

CONSOLIDATED ANNUAL RESULTS 2014

KEY FIGURES AND HEADLINES

- Ter Beke group:
 - Turnover decreased from EUR 407.2 million to EUR 399.7 million (-1.8%);
 - REBITDA amounts to EUR 33.7 million compared to EUR 30.8 million in 2013 (+9.7%);
 - REBIT amounts to EUR 16.2 million compared to EUR 12.8 million in 2013 (+26.8%);
 - EBIT in 2014 includes approximately EUR 2.3 million in non-recurrent costs, compared to EUR 2.2 million in 2013;
 - EAT amounts to EUR 8.1 million compared to EUR 6.2 million in 2013 (+31.2%).
 - Net cash flow amounts to EUR 26.4 million compared to EUR 24.3 million in 2013 (+8.5%);
 - Investments in 2014 amount to EUR 14.5 million.
 - Consolidation of the group's financial balance-sheet structure.

- Processed Meats division:
 - Drop in turnover due to optimisation of the product range and discontinuation of own production of dried and cured meats in our plant in Herstal as per December 2013;
 - Development and launch of a salami-snack range and modernisation of the paté range of products;
 - Relaunch of a top range of speciality fine meats under the Daniël Coopman® brand;
 - New range of resealable packaging for the Dutch and UK markets;
 - Consolidation of operating results, partly due to far-reaching cost reductions.

- Ready Meals division:
 - Increase in turnover and results from lasagne, partly due to persistent marketing efforts.
 - Consolidation of operating results, partly due to far-reaching cost-savings and reductions.
 - The new ready meals factory in Opole (Poland) has been operational since early October 2014.

- Proposal to pay a gross dividend of 2.50 EUR per share over 2014 (equal as the dividend paid over 2013).



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CONSOLIDATED KEY FIGURES (1)

<u>In '000 EUR</u>	<u>2014</u>	<u>2013</u>	<u>Δ%</u>
Revenu (net turnover)	399.730	407.202	-1,8%
REBITDA	33.748	30.761	9,7%
EBITDA (2)	31.418	28.602	9,8%
Recurring operating result (REBIT)	16.174	12.757	26,8%
Operating result (EBIT)	13.844	10.598	30,6%
Net financing costs	-1.402	-1.542	-9,1%
Operating result after net financing costs (EBT)	12.442	9.056	37,4%
Taxes	-3.637	-2.743	32,6%
Result after tax before share in the result of enterprises accounted for using the equity method	8.805	6.313	39,5%
Share in enterprises accounted for using the equity method	-673	-111	
Earnings after taxes (EAT)	8.132	6.202	31,1%
Net cash flow (3)	26.379	24.317	8,5%
Total assets	232.725	240.676	-3,3%
Equity	102.815	99.489	3,3%
Net financial debt (4)	29.566	40.823	-27,6%
Equity/Total assets	44,2%	41,3%	
Gearing ratio (5)	28,8%	41,0%	
<u>In EUR per share</u>			
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	15,22	14,03	8,5%
Earnings after taxes	4,69	3,58	31,1%
EBITDA	18,13	16,51	9,8%

- (1) The consolidated income statement and balance sheet can be consulted on the website www.terbeke.com
- (2) EBITDA = Operating result + depreciation + impairments + changes in provisions
- (3) Net cashflow = Result after tax before share in the result of enterprises accounted for using the equity method + depreciation + impairments + changes in provisions
- (4) Net financial debt = 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

The total turnover of the group decreased in 2014 by EUR 7.5 million (-1.8%) from EUR 407.2 million to EUR 399.7 million.

In both divisions, there was an optimisation of the product range after which a number of less profitable product varieties were discontinued.

Nevertheless, turnover of the ready meals division increased by EUR 2.2 million (+1.8%).

The turnover of the processed meats division decreased by EUR 9.6 million (-3.3%). This is a consequence of the decision to discontinue the dried and cured manufacturing in Herstal as per 31 December 2013.

REBITDA, EBITDA, REBIT and Operating result (EBIT)

The REBITDA has risen by EUR 2.9 million (+9.7%) from EUR 30.8 million in 2013 to EUR 33.7 million in 2014.

The improvement continued in both divisions, which have benefitted from the increased focus on the profitability of the product range and extensive cost-savings and reductions.

