We also refer to the remuneration report in the declaration of corporate governance (see above).

in EUR million	2012	2011
Remuneration Board members Ter Beke NV for the execution of their mandate	0.2	0.2
Total cost for the CEO, excluding the remuneration paid for the execution of their Board membership within Ter Beke NV	0.4	0.4
Total cost to the group for members of the Executive Committee, excluding the remuneration paid for the execution of their Board membership within Ter Beke NV	2.1	2.1

Transactions with other parties

Transactions with affilliated parties primarily concern commercial transactions and are based on the 'at arms length' principle; the costs and revenues relating to these transactions are immaterial within the framework of the consolidated income statement.

For 2012 and 2011 no reports were received from directors or management within the framework of the provisions concerning related transactions, as included in the Corporate Governance Charter. For the application of the conflict of interest rules (articles 523 and 524 of the Belgian Company Code) we refer to the annual report chapter on Corporate Governance (see above).

In 2011, EUR 237,000 in costs was charged to Pasta Food Company (joint venture in Poland) and none in 2012. These costs will be paid in 2013.

On 1 September 2012 an agreement was signed with Seneca NV, represented by Mr Luc De Bruyckere, former member of the Board of Directors, agreeing that this organisation will provide interim support regarding the transition of the office of Chairman of the Board of Directors. The impact this has on the 2012 results is EUR 140,000.

32. Profit per share

Basic profit per share

The calculation of the basic profit per share is based on assigning a net profit to the ordinary shareholders of EUR 8,326,000 (2011: EUR 9,006,000) and a weighted average number of outstanding ordinary shares during the year of 1,732,621 (2011: 1,732,621). This does not taken into account the 2,000 treasury shares repurchased on 31 December 2012 (0 on 31 December 2011).

The weighted average number of outstanding ordinary shares was calculated as follows:

Calculation of profit per share	2012	2011
Number of outstanding ordinary shares on 1 January financial year	1,732,621	1,732,621
Effect of issued ordinary shares	0	0
Weighted average number of outstanding ordinary shares on 31 December financial year	1,732,621	1,732,621
Net profit	8,207	9,006
Average number of shares	1,732,621	1,732,621
Profit per share	**4.74**	**5.20**

Diluted profit per share

When calculating the profit per share after dilution, the weighted average number of shares is adjusted by taking account of all the potential ordinary shares that could give rise to dilution. In 2012 and 2011 there were no potential ordinary shares that could give rise to dilution.

Calculation of diluted profit per share	2012	2011
Net profit	8,207	9,006
Average number of shares	1,732,621	1,732,621
Dilution effect warrant plans	0	0
Adjusted number of shares	1,732,621	1,732,621
Diluted profit per share	**4.74**	**5.20**

33. Impact of business combinations

No business combinations were conducted in 2011 and 2012.

34. Group companies

The parent company of the group, Ter Beke NV, Beke 1, B-9950 Waarschoot, Belgium, was directly or indirectly the parent company of the following companies as per 31 December 2012:

Name and full address of the company	Effective holding in %
Ter Beke Vleeswarenproduktie NV - Beke 1, 9950 Waarschoot - Belgium	100
Heku NV - Ondernemingenstraat 1, 8630 Veurne - Belgium	100
Ter Beke Immo NV - Beke 1, 9950 Waarschoot - Belgium	100
FreshMeals Nederland BV - Bijsterhuizen 24/04, 6604 LL Wijchen - Netherlands	100
FreshMeals Ibérica SL - Via de las Dos Castillas , 33 Complejo Empresarial Atica, Edificio 6, Planta 3a - Officina B1, 28224 Pozuelo de Alarcon, Madrid - Spain	100
Ter Beke Luxembourg SA - 534, rue de Neudorf - 2220 Luxembourg - Luxemburg	100
Les Nutons SA - Chaussée de Wavre 259 A, 4520 Wanze - Belgium	100
Come a Casa SA - Chaussée de Wavre 259 A , 4520 Wanze - Belgium	100
Ter Beke France SA - Parc d'Activités Annecy - La Ravoire - Metz-Tessy, 74371 Pringy Cedex - France	100
Berkhout Langeveld BV - Bijsterhuizen 24/04, 6604 LL Wijchen - Netherlands	100
Langeveld/Sleegers BV - Bijsterhuizen 24/04, 6604 LL Wijchen - Netherlands	100
TerBeke-Pluma NV - Antoon Van der Pluymstraat 1, 2160 Wommelgem - Belgium	100
Pluma NV - Antoon Van der Pluymstraat 1, 2160 Wommelgem - Belgium	100
Binet SA - Route de Hermée 2, 4040 Herstal - Belgium	100
TerBeke-Pluma UK Ltd - Hillbrow Road, Esher, Surrey KT10 9NW - UK	100
Pluma Fleishwarenvertrieb GmbH - Nordstrasse 30, 47798 Krefeld - Germany	100
TerBeke-Pluma Nederland BV - Bijsterhuizen 24/04, 6604 LL Wijchen - Netherlands	100
FreshMeals NV - Beke 1, 9950 Waarschoot - Belgium	100
H.J. Berkhout Verssnijlijn BV - Scheepmakerstraat 5 , 2984 BE Ridderkerk - Netherlands	100
Pasta Food Company Sp. z.o.o. - Aleje Jerozolimskie 56C - 00-803 Warszawa - Poland	50

