



**HALF YEAR FINANCIAL REPORT
FIRST SEMESTER 2015**

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

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TER BEKE GROUP PER 30 JUNE 2015

CONDENSED CONSOLIDATED BALANCE SHEET

in '000 EUR	<u>30/06/2015</u>	<u>31/12/2014</u>
Assets		
Non-current assets	141.446	140.926
Goodwill	35.204	35.204
Intangible non-current assets	4.519	3.415
Tangible non-current assets	87.404	88.021
Joint venture using equity method	3.372	3.675
Loans to joint venture	850	500
Deferred tax assets		0
Other long term receivables	97	111
Long-term interest-bearing receivables	10.000	10.000
Current assets	79.884	91.799
Stocks	21.954	20.297
Trade- and other receivables	54.957	60.777
Cash and cash equivalents	2.973	10.725
Total assets	221.330	232.725
Liabilities		
Shareholders equity	103.017	102.815
Capital and issue premiums	53.191	53.191
Reserves	49.826	49.624
Non-controlling interests		0
Deferred tax liabilities	6.615	6.670
Long-term liabilities	34.184	38.547
Provisions	2.329	2.288
Long-term interest-bearing liabilities	31.855	36.259
Other long-term liabilities		
Short-term liabilities	77.514	84.693
Short-term interest-bearing obligations	14.965	14.032
Trade liabilities and other debts	50.947	57.578
Social liabilities	10.113	10.946
Tax liabilities	1.489	2.137
Total liabilities	221.330	232.725

CONDENSED CONSOLIDATED INCOME STATEMENT

in '000 EUR	<u>30/06/2015</u>	<u>30/06/2014</u>
		Revised
Revenu	191.409	199.298
Trade goods, raw and auxiliary materials	-99.081	-109.448
Services and miscellaneous goods	-38.312	-36.265
Wages and salaries	-38.017	-38.885
Depreciation costs	-8.092	-8.788
Impairments, write-offs and provisions	66	26
Other operating income and expenses	-506	8
Result of operating activities	7.467	5.946
Financial income	131	85
Financial expenses	-1.029	-863
Result of operating activities after net financing expenses	6.569	5.168
Tax	-1.799	-1.522
Result after tax before share in the result of enterprises accounted for using the equity method	4.770	3.646
Share in enterprises accounted for using the equity method	-389	-217
Profit of the period	4.381	3.429
Basic profit per share	2,53	1,98
Diluted profit per share	2,53	1,98

CONDENSED COMPREHENSIVE INCOME

in '000 EUR	<u>30/06/2015</u>	<u>30/06/2014</u>
Profit of the reported period	4.381	3.429
Other elements of the result recognised in the shareholders' equity		
Other elements of the result that can subsequently be reclassified to the results		
Translation differences	179	36
Cashflow hedge	5	
Other elements of the result that cannot subsequently be reclassified to the results		
Revaluation of net liabilities regarding defined benefit pension schemes	-34	-140
	12	
Comprehensive income	4.543	3.325

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in '000 EUR	<u>Capital</u>	<u>Capital reserves</u>	<u>Share premiums</u>	<u>Reserved profits</u>	<u>Translation differences</u>	<u>Total</u>	<u>Number of shares</u>
Balance on 31 December 2013	4.903	0	48.288	46.420	-122	99.489	1.732.621
Equity increase						0	
Treasury share reserve						0	
Dividend				-4.331		-4.331	
Result of the period				3.429		3.429	
Other elements of the comprehensif result of the period				-140	36	-104	
Comprehensif result for the period				3.289	36	3.325	
Movements via reserves							
-Result from treasury shares				-10		-10	
Balance on 30 June 2014	4.903	0	48.288	45.368	-86	98.473	1.732.621
Equity increase						0	
Treasury share reserve						0	
Dividend						0	
Result of the period				4.703		4.703	
Other elements of the comprehensif result of the period				-266	-85	-351	
Comprehensif result for the period				4.437	-85	4.352	
Movements via reserves							
-Result from treasury shares				-10		-10	
Balance on 31 December 2014	4.903	0	48.288	49.795	-171	102.815	1.732.621
Equity increase						0	
Treasury share reserve				-4331		-4331	
Dividend				4381		4381	
Result of the period							
Other elements of the comprehensif result of the period				-17	179	162	
Comprehensif result for the period				4.364	179	4.543	
Movements via reserves							
-Result from treasury shares				-10		-10	
Balance on 30 June 2015	4.903	0	48.288	49.818	8	103.017	1.732.621

