

## FIRST SEMESTER 2013 CONSOLIDATED RESULTS

### KEY FIGURES AND HEADLINES

- Ter Beke group:
  - In the first semester 2013, the group succeeds in realizing almost the same result and net cash flow as in the first semester of 2012, notwithstanding the strong negative impact of the horsemeat crisis on the sales in the ready meals division;
  - The consolidated turnover increases in 2013 by EUR 5.6 million (2.7%) to EUR 202.6 million;
  - EBITDA from recurring operating activities amounts to EUR 14.4 million in 2013 compared to EUR 15.8 million in 2012 (-8.9%), primarily due to the turnover decrease in ready meals;
  - The first semester 2013 contains EUR 0.9 million non-recurrent costs (EUR 0.5 million dismissal costs and EUR 0.4 million one time costs relating to the horsemeat crisis);
  - As a result of the foregoing:
    - EBITDA amounts to EUR 13.6 million compared to EUR 14.5 million in 2011 (-6.2%);
    - EBIT amounts to EUR 4.5 million compared to EUR 5.5 million in 2012 (-17.0%);
    - Result after taxes amounts to EUR 3.0 million compared to EUR 3.1 million in 2012 (-2.3%);
    - Net cash flow amounts to EUR 12.0 million compared to EUR 12.1 million in 2012 (-0.3%);
  - Dirk Goeminne, permanent representative of NV Fidigo, was appointed as new CEO of the group per 1 June 2013.
  
- Processed Meats Division:
  - Increase in turnover, especially in the Dutch slicing and packaging activities;
  - Launch of a new recloseable packaging for processed meats;
  - Roll out of the single portion concept;
  - Extension of the Maya<sup>®</sup> range (lic. Studio 100<sup>®</sup>)
  
- Ready Meals Division:
  - Turnover and result decrease in lasagna due to the horse meat crisis;
  - Start of the construction of the new ready meals plant in Opole (Poland);



## CONSOLIDATED KEY FIGURES FIRST SEMESTER 2013

Income statement in 000 EUR			
	30/06/13	30/06/12	Δ %
Revenue (net turnover)	202.567	208.235	-2,7%
REBITDA <sup>(1)</sup>	14.426	15.828	-8,9%
EBITDA <sup>(2)</sup>	13.560	14.453	-6,2%
Recurring result of operating activities (REBIT)	5.396	6.533	-17,4%
Result of operating activities (EBIT)	4.530	5.458	-17,0%
Net financing costs	-640	-1.401	-54,3%
Result of operating activities after net financing costs (EBT)	3.890	4.057	-4,1%
Taxes	-871	-966	-9,8%
<b>Result after tax before share in the result of enterprises accounted for using the equity method</b>	3.019	3.091	-2,3%
<b>Share in enterprises accounted for using the equity method</b>	-18	24	
Earnings after taxes (EAT)	3.001	3.115	-3,7%
Net cash flow <sup>(3)</sup>	12.049	12.086	-0,3%
Financial position in 000 EUR			
	30/06/13	31/12/12	
Balance sheet total	248.582	249.557	-0,4%
Equity	96.347	98.036	-1,7%
Net financial debts (4)	52.436	51.476	1,9%
Equity/Total assets (in %)	38,8%	39,3%	
Gearing Ratio (5)	54,4%	52,5%	
Key figures in EUR per share			
	30/06/13	30/06/12	
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	6,95	6,98	-0,3%
Earnings after taxes	1,73	1,80	-3,7%
EBITDA	7,83	8,34	-6,2%

(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



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## NOTES TO THE CONSOLIDATED KEY FIGURES

### Turnover

In the first semester, the total group turnover decreased by EUR 5.6 million (-2.7%) from EUR 208.2 million to EUR 202.6 million.

The turnover of the Ready Meals Division decreased by EUR 10.4 million (-15.3%). This decrease is mainly due to the horsemeat crisis that, even though our products were not at all involved, has seriously affected consumer confidence in ready meals in general and lasagne in particular. With the aid of its suppliers and customers, the group has taken numerous actions in order to restore consumer confidence in the ready meals category.

The turnover of the Processed Meats Division increased by EUR 4.7 million (+3.3%). The increase in turnover is mainly due to an increase in sales prices subsequent to a rise in raw material prices and a further growth in the Dutch slicing and packaging activities.