35. Events after year-end

On 7 January 2013 Marc Hofman announced that he had accepted the position of CFO with the Colruyt Group and consequently had resigned his position of Managing Director and Chairman of the Executive Committee at the Ter Beke group with immediate effect.

The Board of Directors decided to appoint one of its members, Dirk Goeminne, as CEO ad interim.

36. Fees of the statutory auditor

In relation to the financial year 2012, the Statutory Auditor and the companies with whom the Statutory Auditor has a working relationship, invoiced to the group additional fees for a total amount of EUR 42,000. These fees concern mainly tax consultancy assignments. The Statutory Auditor invoiced the Ter Beke Group a fee of EUR 179,000 with regard to the statutory audit.

Abbreviated financial statements of Ter Beke NV

Balance sheet

	2012	2011
Fixed assets	**91,902**	**91,579**
I. Formation expenses	0	0
II. Intangible fixed assets	100	0
III. Tangible fixed assets	2,112	1,887
IV. Financial fixed assets	89,690	89,692
Current assets	**100,669**	**92,224**
V. Amounts receivables after more than 1 year	10,020	5,020
VI. Stocks	0	0
VII. Amounts receivables after within 1 year	89,217	86,491
VIII. Current investments	96	0
IX. Cash and cash equivalents	1,033	430
X. Accrued and deferred accounts	303	283
Total assets	**192,571**	**183,803**
Shareholder equity	**76,019**	**77,527**
I. Capital	4,903	4,903
II. Share premiums	48,288	48,288
IV. Reserves	3,360	3,360
Legal reserves	*649*	*649*
Unavailable reserves	*1,553*	*1,551*
Tax-free reserves	*679*	*679*
Available reserves	*479*	*481*
V. Transferred result	19,468	20,976
Provisions and deferred taxes	**0**	**0**
Debts	**116,552**	**106,276**
X. Debts payable after 1 year	13,000	9,000
XI. Debts payable within 1 year	103,539	97,235
XII. Accrued and deferred accounts	13	41
Total liabilities	**192,571**	**183,803**

Income statement

	2012	2011
Operating income	**12,158**	**11,859**
Turnover	0	0
Change in stocks	0	0
Produced fixed assets	0	0
Other operating income	12,158	11,859
Operating costs	**11,618**	**11,353**
Trade goods, raw and auxiliary materials	0	0
Services and miscellaneous goods	7,632	7,514
Remuneration, social security costs and pensions	3,172	3,118
Depreciation and write-offs on intangible fixed assets and tangible fixed assets	804	712
Write-offs on stocks and trade receivables	0	0
Provisions for risks and costs	0	0
Other operating costs	10	9
Operating result	**540**	**506**
Financial income	3,510	4,299
Financial charges	-730	-968
Result from ordinary business operations before tax	**3,320**	**3,837**
Exceptional income	0	0
Exceptional charges	0	-1
Profit before tax	**3,320**	**3,836**
Tax on profits	-497	-545
Result for the financial year after tax	**2,823**	**3,291**

The accounting principles and conversion rules for the statutory financial statements of the parent company meet the Belgian standards (BE GAAP). The consolidated financial statements were drawn up in accordance with the IFRS. These accounting principles differ widely from each other.