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

in '000 EUR	<u>30/06/2015</u>	<u>30/06/2014</u> Revised
Operating activities		
Result of operating activities	7.467	5.946
Adjustments for:		
-Depreciation	8.092	8.788
-Change in impairments and write-offs	0	0
-Change in provisions	-66	-26
-Proceeds from the sale of fixed assets	24	-17
Changes in net operating capital		
-Changes in stock	-1.657	1.442
-Changes in trade and other receivables	5.814	8.622
-Changes in trade and other liabilities	-6.478	-7.099
-Changes in other items	88	43
Cash from operating activities	13.284	17.699
Tax paid	-2.262	-2.241
Net cash from operating activities	11.022	15.458
Investing activities		
Proceeds from the sale of tangible fixed assets	0	38
Investments in intangible fixed assets	-1.454	-811
Investments in tangible fixed assets	-8.275	-5.237
Net investments in financial fixed assets	15	-3
Net investments in loan to joint venture	-350	-500
Investments in third party loans		0
Takeover of subsidiaries		0
Net cash used in investing activities	-10.064	-6.513
Financing activities		
Proceeds from treasury share purchase	-10	-10
Proceeds from take-up of new loans	3.400	8.450
Dividend payments to shareholders	-4.331	-4.330
Interest paid (through P&L account)	-548	-771
Loan settlement	-6.871	-9.501
Repayment of financial leasing liabilities	0	-1
Other financial resources/(expenses)	-350	-8
Net cash from financing activities	-8.710	-6.171
Net change in cash and cash equivalents	-7.752	2.774
Cash funds at the beginning of the year	10.725	6.911
Cash funds at the end of the year	2.973	9.685

2. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ON THE COMPANY

Ter Beke (Euronext Brussel: TERB) is an innovative Belgian fresh foods concern that markets its assortment in 10 European countries. The group has 2 core activities: processed meats and fresh ready meals; it has 7 industrial sites in Belgium and the Netherlands and employs approximately 1,650 people. Ter Beke generated a turnover of EUR 399.7 million in 2014.

Processed Meats Division:

- producer and slicer of processed meats for the Benelux, the UK and Germany;
- 2 production plants in Belgium (Wommelgem and Waarschoot) and 5 centres for the slicing and packaging of processed meats, 3 of which are in Belgium (Wommelgem, Waarschoot and Veurne) and 2 in the Netherlands (Wijchen and Ridderkerk);
- innovating in the pre-packed processed meats segment;
- distribution brands and own brand names L'Ardennaise[®], Pluma[®] and Daniël Coopman[®];
- employs approximately 1050 staff.

Ready Meals Division:

- produces fresh ready meals for the European market;
- market leader in chilled lasagne in Europe;
- 7 highly automated production lines in 2 specialized production sites in Belgium (Wanze and Marche-en-Famenne);
- brand names Come a casa[®] and Vamos[®] in addition to distribution brands;
- employs approximately 600 staff;
- joint venture The Pasta Food Company established in Poland (2011).

DECLARATION OF CONFORMITY

The above condensed interim consolidated financial statements are set up in accordance with IAS-34 interim financial reporting, as accepted by the EU. These statements do not contain all information required for full annual accounts and need to be read together with the consolidated annual accounts for the reporting period ending 31 December 2014, as published in the annual report to the shareholders on the financial year 2014.

The group's scope of consolidation has not changed since 31 December 2014.

These condensed consolidated financial statements were approved for publication by the Board of Directors on 3 September 2015.

VALUATION AND INTERPRETATION RULES

The valuation rules used in preparing these condensed interim consolidated financial statements are consistent with those set out and applied in preparing the consolidated financial statements for the accounting period ending 31 December 2014.