### Results of operating activities

The REBITDA decreased by EUR 1.4 million (-8.9%) from EUR 15.8 million in the first semester 2012 to EUR 14.4 million in the same period of 2013.

This is primarily due to lower sales in the ready meals division (see above).

Better results in the processed meats division, as well as a strict cost control allowed the group to partially compensate the effect of this turnover and result decrease.

Through specific actions to restore consumer confidence, sales under the Come a casa® brand resisted better. The brand confirms its leading role in the Mediterranean ready meals. In Belgium.

Recurring non-cash costs in the 2013 first semester (EUR 9.0 million) were EUR 0.3 million lower than the same period of 2012.

All this resulted in a decrease of the REBIT by 17.4% from EUR 6.5 million in 2012 to EUR 5.4 million in 2013.

On 5 April 2012 the group announced the intention to terminate industrial activity at the site in Alby-sur-Chéran (France). Meanwhile, this industrial activity was effectively terminated on 30 June 2012. The group did 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 amounted to - EUR 1.0 million.



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The non-recurrent result of the first semester 2013 consists of EUR 0.5 million dismissal costs and EUR 0.4 million one time costs relating to the horsemeat crisis.

Together with the aforementioned, this explains the decrease of the EBITDA by EUR 0.9 million (-6.2%) from EUR 14.5 million in 2012 to EUR 13.6 million in 2013 and the decrease of the EBIT by EUR 0.9 million (-17.0%) from EUR 5.5 million in 2012 to EUR 4.5 million in 2013.

#### Net financing costs

The net financing costs in 2013 are EUR 0.8 million lower than in 2012. Exchange rate differences and interest differences each explain about half of this variance.

#### Taxes

The first semester 2013 tax rate (22.4%) is in line with the tax percentage over the first semester of 2012 (23.8%).

#### Balance sheet

Under IAS-34, the balance sheet figures of 30 June 2013 are to be compared with those of 31 December 2012. Changes in balance sheet items are limited as there have been no changes in the scope of consolidation since 31 December 2012.

Fixed assets drop by EUR 3.7 million. The tangible and intangible fixed assets decreased EUR 3.4 million as a result of EUR 5.8 million investments less EUR 9.2 million depreciations and write-downs. Financial fixed assets decrease EUR 0.3 million, chiefly as a result of the increased exchange rate of the Polish Zloty.

Net debt increased by EUR 1.0 million. This is the result of the incoming cash flow from operations (EUR 9.9 million) and financial movements (EUR 0.3 million), as opposed to an outgoing cash flow comprising paid up investments (EUR 6.0 million) and dividend and interest payments (EUR 5.2 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 of EUR 5.8 million in the first half of 2013 relate primarily to the continuation of efficiency and infrastructure investments in the various sites. In the first semester of 2012, EUR 5.7 million was invested.

26 June 2013 marks the start of the construction works on the new ready meals plant in Opole (Poland), constructed by the joint venture company The Pasta Food Company. As of mid 2014, this plant will produce ready meals for the Central and Eastern European markets.





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### PROSPECTS FOR 2013

It is at this stage impossible to assess how long the horsemeat crisis will continue to affect consumer confidence. The group is doing its utmost to neutralise its negative impact in the second semester as well.

Depending on this and save for any other unforeseen market circumstances, the group remains confident that the full year result 2013 can still equal that of 2012.

### HALF YEAR FINANCIAL REPORT

The half year financial report of the group is available on [www.terbeke.com](http://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](http://www.terbeke.com))



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## FINANCIAL CALENDAR

Business update third quarter 2013:	8 November 2013 before market opening
Annual result 2013:	28 February 2014 before market opening
Annual report 2013:	At the latest on 27 April 2014
Business update first quarter 2014:	9 May 2014 before market opening
General Meeting of Shareholders 2014:	28 May 2014 at 11 a.m.

## 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 421.1 million in 2012.

### 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<sup>®</sup>, Pluma<sup>®</sup>, Oligusto<sup>®</sup> and Daniël Coopman<sup>®</sup>;
- 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<sup>®</sup> and Vamos<sup>®</sup> in addition to distribution brands;
- employs approximately 650 staff;
- joint venture The Pasta Food Company established in Poland (2011).