In the ready meals division, this is reinforced by higher sales and by specific promotional campaigns for the Come a casa[®] brand. Once again, this brand has confirmed its leading position as prime brand among the fresh Mediterranean meals in Belgium.

The recurrent non-cash costs in 2014 (EUR 17.6 million) decreased by EUR 0.4 million compared to 2013. This led to a 26.8% increase in the recurrent operating result (REBIT) from EUR 12.8 million in 2013 to EUR 16.2 million in 2014.

The non-recurrent operating costs amounted to EUR 2.3 million in 2014 compared to EUR 2.2 million in 2013.

At the end of 2013 the Group ceased manufacturing dried and cured meat products at the Herstal site. The costs of this termination, amounting to EUR 0.7 million, together with some other redundancy costs (EUR -0.8 million), a negative result from the sale of the Alby-sur-Chéran site (EUR -0.3 million), and several one-off expenses at the outbreak of the horsemeat crisis (EUR -0.4 million), help explain the non-recurrent EBITDA of EUR -2.2 million in 2013. In 2014, the non-recurrent EBITDA results relate only to a number of redundancy payments. In neither of both years there were non-recurrent non-cash costs.



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This explains the increase in EBITDA of EUR 2.8 million (+9.8%) from EUR 28.6 million in 2013 to EUR 31.4 million in 2014 and likewise explains the increase in operating results (EBIT) of EUR 3.2 million (+30.6%) from EUR 10.6 million in 2013 to EUR 13.8 million in 2014.

Net financing costs

In 2014, the net-financing costs were EUR 0.1 million lower than in 2013. This difference is the net effect of lower interest costs due to the lower net debts of the group and negative exchange rate differences.

Investments

The investments of EUR 14.5 million made during 2014 relate primarily to the continuation of efficiency and infrastructure investments at the various sites. In 2013, investments amounted to EUR 10.6 million.

Taxes

The tax rate for 2014 (29.2%) is slightly lower than the tax percentage for 2013 (30.3%).

Result Joint Venture Poland

As previously mentioned, Ter Beke and the shareholders of the French-based Stefano Toselli established a joint venture in 2011 for the production and sale of lasagne and pasta meals in Central and Eastern Europe. The joint venture is known as the 'The Pasta Food Company'.

The foundation stone of the new ready meals factory was laid on 26 June 2013 in Opole (Poland). The plant has been operational since the start of October 2014 and produces ready meals for the Central and Eastern European markets. The factory is currently in the process of acquiring the necessary quality certificates which demonstrate that the highest standards of quality are met.

The Group's share in the results of The Pasta Food Company amounted to EUR -0.7 million in 2014. This result in the joint venture is incorporated via the equity accounting method.

Balance sheet

In 2013, non-current assets decreased by EUR 3.6 million because the depreciation and write-downs amounting to EUR 17.5 million were greater than the investments of EUR 14.5 million made by the group in 2014. The remaining difference reflects the share of the group in the start-up costs of the plant in Opole (Polen).

The net debt decreased by EUR 10.2 million. This is the result of the incoming cash flow from operations (EUR 30.4 million), compared to an outgoing cash flow from net paid investments (EUR 13.4 million), dividend and interest payments (EUR 5.7 million) and other financial movements (EUR 1.1 million).



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The equity difference is chiefly the result of after-tax profit minus the dividend that was granted over the previous financial year.

Once again, this has resulted in a further improvement of the Group's financial ratios.

Dividend proposal

Taking the relevant parameters into account, the Board of Directors will make a proposal to the General Meeting of Shareholders to distribute an unchanged gross dividend of 2.50 EUR per share.

EXTERNAL CONTROL

The statutory auditor, DELOITTE Auditors BV o.v.v.e. CVBA, represented by Mr. Kurt Dehoorne, has confirmed that its auditing work, which is essentially completed, has brought no significant correction to light which would have to be reflected in the bookkeeping information included in this press release.

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.

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)

FINANCIAL CALENDAR

Annual report 2014:
General Meeting of Shareholders 2015:
First semester 2015 results:

At the latest on 28 April 2015
28 May 2015 at 11 a.m.
4 September 2015 before market opening



Daniel Coopman

terbeke

driven by the zeal for your everyday meal

Press release 27 February 2015 – 7:30 a.m.

Regulated information

www.terbeke.com

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

Ready Meals Division:

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



Daniël Coopman