A new standard IFRIC 21, applicable from 1 January 2015, has an impact on the condensed financial statements per 30 June 2015. The 30 June 2014 results were also restated to make them comparable in accordance with IFRIC 21. As a result, the 30 June 2014 result was reduced by 257 thousand EUR (389 thousand EUR pre-tax). These changes only impact the financial results per 30 June. The application of the new standard has no impact on an annual basis.

GENERAL

The General Meeting of Shareholders of 28 May 2015 approved the dividend proposed by the Board of Directors (EUR 2.50/share). The awarded dividend amounted to a total of EUR 4,331,552.5, of which more than 99% had been paid out per 30 June 2015.

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

There are no material events to be reported post balance sheet at the date of the present half year financial report, with the exception of Ter Beke's acquisition of a 33% minority interest in the French ready meals producer Stefano Toselli as of 28 August 2015. The half-yearly financial report will discuss this acquisition in more detail.

In the first semester of 2015, no related party transactions occurred that had a material influence on the financial position or the results of the group in that period.

The investments amounting to EUR 8.6 million in the first half of 2015 relate primarily to the further investments in efficiency and changes to the infrastructure at the various sites. The increase in relation to 2014 is primarily caused by the further expansion and implementation of the new ERP package. EUR 6.4 million was invested in the first semester of 2014.

The group is exposed to an exchange rate risk on sales in Pound Sterling (GBP). On 30 June 2015, long term contracts were open for the sale of GBP 4.9 million against EUR. On 31 December 2014, long term contracts were open for the sale of GBP 4.1 million against EUR. On 30 June 2015 and 30 June 2014, a negative market value was recorded on the open position.

On 30 June 2015, the group had a net GBP position of GBP 2.4 million (GBP 2.1 million on 31 December 2014).

On 30 June 2015, the EUR/GBP balance sheet rate amounted to 0.7114 compared to 0.7789 on 31 December 2014. On 30 June 2015, the average result rate amounted to 0.7338 compared to 0.8217 on 30 June 2014.

NOTES TO THE BALANCE SHEET

Under IAS-34, the balance sheet figures of 30 June 2015 are to be compared with those of 31 December 2014. Changes in balance sheet items are limited as there have been no changes in the scope of consolidation since 31 December 2014.

Non-current assets increased by EUR 0.5 million. This is mainly the result of EUR 8.6 million investments reduced by EUR 8.1 million depreciations and write-downs.

Net debt increased by EUR 4.3 million. This is the result of the incoming cash flow from operations (EUR 11 million), compared to an outgoing cash flow from net paid investments (EUR 10 million), dividend and interest payments (amounting to EUR 4.9 million) and financial movements (EUR -0.4 million).

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

NOTES TO THE INCOME STATEMENT

Turnover

In the first six months of the year, the total turnover of the group decreased by EUR 7.9 million (-4.0%) from EUR 199.3 million to EUR 191.4 million.

The turnover of the processed meats division decreased by EUR 3.2 million (-2.3%), while the turnover of the ready meals division decreased by EUR 4.7 million (-7.6%).

The decrease in turnover in both divisions was a result of extensive optimization of the product range, whereby a number of less profitable product varieties were discontinued. The group's ready meals division lost an important contract in the German market. It goes without saying that the group will do its utmost to recover this volume.

In the first half of the year, the group invested in the development and roll-out of a growth strategy for the Dutch processed meats market. The first results of these efforts are promising for the future.

Results of operating activities

The REBITDA increased by EUR 0.4 million (+2.5%) from EUR 15.9 million in the first half of 2014 to EUR 16.3 million in the same period in 2015.

This is primarily a consequence of the increased focus on the profitability of the product range and further cost-savings in both divisions.

The loss of an important German contract affected the result of the ready meals division. Along with the increasing pressure on the margins, this explains the slight decline in the operational result in the first semester. However, the group has confidence that the lost volume will be recovered and is responding to the pressure on the margins by investing more in efficiency improvements in the factories and in innovative products and concepts.

For example, in 2015 the group invested a considerable amount in the relaunch of the range of bulk quality processed meats under the Daniël Coopman[®] brand.

The continued investments in the quality and innovation of the Come a casa[®] range of ready meals were rewarded with two Superior Taste Awards, awarded by a panel of chefs/food connoisseurs of Gault Millau[®] and Michelin[®].