The statutory auditor has given an unqualified audit opinion on the financial statements of Ter Beke NV.

The comprehensive financial statements, the statutory auditor's unqualified audit opinion as well as the statutory annual report, which is not included in its entirety in this annual report, will be published in accordance with the statutory provisions and can be obtained free of charge upon request.

Declaration by the responsible persons

The undersigned, Dirk Goeminne, Chief Executive Officer, and René Stevens, Chief Financial Officer, declare that, to the best of their knowledge:

- the financial statements for the financial year 2012 and 2011, which have been prepared in accordance with the International Financial Accounting Standards (IFRS), give a true and fair view of the equity, of the financial status and of the results of Ter Beke NV and the companies included in the consolidated accounts;

- the annual report gives a true picture of the development and the results of the company and the position of Ter Beke NV and the companies included in the consolidated accounts, as well as a description of the main risks and uncertainties with which they are confronted.

René Stevens
Chief Financial Officer

Dirk Goeminne*
Managing Director

* Represented by NV Fidigo

Statutory auditor's report on the consolidated financial statements*

Ter Beke NV
Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2012

To the shareholders

As required by law, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the consolidated financial statements as defined below together with our report on other legal and regulatory requirements.

Report on the consolidated financial statements – Unqualified opinion

We have audited the accompanying consolidated financial statements of Ter Beke NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 249,557 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 8,207 (000) EUR.

Responsibility of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

* The original text of this report is in Dutch

of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Ter Beke NV give a true and fair view of the group's net equity and financial position as of 31 December 2012, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements. In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comment which does not modify the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is, for all significant aspects, in agreement with the consolidated financial statements and is not in obvious contradiction with any information obtained in the performance of our mandate.

Kortrijk, 12 April 2013

The statutory auditor

DELOITTE Bedrijfsrevisoren/
Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by

Dirk Van Vlaenderen
Kurt Dehoorne

Stock and shareholder information

Share Quotation

On 31 December 2012, the capital of Ter Beke was represented by 1,732,621 shares. The shares are quoted on the spot market (continuous market) of Euronext Brussels (symbol: TERB). In order to promote the share's liquidity, in 2001 Ter Beke concluded a liquidity provider agreement with Bank Degroof. The shareholder structure was included in the Corporate Governance Statement (see above).

Share related instruments

As at 31 December 2012 there were no share related instruments, such as stock options or warrants in circulation.

Dividend

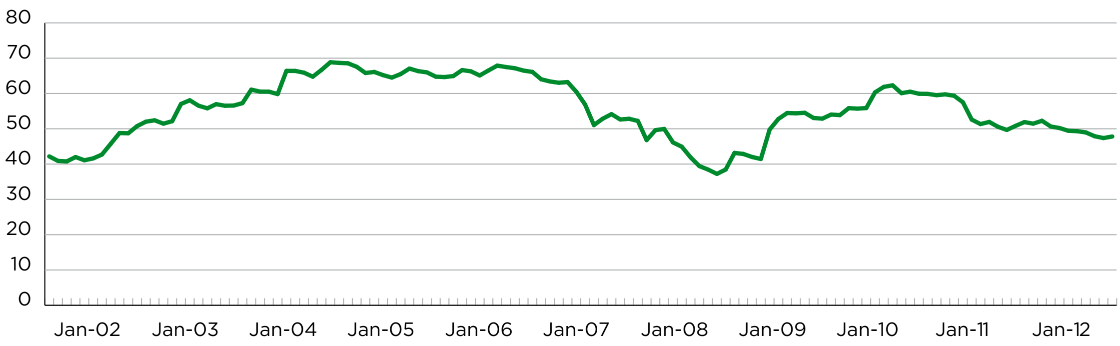
Ter Beke wishes to offer its shareholders a competitive yield through an annual dividend payment. The Board of Directors will submit a proposal to the General Meeting of Shareholders to be held on 30 May 2013 to distribute a gross dividend of EUR 2.50 per share over 2012.

Subject to the approval of the General Meeting of Shareholders on 30 May 2013, the net dividend per share will be payable from 14 June 2013 on presentation of coupon no. 25 at the counters of BNP Paribas Fortis, KBC, ING, Bank Degroof and Petercam NV.

TERB
LISTED
NYSE
EURONEXT

Stock price evolution

The actual price of the Ter Beke share can be consulted at all times on the websites www.terbeke.com and www.euronext.com.



