Press release 31 August 2012 – 7:30 a.m.
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www.terbeke.com

FIRST SEMESTER 2012 CONSOLIDATED RESULTS

KEY FIGURES AND HEADLINES

- Ter Beke group:
  - The consolidated turnover increases in 2012 by EUR 9.7 million (4.9%) to EUR 208.2 million;
  - EBITDA from recurring operating activities amounts to EUR 15.8 million in 2012 compared to EUR 16.4 million in 2011 (-3.2%), primarily due to EUR 1.5 million increased commercial efforts;
  - The first semester contains EUR 1.3 million dismissal and reorganisation costs, primarily due to the termination of the industrial activities in Alby-sur-Chéran (France), and EUR 0.3 million reversal of impairments;
  - As a result of the foregoing:
    - EBITDA amounts to EUR 14.5 million compared to EUR 16.4 million in 2011 (-11.6%);
    - EBIT amounts to EUR 5.5 million compared to EUR 7.4 million in 2011 (-26.6%);
    - Result after taxes amounts to EUR 3.1 million compared to EUR 4.5 million in 2011 (-30.9%);
    - Net cash flow amounts to EUR 12.1 million compared to EUR 13.4 million in 2011 (-10.0%);

- Processed Meats Division:
  - Increase in turnover at stable volumes;
  - Profitability remains under pressure because of a changed product mix, shifting towards cheaper products, and increased raw material prices and the delay in passing these on through the sales prices;

- Ready Meals Division:
  - Strong turnover and volume increase in lasagne;
  - Come a casa® continues to grow in Belgium;
  - Industrial activities in Alby-sur-Chéran (France) terminated on 30 June 2012;

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CONSOLIDATED KEY FIGURES FIRST SEMESTER 2012

Income statement in 000 EUR			
	30/06/12	**30/06/11**	**∆ %**
Revenue (net turnover)	208.235	198.528	4,9%
REBITDA (1)	15.828	16.355	-3,2%
EBITDA (2)	14.453	16.355	-11,6%
Recurring result of operating activities (REBIT)	6.533	7.438	-12,2%
Result of operating activities (EBIT)	5.458	7.438	-26,6%
Net financing costs	-1.401	-1.389	0,9%
Result of operating activities after net financing costs (EBT)	4.057	6.049	-32,9%
Taxes	-966	-1.541	-37,3%
Result after tax before share in the result of enterprises accounted for using the equity method	**3.091**	**4.508**	**-31,4%**
Share in enterprises accounted for using the equity method	**24**	**0**	
Earnings after taxes (EAT)	**3.115**	**4.508**	**-30,9%**
Net cash flow (3)	12.086	13.425	-10,0%
Financial position in 000 EUR			
	30/06/12	**31/12/11**	
Balance sheet total	251.749	252.936	-0,5%
Equity	92.799	93.879	-1,2%
Net financial debts (4)	56.922	59.619	-4,5%
Equity/Total assets (in %)	36,9%	37,1%	
Gearing Ratio (5)	61,3%	63,5%	
Key figures in EUR per share			
	30/06/12	**30/06/11**	
Number of shares	1.732.621	1.732.621	0,0%
Average number of shares	1.732.621	1.732.621	0,0%
Net cash flow	6,98	7,75	-10,0%
Earnings after taxes	1,80	2,60	-30,9%
EBITDA	8,34	9,44	-11,6%

(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 semester, the total group turnover increased by EUR 9.7 million (4.9%) from EUR 198.5 million to EUR 208.2 million.

The turnover of the Ready Meals Division increased by EUR 2.6 million (+4.0%). This increase is mainly due to a strong volume increase in lasagne.

The turnover of the Processed Meats Division increased by EUR 7.1 million (+5.3%) with stable total volumes. The increase in turnover is mainly due to an increase of the sales prices, which were still not enough to offset the rise in raw material prices.

Results of operating activities

The REBITDA decreased by EUR 0.6 million (-3.2%) from EUR 16.4 million in 2011 to EUR 15.8 million in 2012.

In 2012, the group launched a new range of processed meats under the brand name Oligusto®. It concerns meat enriched with olive oil and a lower total fat content. The launch costs for this have been included in the result of the first semester.

The strong 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 engine of the fresh Mediterranean meals market.

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 in the first semester. 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.