“Services and miscellaneous goods” comprises:

in '000 EUR	<u>30/06/2015</u>	<u>30/06/2014</u>
Temporary workers and persons put at the disposal of the company	4.592	3.982
Repair & Maintenance	5.370	5.209
Marketing & Sales costs	8.182	8.315
Transport costs	6.709	6.790
Energy	4.322	3.944
Rent	3.051	2.875
Other	6.086	5.150
Total	38.312	36.265

“Other operating income and expenses” comprises:

in '000 EUR	<u>30/06/2015</u>	<u>30/06/2014</u> Revised
Recovery of wage-related costs	328	564
Recovery of logistic costs	40	61
Government grants	5	2
Profits from the disposal of assets	11	0
Recovery waste	2	59
Recovery insurances	-4	51
Rent income	32	32
Write-off on disposal of assets	-24	17
Paid or receive indemnities	35	91
Local taxes	-1061	-1031
Other	130	162
Total	-506	8

The non-cash costs in the first half of 2015 (EUR 8.0 million) were EUR 0.8 million lower than the same period in 2014.

Consequently, the REBIT increased by 15.8% from EUR 7.1 million in 2014 to EUR 8.3 million in 2015.

The non-recurring result for the first semester in both 2015 and 2014 is made up of a limited number of significant redundancy payments. In 2015 these amounted to a total of EUR 0.8 million, in 2014 EUR 1.2 million.

The EBITDA increased by EUR 0.8 million (+5.3%) from EUR 14.7 million in 2014 to EUR 15.5 million in 2015 and the EBIT increased by EUR 1.6 million (+25.6%) from EUR 5.9 million in 2014 to EUR 7.5 million in 2015.

Net financing costs

In 2015, the net financing expenses in the first half of the year were EUR 0.1 million higher than in the same period in 2014, mainly due to the negative exchange rate differences.

Taxes

The tax rate in the first half of 2015 (27.4%) was slightly lower than in June 2014 (29.4%).

KEY DATA PER BUSINESS SEGMENT

in '000 EUR	30/06/2015			30/06/2014 Revised		
	Processed Meats	Ready Meals	Total	Processed Meats	Ready Meals	Total
Segment income statement						
Segment sales	134.990	56.419	191.409	138.208	61.090	199.298
Segment results	7.227	2.064	9.291	5.400	3.114	8.514
Non-allocated results			-1.824			-2.568
Net financing cost			-898			-778
Taxes			-1.799			-1.522
Result of companies according to equity method			-389			-217
Consolidated result			4.381			3.429
Other segment information						
Segment investments	3.196	4.101	7.297	4.493	663	5.156
Non-allocated investments			1.295			1.220
Total investments			8.592			6.376
Segment depreciations and non-cash costs	5.240	2.646	7.886	5.449	2.882	8.331
Non-allocated depreciations and non-cash costs			140			431
Total depreciations and non-cash costs			8.026			8.762

The difference between the current GBP exchange rates and the standard exchange rates is added to the segment result in each period in order to obtain a better view on the economic result of the segment. On 30 June 2015 and 30 June 2014 this amount was non-material. This amount is corrected in the non-allocated results. They also contain the costs of central services that are not allocated to one of the divisions.

CALCULATION OF EARNINGS PER SHARE

Calculation earnings per share	<u>30/06/2015</u>	<u>30/06/2014</u> Revised
Number of outstanding ordinary shares per 1 January	1.732.621	1.732.621
Effect of issued ordinary shares		
Weighted average number of outstanding ordinary shares per 30 June of the financial year	1.732.621	1.732.621
Net profit	4.381	3.429
Average number of shares	1.732.621	1.732.621
Basic profit per share	2,53	1,98
Calculation diluted earnings per share		
	<u>30/06/2015</u>	<u>30/06/2014</u>
Net profit	4.381	3.429
Average number of shares	1.732.621	1.732.621
Dilution effect warrant plans		
Adjusted average number of shares	1.732.621	1.732.621
Diluted profit per share	2,53	1,98