Monitoring by financial analysts

The share of Ter Beke was followed in 2012 by the analysts of Bank Degroof and KBC Securities. The analyst reports were published on the Ter Beke company website www.terbeke.com, under Investor Relations.

Proposals to the General Meeting of Shareholders

The Board of Directors proposes the following to the General Meeting of Shareholders to be held on 30 May 2013:

- approval of the financial statement as per 31 December 2012 and consent to the processing of the result. The non-consolidated profit for the financial year is EUR 2,823,352.23;
- the payment of a gross dividend of EUR 2.50 per share, payable as of 14 June 2013 (ex-coupon on 11 June 2013);
- resignation of Luc De Bruyckere as director as per 31 August 2012;
- the reappointment of SA Sparaxis, represented by Thierry Balot, as independent director in the sense of Articles 524 and 526ter of the Belgian Company Code, for a period of four years commencing immediately after the General Meeting of 30 May 2013 and expiring at the General Meeting of 2017;
- to grant discharge to the members of the Board of Directors and the Statutory Auditor for the execution of their mandate in 2012;
- the reappointment of Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Mr. Kurt Dehoorne, as Statutory Auditor for a period of three years expiring at the General Meeting of 2016.
- to decide on the remuneration report in a separate vote;
- the approval of the fixed annual fee of the directors for the performance of their duties in 2013, amounting to EUR 228,000.

Financial calendar

Trading update Q1 2013	3 May 2013 before market opening
Shareholders' Meeting	30 May 2013 at 11 am
Share quoted ex-coupon	11 June 2013
Dividend payment	14 June 2013
Results first semester 2013	29 August 2013 before market opening
Trading update Q3 2013	8 November 2013 before market opening
Annual results 2013	30 April 2014 at the latest

Contact information

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Website: www.terbeke.com

Ready Meals

NV FRESHMEALS
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RPR Gent 0884.649.304

LES NUTONS SA
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6900 Marche-en-Famenne

COME A CASA SA
Chaussée de Wavre 259a - B-4500 Wanze
RPM Huy 0446.434.778

TER BEKE FRANCE SA
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RCS Annecy 309 507 176

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ES B 82656521

FRESHMEALS NEDERLAND BV
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KvK Utrecht 200.53.817

PASTA FOOD COMPANY
Al. Jerozolimskie 56C
00-803 Warszawa
Poland
KRS 0000403908

Processed Meats

NV TERBEKE-PLUMA
Antoon Van der Pluymstraat 1 - B-2160 Wommelgem
RPR Antwerpen 0475.089.271

NV PLUMA
Antoon Van der Pluymstraat 1 - B-2160 Wommelgem
RPR Antwerpen 0404.057.854

BINET SA
Route de Hermée 2 - B-4040 Herstal
RPM Herstal 0454.335.528

NV TER BEKE VLEESWARENPRODUKTIE
Beke 1 - B-9950 Waarschoot
RPR Gent 0406.175.424

NV HEKU
Ondernemingenstraat 1 - B-8630 Veurne
RPR Veurne 0436.749.725

BERKHOUT LANGEVELD BV
Bijsterhuizen 24/04 - NL-6604 LL Wijchen
KvK Limburg Noord 12032497

LANGEVELD/SLEEGERS BV
Bijsterhuizen 24/04 - NL-6604 LL Wijchen
KvK Limburg Noord 12036519

H.J. BERKHOUT VERSSNIJLIJN BV
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KvK Rotterdam 24140598

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Esher Surrey - UK-KT10-9NW
Company House n° 1935226

PLUMA FLEISCHWARENVERTRIEB GMBH
Nordstrasse 30 - D-47798 Krefeld
117 / 5830 / 1047 - DE 123 114 501

TERBEKE-PLUMA NEDERLAND BV
Bijsterhuizen 24/04 - NL-6604 LL Wijchen
KvK Amsterdam 18024675

The Dutch version of this annual report is regarded as the sole official version.

Ce rapport annuel est également disponible en français.
Dit jaarverslag is ook verkrijgbaar in het Nederlands.

Our thanks go out to all our employees, whose involvement in the achievement of the company's objectives and whose dynamism enables us to attain the reported results and to have confidence in the future.

Creation, lay-out and coordination:
www.thecrewcommunication.com

Fresh Food Group