Total non-cash costs decreased slightly by EUR 0.1 million to EUR 9.0 million in 2012. All this resulted in a decrease of the REBIT by 12.2% from EUR 7.4 million in 2011 to EUR 6.5 million in 2012.

On 5 April 2012 the group announced the intention to terminate industrial activity at the site in Albu-sur-Chéran (France). Meanwhile, this industrial activity was effectively terminated on 30 June 2012. The group does retain its commercial activities in France for products that are produced at the Belgian sites of the Ready Meals Division (Marche-en-Famenne and Wanze). The costs, amounting to EUR 1.1 million, regarding this termination were charged in full to the result of the first semester. These costs relate chiefly to personnel costs.

Together with a number of other dismissal costs (- EUR 0.2 million) and a reversal of impairments on fixed assets (+ EUR 0.3 million) the non-recurrent result in the first semester of 2012 amounts to - EUR 1.0 million (in the first semester of 2011 there was no non-recurrent result).

Together with the aforementioned, this explains the decrease of the EBITDA by EUR 1.9 million (-11.6%) from EUR 16.4 million in 2011 to EUR 14.5 million in 2012 and the decrease of the EBIT by EUR 1.9 million (-26.6%) from EUR 7.4 million in 2011 to EUR 5.5 million in 2012.

Net financing costs

The net financing costs in 2012 are in line with those of 2011.

Taxes

The first semester 2012 tax rate (23.8%) is in line with the tax percentage over the first semester of 2011 (25.5%).

Balance sheet

Under IAS-34, the balance sheet figures of 30 June 2012 are to be compared with those of 31 December 2011. Changes in balance sheet items are limited as there have been no changes in the scope of consolidation since 31 December 2011.

Fixed assets increased by EUR 1.9 million. The tangible and intangible fixed assets decreased EUR 3.3 million as a result of EUR 5.7 million investments, EUR 8.9 million depreciations and write-downs and EUR 0.1 million scrapping of fixed assets. Financial fixed assets increased EUR 0.2 million, chiefly as a result of the increased exchange rate of the Polish Zloty. The group loaned an additional EUR 5 million to its joint venture partner under the long-term co-operation.

Net debt decreased by EUR 2.7 million. This is the result of the EUR 13.9 million incoming cash flow from operations as opposed to a EUR 11.2 million outgoing cash flow, chiefly comprising paid up investments (EUR 5.4 million) and dividend and interest payments (EUR 5.6 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 group invested EUR 5.7 million in the first half of 2012. The investments relate primarily to the continuation of various efficiency and infrastructure investments in the different sites of the group.

PROSPECTS FOR 2012

In the current economic climate, we are confronted with unexpected additional rises in raw material prices, which prevents us to provide guidance with regard to the earlier announced result forecast.

HALF YEAR FINANCIAL REPORT

The half year financial report of the group is available on www.terbeke.com in the Investor Relations module under Other Financial Information.

The half year financial report contains the condensed consolidated financial statements drawn up in accordance with IAS 34, the declaration without reservations of the auditor on his limited review and the other legally required specifications.

CONTACTS

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You can also consult this press release and send your questions to us via the Investor Relations module of our website (www.terbeke.com)

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FINANCIAL CALENDAR

Business update third quarter 2012:	9 November 2012 before market opening
Annual result 2012:	1 March 2013 before market opening
Annual report 2012:	At the latest on 30 April 2013
Business update first quarter 2013:	3 May 2013 before market opening
General Meeting of Shareholders 2013:	30 May 2013 at 11 a.m.

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 8 industrial sites in Belgium and the Netherlands and employs approximately 1,750 people. Ter Beke generated a turnover of EUR 403.7 million in 2011.

Processed Meats Division:

- producer and slicer of processed meats for the Benelux, the UK and Germany;
- 3 production plants in Belgium (Wommelgem, Waarschoot and Herstal) and 4 centres for the slicing and packaging of processed meats, 2 of which are in Belgium (Wommelgem and Veurne) and 2 in the Netherlands (Wijchen and Ridderkerk);
- innovating in the pre-packed processed meats segment;
- distribution brands and own brand names L'Ardennaise®, Pluma®, Oligusto® and Daniël Coopman®;
- employs approximately 1100 staff.

Ready Meals Division:

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