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

3. INTERIM SEMESTER REPORT

KEY FIGURES AND HEADLINES

- Ter Beke group:
 - Net result growth of 27.8%.
 - The consolidated turnover decreased by EUR 7.9 million (-4.0%) to EUR 191.4 million.
 - REBITDA amounts to EUR 16.3 million in 2015 compared to EUR 15.9 million in 2014 (+2.5%).
 - The first half of 2015 includes EUR 0.8 million in non-recurring expenses. This concerns redundancy payments.
 - As a result of the above:
 - EBITDA amounts to EUR 15.5 million compared to EUR 14.7 million in 2014 (+5.3%)
 - EBIT amounts to EUR 7.5 million compared to EUR 5.9 million in 2014 (+25.6%)
 - the result after taxes amounts to EUR 4.4 million compared to EUR 3.4 million in 2014 (+27.8%)
 - net cash flow amounts to EUR 12.8 million compared to EUR 12.4 million in 2014 (+3.1%)
 - The group is preparing to implement a new ERP system at group level.
 - On 28 August 2015, the group acquired a 33% minority interest in the French ready meals producer Stefano Toselli.
- Processed Meats Division:
 - Continued focus on the profitability of the product range and extensive cost-savings have resulted in substantially improved results in comparison to 2014.
 - Relaunch of range of “over the counter” processed meats under the Daniël Coopman® brand.
 - Development and roll-out of the growth strategy for the Dutch market holds much promise.
- Ready Meals Division:
 - Decrease in turnover caused by the loss of an important contract in the German market.
 - Pressure on the margins require a continued focus on the profitability of the product range and extensive cost-savings.
 - Further specialization of the Wanze production site in the efficient production of large production volumes and relocation of the smaller and more complex volumes to Marche-en-Famenne.
 - Highly efficient launch of production activities by The Pasta Food Company (Polish joint venture).
 - Come a casa® wins two Superior Taste Awards.

CONSOLIDATED KEY FIGURES FIRST SEMESTER 2015

Income statement in 000 EUR		Revised	
	30/06/15	30/06/14	Δ %
Revenue (net turnover)	191.409	199.298	-4,0%
REBITDA ⁽¹⁾	16.314	15.918	2,5%
EBITDA ⁽²⁾	15.493	14.708	5,3%
Recurring result of operating activities (REBIT)	8.288	7.156	15,8%
Result of operating activities (EBIT)	7.467	5.946	25,6%
Net financing costs	-898	-778	15,4%
Result of operating activities after net financing costs (EBT)	6.569	5.168	27,1%
Taxes	-1.799	-1.522	18,2%
Result after tax before share in the result of enterprises accounted for using the equity method	4.770	3.646	30,8%
Share in enterprises accounted for using the equity method	-389	-217	79,3%
Earnings after taxes (EAT)	4.381	3.429	27,8%
Net cash flow ⁽³⁾	12.796	12.408	3,1%
Financial position in 000 EUR		30/06/15	31/12/14
Balance sheet total	221.330	232.725	-4,9%
Equity	103.017	102.815	0,2%
Net financial debts (4)	33.847	29.566	14,5%
Equity/Total assets (in %)	46,5%	44,2%	
Gearing Ratio (5)	32,9%	28,8%	
Key figures in EUR per share		Revised	
	30/06/15	30/06/14	
Number of shares	1.732.621	1.732.621	
Average number of shares	1.732.621	1.732.621	
Net cash flow	7,39	7,16	3,1%
Earnings after taxes	2,53	1,98	27,8%
EBITDA	8,94	8,49	5,3%

(1) REBITDA: EBITDA from recurring operating activities

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

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

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

(5) Gearing ratio: Net financial debt/Equity

NOTES TO THE CONSOLIDATED KEY FIGURES

Turnover

In the first six months of the year, the total turnover of the group decreased by EUR 7.9 million (-4.0%) from EUR 199.3 million to EUR 191.4 million.

The turnover of the processed meats division decreased by EUR 3.2 million (-2.3%), while the turnover of the ready meals division decreased by EUR 4.7 million (-7.6%).

The decrease in turnover in both divisions was a result of extensive optimization of the product range, whereby a number of less profitable product varieties were discontinued. The group's ready meals division lost an important contract in the German market. It goes without saying that the group will do its utmost to recover this volume.

