terbeke
Fresh Food Group

Demanding by nature

Financial enclosure to the annual report

2009

> Profile of the group

terbeke
Fresh Food Group

Ter Beke is an innovating Belgian fresh food group that commercialises its assortment in ten European countries. The group has two core activities: processed meats and fresh ready meals. It has nine plants in Belgium, the Netherlands and France and employs approximately 1,800 persons. In 2009 Ter Beke realised a turnover of 392.4 million EUR. 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
- Four production sites in Belgium (Wommelgem, Waarschoot, Marche-en-Famenne and Herstal) and four centres for slicing and packaging of processed meats of which two are located in Belgium (Wommelgem and Veurne) and two in the Netherlands (Milsbeek and Ridderkerk)
- innovating in the pre-packed processed meats segment
- distribution brands and own brand names l'Ardennaise®, Pluma® and Daniël Coopman®
- approximately 1,050 employees

Ready Meals Division

- produces fresh ready meals for the European market
- market leader in chilled lasagne in Europe
- three production sites of which two are in Belgium (Wanze and Marche-en-Famenne) and one in France (Alby-sur-Chéran)
- brand names are Come a casa® and Vamos®, in addition to distribution brands
- approximately 750 employees

FOR MORE INFORMATION
WWW.TERBEKE.COM

> Consolidated key figures 2004 - 2009

CONSOLIDATED INCOME STATEMENT	2009	2008	2007	2006	2005	2004
Revenu	392,374	393,206	366,669	326,718	236,238	200,035
EBITDA (1)	35,155	29,866	29,274	23,981	21,632	20,855
Recurring Operating result	15,087	11,378	12,192	8,606	10,700	11,922
Non-recurring operating activities	0	-3,425	-1,950	1,500	0	-1,750
Result of operating activities	15,087	7,953	10,242	10,106	10,700	10,172
Result after taxes	8,256	7,604	6,069	5,973	5,949	5,030
Net cash flow (2)	28,324	29,517	25,101	19,848	16,881	15,713
CONSOLIDATED BALANCE SHEET AND FINANCIAL STRUCTURE	2009	2008	2007	2006	2005	2004
Fixed assets	146,266	150,361	161,173	134,537	83,828	66,541
Current assets	83,750	89,075	86,597	73,621	50,597	45,374
Equity	82,808	78,146	74,421	71,715	45,359	41,101
Balance sheet total	230,016	239,436	247,770	208,158	134,425	111,915
Net financial debt	65,464	69,853	71,681	56,458	28,863	13,666
Net financial debt / Equity	79.1%	89.4%	96.3%	78.7%	63.6%	33.2%
Equity / Balance sheet total	36.0%	32.6%	30.0%	34.5%	33.7%	36.7%
STOCK AND DIVIDEND INFORMATION	2009	2008	2007	2006	2005	2004
Number of shares	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	1,731,641	1,727,118	1,588,088	1,366,698	946,196
Average stock price (December)	54.38	41.91	56.85	65.10	66.10	60.51
Profit per share	4.77	4.39	3.51	3.76	4.35	5.32
Diluted profit per share	4.76	4.38	3.49	3.7	4.24	3.59
EBITDA per share	20.29	17.25	16.95	15.10	15.83	22.04
Net cash flow per share	16.35	17.05	14.53	12.50	12.35	16.61
Dividend per share	2.35	2.10	2.10	2.10	2.10	2.00
Payout ratio	49.3%	47.8%	59.9%	60.6%	48.3%	36.3%
Dividend return (December)	4.3%	5.0%	3.7%	3.2%	3.2%	3.3%
VALUATION	2009	2008	2007	2006	2005	2004
Market capitalisation (December)	94,220	72,614	98,360	112,165	90,492	82,485
Net financial debt	65,464	69,853	71,681	56,458	28,863	13,666
Market value of the company	159,684	142,467	170,041	168,623	119,355	96,151
Market value / Result	19.3	18.7	16.2	18.8	15.2	16.4
Market value / EBITDA	4.5	4.8	5.8	7.0	5.5	4.6
Market value / Net cash flow	5.6	4.8	6.8	8.5	7.1	6.1

(1) Operating result + depreciations + impairments and provisions
(2) Result after taxes + depreciations + impairments and provisions

2009

Content

> Declaration of the responsible persons

The undersigned, Marc Hofman, Managing Director and René Stevens, Chief Financial Officer, declare that, to their knowledge :

> the financial statements for the accounting years 2009 and 2008, that have been drawn up in accordance with the International Financial Accounting Standards (“IFRS”), give a true and fair view of the equity capital, of the financial situation and of the results of Ter Beke NV and of the companies that are included in the consolidation;

the annual report gives a true overview of the development and results of the company and the position of Ter Beke NV and the companies included in the consolidation, as well as a description of the most important risks and uncertainties with which they are confronted.