In the first half of the year, the group invested in the development and roll-out of a growth strategy for the Dutch processed meats market. The first results of these efforts are promising for the future.

Results of operating activities

The REBITDA increased by EUR 0.4 million (+2.5%) from EUR 15.9 million in the first half of 2014 to EUR 16.3 million in the same period in 2015.

This is primarily a consequence of the increased focus on the profitability of the product range and further cost-savings in both divisions.

The loss of an important German contract affected the result of the ready meals division. Along with the increasing pressure on the margins, this explains the slight decline in the operational result in the first semester. However, the group has confidence that the lost volume will be recovered and is responding to the pressure on the margins by investing more in efficiency improvements in the factories and in innovative products and concepts.

For example, in 2015 the group invested a considerable amount in the relaunch of the range of bulk quality processed meats under the Daniël Coopman[®] brand.

The continued investments in the quality and innovation of the Come a casa[®] range of ready meals were rewarded with two Superior Taste Awards, awarded by a panel of chefs/food connoisseurs of Gault Millau[®] and Michelin[®].

The non-cash costs in the first half of 2015 (EUR 8.0 million) were EUR 0.8 million lower than the same period in 2014.

Consequently, the REBIT increased by 15.8% from EUR 7.1 million in 2014 to EUR 8.3 million in 2015.

The non-recurring result for the first semester in both 2015 and 2014 is made up of a limited number of significant redundancy payments. In 2015 these amounted to a total of EUR 0.8 million, in 2014 EUR 1.2 million.

The EBITDA increased by EUR 0.8 million (+5.3%) from EUR 14.7 million in 2014 to EUR 15.5 million in 2015 and the EBIT increased by EUR 1.6 million (+25.6%) from EUR 5.9 million in 2014 to EUR 7.5 million in 2015.

Net financing costs

In 2015, the net financing expenses in the first half of the year were EUR 0.1 million higher than in the same period in 2014, mainly due to the negative exchange rate differences.

Taxes

The tax rate in the first half of 2015 (27.4%) was slightly lower than in June 2014 (29.4%).

Balance sheet

Under IAS-34, the balance sheet figures of 30 June 2015 are to be compared with those of 31 December 2014. Changes in balance sheet items are limited as there have been no changes in the scope of consolidation since 31 December 2014.

Non-current assets increased by EUR 0.5 million. This is mainly because of EUR 8.6 million in investments reduced by EUR 8.1 million in depreciations and write-downs.

Net debt increased by EUR 4.3 million. This is the result of the incoming cash flow from operations (EUR 11 million), compared to an outgoing cash flow from net paid investments (EUR 10 million), dividend and interest payments (EUR 4.9 million) and financial movements (EUR -0.4 million).

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

Investments

The investments amounting to EUR 8.6 million in the first half of 2015 relate primarily to the further investments in efficiency and changes to the infrastructure at the various sites. The increase in relation to 2014 is primarily caused by the further expansion and implementation of the new ERP package. EUR 6.4 million was invested in the first semester of 2014.

On 28 August 2015, Ter Beke and GS&DH Holdings, the sole shareholder in the French company Stefano Toselli (a ready meals producer), signed an agreement whereby Ter Beke acquired a 33% minority interest in Stefano Toselli, effective immediately.

Ter Beke and GS&DH Holdings had earlier established The Pasta Food Company in 2011, a 50/50 joint venture in Poland. The objective of this joint venture was to produce and market ready meals in central and eastern Europe.

The joint venture has built a highly automated production facility in Opole (Poland) which has been fully operational since October 2014. Turnover is increasing more slowly than anticipated, but the factory is also achieving the efficiency targets earlier than expected. As mentioned earlier, this factory will not make a positive contribution to the result in 2015. The group's share in this result will be recognised via the equity method.

In the contracts that were drawn up in 2011, the parties to the joint venture agreed on a call option for Ter Beke on:

- (1) 50% of shares in the Polish joint venture in possession of GS&DH Holdings and
- (2) all the shares GS&DH Holdings holds in Stefano Toselli SAS, so that Ter Beke can acquire 100% of the shares in Stefano Toselli.

On 28 August 2015, Ter Beke and GS&DH Holdings agreed that Ter Beke will partially exercise its call option on the Stefano Toselli shares, so that it has now acquired 33% of the shares in Stefano Toselli, 3 years earlier than anticipated. Ter Beke paid EUR 9.4 million for these shares.

The earlier exercise of part of the call option is confirmation of the parties' strategy to establish a strong European ready meals group.

PROSPECTS FOR 2015

In 2015, the group will work towards a heightened focus on the profitability of the product range and on extensive cost-savings and reductions. In Opole the group will continue its launch of new contracts/customers. For 2015 we do not expect the joint venture will yet be making a positive contribution to the consolidated results.

The group is confident that, barring unforeseen market circumstances, the results for 2015 will surpass those of 2014.

RELATED PARTY TRANSACTIONS

In the first semester of 2015, no related party transactions occurred that had a material influence on the financial position or the results of the group in that period.

MATERIAL RISKS AND UNCERTAINTIES

The material risks and uncertainties for the remainder of 2015 are largely the same as described in the annual report on the financial year 2014 and relate primarily to the quality and price fluctuations of the raw materials used.

4. DECLARATION OF THE RESPONSIBLE PERSONS

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

- the condensed interim consolidated financial statements on the first semester of 2015, established in accordance with the International Financial Accounting Standards ("IFRS"), provide a true and fair view of the estate, the financial position and the results of Ter Beke NV and the consolidated companies;
- the half year financial report provides a true and fair view of the important events of the first semester of the financial year 2015, of the related party transactions and of the material risks and uncertainties for the remainder of the financial year.

Waarschoot, 3 September 2015

Dirk Goeminne*
Managing Director

René Stevens
Chief Financial Officer

*representing NV Fidigo

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

FREE TRANSLATION
The original text of this report is in Dutch

Ter Beke NV

Limited review report on the consolidated interim financial information for the six-month period ended 30 June 2015

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated balance sheet as at 30 June 2015, the condensed consolidated income statement, the condensed consolidated comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as the selective notes.

Report on the consolidated interim financial information

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

The consolidated condensed balance sheet shows total assets of 221,330 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 4,381 (000) EUR.

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

Scope of review

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

Conclusion

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

Kortrijk, 3 September 2015

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

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

Represented by Kurt Dehoorne

6. CONTACTS

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

Dirk De Backer
Company Secretary
Tel. + 32 (0)9 370 13 17
dirk.debacker@terbeke.be

René Stevens
CFO
Tel. +32 (0)9 370 13 45
rene.stevens@terbeke.be

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

7. FINANCIAL CALENDAR

Annual result 2015:
Annual report 2015:
General Meeting of Shareholders 2016:

25 February 2016 before market opening
At the latest on 26 April 2016
26 May 2016 at 11 a.m.

8. TER BEKE IN BRIEF

Ter Beke (Euronext Brussel: TERB) is an innovative Belgian fresh foods concern that markets its assortment in 10 European countries. The group has 2 core activities: processed meats and fresh ready meals; it has 7 industrial sites in Belgium and the Netherlands and employs approximately 1,650 people. Ter Beke generated a turnover of EUR 399.7 million in 2014.

Processed Meats Division:

- producer and slicer of processed meats for the Benelux, the UK and Germany;
- 2 production plants in Belgium (Wommelgem and Waarschoot) and 5 centres for the slicing and packaging of processed meats, 3 of which are in Belgium (Wommelgem, Waarschoot and Veurne) and 2 in the Netherlands (Wijchen and Ridderkerk);
- innovating in the pre-packed processed meats segment;
- distribution brands and own brand names L'Ardennaise[®], Pluma[®] and Daniël Coopman[®];
- employs approximately 1050 staff.

Ready Meals Division:

- produces fresh ready meals for the European market;
- market leader in chilled lasagne in Europe;
- 7 highly automated production lines in 2 specialized production sites in Belgium (Wanze and Marche-en-Famenne);
- brand names Come a casa[®] and Vamos[®] in addition to distribution brands;
- employs approximately 600 staff;
- joint venture The Pasta Food Company established in Poland (2011).