> Consolidated income statements at 31 December 2009 and 2008

	NOTE	2009	2008
INCOME	**4**	**392,374**	**393,206**
Trade goods, raw and auxiliary materials	5	-204,039	-212,189
Services and miscellaneous goods	6	-80,904	-82,605
Wages and salaries	7	-72,877	-70,507
Depreciation costs		-19,433	-22,563
Impairments, write-offs and provisions	8	-635	650
Other operating income and expenses	9	601	1,961
RESULT OF OPERATING ACTIVITIES	**10**	**15,087**	**7,953**
Financial income	11	986	254
Financial expenses	12	-3,646	-4,966
RESULT OF OPERATING ACTIVITIES AFTER NET FINANCING EXPENSES		**12,427**	**3,241**
Tax	13	-4,171	4,363
PROFIT OF THE YEAR		**8,256**	**7,604**
Basic profit per share	30	4.77	4.39
Diluted profit per share	30	4.76	4.38

Ter Beke NV is directly and indirectly 100 % owner of all subsidiaries (see Note 32). The group's share of the result is therefore also 100 %.

> Comprehensive result at 31 December 2009 and 2008

	2009	2008
Profit of the year	8,256	7,604
Calculation differences	-23	-426
Comprehensive result	8,233	7,178

> Ter Beke group consolidated financial statements 2009 (All amounts in '000 EUR) 5

> Consolidated balance sheets at 31 december 2009 and 2008

	NOTE	2009	2008
ASSETS			
FIXED ASSETS		**146,266**	**150,361**
Goodwill	14	35,204	35,204
Intangible fixed assets	15	2,145	2,566
Tangible fixed assets	16	108,758	112,441
Financial fixed assets	17	159	150
Deferred tax assets	18	0	0
FLOATING ASSETS		**83,750**	**89,075**
Stocks	19	23,123	24,432
Trade and other receivables	20	57,944	59,063
Cash and cash equivalents	21	2,683	5,580
TOTAL ASSETS		**230,016**	**239,436**
LIABILITIES			
SHAREHOLDER EQUITY	**22**	**82,808**	**78,146**
Capital and issue premiums		53,191	53,150
Reserves		29,617	24,996
Minority interests			
DEFERRED TAX LIABILITIES	**18**	**8,463**	**7,584**
LONG-TERM OBLIGATIONS		**48,861**	**58,180**
Provisions	23	1,692	1,627
Long-term interest-bearing obligations	24	47,169	56,553
SHORT-TERM OBLIGATIONS		**89,884**	**95,526**
Short-term interest-bearing obligations	24	20,978	18,880
Trade liabilities and other debts	25	51,728	61,115
Staff wage liabilities		14,155	13,911
Tax liabilities		3,023	1,620
TOTAL LIABILITIES		**230,016**	**239,436**

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> Consolidated statement of changes in equity at 31 december 2009 and 2008

	CAPITAL	CAPITAL RESERVES	ISSUE PREMIUMS	RE-SERVED PROFITS	EXCHANGE RATE DEVIATION	TOTAL	NUMBER OF SHARES
BALANCE ON 1 JANUARY 2008	**4,896**	**-167**	**48,213**	**21,495**	**-16**	**74,421**	**1,730,171**
Capital increase	7		75			82	2,450
Own share reserve		122				122	
Dividend				-3,633		-3,633	
Result for the year				*7,604*		*7,604*	
Other elements of the comprehensive result for the period					*-426*	*-426*	
Comprehensive result				7,604	-426	7,178	
Movements via reserves							
• Result from own shares				-28		-28	
• Share based payments		4				4	
BALANCE ON 31 DECEMBER 2008	**4,903**	**-41**	**48,288**	**25,438**	**-442**	**78,146**	**1,732,621**
Capital increase						0	0
Own share reserve		41				41	
Dividend				-3,639		-3,639	
Result for the year				*8,256*		*8,256*	
Other elements of the comprehensive result for the period					*-23*	*-23*	
Comprehensive result				8,256	-23	8,233	
Movements via reserves							
• Result from own shares				23		23	
• Share based payments				4		4	
BALANCE ON 31 DECEMBER 2009	**4,903**	**0**	**48,288**	**30,082**	**-465**	**82,808**	**1,732,621**

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> Consolidated cash flow overview at 31 december 2009 and 2008

	2009	2008
OPERATING ACTIVITIES		
Result of operating activities	15,087	7,954
Adjustments for:		
• Depreciation	19,433	22,563
• Change in impairments and write-offs	872	237
• Change in provisions	-236	-887
• Proceeds from the sales of fixed assets	-124	-95
• Proceeds from share-based payment transactions	-7	23
Changes in net operating capital		
• Changes in stock	1,310	-2,233
• Change in trade and other receivables	-36	-939
• Change in trade and other liabilities	-7,399	3,837
• Change in other items	9	-32
CASH FROM OPERATING ACTIVITIES	**28,909**	**30,428**
Tax paid	-859	-3,132
NET CASH FROM OPERATING ACTIVITIES	**28,050**	**27,296**
INVESTING ACTIVITIES		
Proceeds from the sale of tangible fixed assets	611	95
Investments in intangible fixed assets	-517	-961
Investments in tangible fixed assets	-17,485	-17,434
Net investments in financial fixed assets	-10	-21
Takeover of subsidiaries	0	884
NET CASH USED IN INVESTING ACTIVITIES	**-17,401**	**-17,437**
FINANCING ACTIVITIES		
Proceeds from share issues	41	208
Proceeds from take-up of new loans	11,617	18,590
Dividend payments to shareholders	-3,640	-3,528
Interest paid (through P&L account)	-3,567	-4,401
Loan settlement	-18,449	-15,970
Repayment of financial leasing liabilities	-454	-6,200
Other financial resources / (expenses)	907	-311
NET CASH FROM FINANCING ACTIVITIES	**-13,545**	**-11,612**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-2,896**	**-1,753**
Cash funds at the beginning of the year	5,580	7,332
CASH FUNDS AT THE END OF THE YEAR	**2,684**	**5,579**

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> Significant accounting policies and notes

1. Summary of the most important valuation rules

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, its subsidiaries and joint ventures (hereinafter jointly referred to as the "group") and the group's interest in affiliated companies. The consolidated financial statements were issued for publication by the Board of Directors on 25 February 2010. 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 1000's. 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 "current value". However, if no reliable market price or estimate of the current value is to hand, 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 "current value" up to the amount of the covered risk. The valuation rules applied uniformly to the entire group and are consistent with the previous financial year. The comparative information has been reworked in accordance with the IFRS.

Standards and interpretations which became applicable in 2009

- IFRS 1 "First-time Adoption of International Financial Reporting Standards" (applicable for accounting years beginning on or after 1 January 2009)
- IFRS 8 "Operating Segments" (applicable for accounting years beginning on or after 1 January 2009)
- IAS 1 "Presentation of Financial Statements" (annual periods beginning on or after 1 January 2009). This Standard replaces IAS 1 Presentation of Financial Statements (revised in 2003) as amended in 2005
- Improvements to IFRS (2007-2008) (normally applicable for accounting years beginning on or after 1 January 2009)
- Amendment to IFRS 1 "First Time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements" (normally prospective application for annual periods beginning on or after 1 January 2009)
- Amendment to IFRS 2 "Vesting Conditions and Cancellations" (applicable for annual periods beginning on or after 1 January 2009)

- Amendment to IFRS 7 “Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments” (applicable for accounting years beginning on or after 1 January 2009)
- Amendment to IAS 23 “Borrowing Costs” (applicable for accounting years beginning on or after 1 January 2009)
- Amendment to IAS 32 “Financial Instruments: Presentation” and IAS 1 “Presentation of Financial Statements – Puttable financial instruments and obligations arising on liquidation” (annual periods beginning on or after 1 January 2009)
- IFRIC 13 “Customer Loyalty Programmes” (applicable for accounting years beginning on or after 1 July 2008)
- IFRIC 16 “Hedges of a net investment in a foreign operation” (applicable for accounting years beginning on or after 1 October 2008)
- IFRIC 18 “Transfers of Assets from Customers” (applicable for Transfers received on or after 1 July 2009)
- Amendment to IFRIC 9 “Reassessment of Embedded Derivatives” and IAS 39 “Financial Instruments: Recognition and Measurement” (applicable for accounting years ending on or after 30 June 2009)

Standards and interpretations issued which are not yet in force

At the time that these financial statements were approved for publication, the following standards and interpretations had been issued, but are not yet in force:

- IFRS 3 “Business Combinations” (applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). This Standard replaces IFRS 3 Business Combinations as issued in 2004
- IFRS 9 “Financial Instruments” (applicable for annual periods beginning on or after 1 January 2013)
- Improvements to IFRS (2008-2009) (normally applicable for accounting years beginning on or after 1 January 2010)
- Amendment to IFRS 1 “First Time Adoption of International Financial Reporting Standards – Additional exemptions” (applicable for annual periods beginning on or after 1 January 2010)
- Amendment to IFRS 1 “First Time Adoption of International Financial Reporting Standards – IFRS 7 exemptions” (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRS 2 “Share-based Payment” (applicable for annual periods beginning on or after 1 January 2010)
- Amendment to IAS 24 “Related Party Disclosures” (applicable for annual periods beginning on or after 1 January 2011). This Standard supersedes IAS 24 “Related Party Disclosures” as issued in 2003
- Amendment to IAS 27 “Consolidated and Separate Financial Statements” (applicable for annual periods beginning on or after 1 July 2009). This Standard amends IAS 27 “Consolidated and Separate Financial Statements” (revised 2003)
- Amendments to IAS 32 “Financial Instruments: Presentation – Classification of Rights Issues” (applicable for annual periods beginning on or after 1 February 2010)

- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement – Eligible Hedged Items” (applicable for annual periods beginning on or after 1 July 2009)
- IFRIC 15 “Agreements for the construction of real estate” (applicable for accounting years beginning on or after 1 January 2010)
- IFRIC 17 “Distributions of Non-cash Assets to Owners” (applicable for accounting years beginning on or after 1 July 2009)
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement” (applicable for annual periods beginning on or after 1 January 2011)

The members of the Board anticipate that adhering to these standards and interpretations will not have any material impact in future periods on the group’s financial statements in the period in which they will have to be applied for the first time.

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 32.

Subsidiaries included in the consolidation in accordance with the integral method

Subsidiaries are those over which Ter Beke NV exercises control. The term ‘control’ will be taken to mean that the Entity, directly or indirectly, can specify the financial and operational policy of an entity in order to gain benefits from its activities. The subsidiaries’ financial statements are included 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 32.

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 included in accordance with the proportional consolidation method. In 2009 and 2008 the group had no interests in joint ventures.

Investments in affiliated companies

Affiliated companies are those in which the group, directly or indirectly, has significant influence but not 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 included 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, Fixed assets held for sale and discontinued business activities. Investments in affiliated companies are initially included 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 included.

The difference between the cost price of the investment and the investor's share in the net current value of the identifiable assets, obligations and conditional obligations of the affiliated company, which were included on the takeover date, are included as goodwill. This goodwill is included in the balance-sheet value of the investment and is tested against exceptional depreciations as part of the investment. The difference after re-assessment between the current value of the group share in the identifiable assets, obligations and conditional obligations of the affiliated company and the cost price of the affiliated company are immediately included 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 2009 and 2008 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. Profits not realised from transactions with affiliated companies are eliminated up to the amount of the group's interest in the entity. Profits not realised from transactions with affiliated companies are eliminated against 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 exceptional depreciation.

Mergers

The takeover method is used to process mergers. The cost of a merger is evaluated as the total current value, at the date of handover, of assets, issued equity capital instruments, obligations entered into or taken over, plus any costs directly attributable to the merger. Identifiably acquired assets, obligations taken over and conditional obligations that form part of a merger are initially valued at their current value on the takeover date, regardless of the existence of any minority interest. The difference between the cost of the merger and the group's interest in the net current value of the identifiable net assets is included as goodwill. If the cost of the merger amounts to less than the group's interest in the net current value of the identifiable net assets of the acquired subsidiary, the difference after re-assessment must immediately be included in the income statement.

Foreign currency

Transactions in foreign currency

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

Annual income statement of activities abroad

All the group's activities abroad are conducted in the Euro zone, except for SDF Foods Ltd, TerBeke-Pluma UK Ltd and FreshMeals UK Ltd (liquidated in 2009). The assets and obligations of these foreign entities are converted to Euros at the exchange rate in force on the balance-sheet date. The income statement of these entities is converted each month to Euros at average rates close to the exchange rate on the transaction date. Conversion differences arising here from are processed directly via the equity capital.

The following exchange rate was used when drawing up the financial statements:

1 EURO IS EQUAL TO	2009	2008
POUND STERLING		
Closing rate	0.8881	0.9525
Average rate	0.8927	0.7935

Segmented information

IFRS 8 defines an operational segment as a part of an entity 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 replaces the earlier IAS 14 standard as of the 1st of January 2009 but does not alter the segment reporting.
In view of its mission, its strategic lines of force and its management structure, Ter Beke has opted as its operational segmentation basis to split up the group's activities into the group's two business activities (business segments): "Processed Meats and Fresh Ready Meals". In addition, it provides geographical information for the regions where the group is active.
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 attributed that can reasonably be attributed to the segment.

The assets and liabilities of a segment include the assets and liabilities pertaining directly 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 included 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 inclusion, intangible assets are valued at cost price less the accumulated depreciation and any accumulated exceptional depreciation. Intangible assets are depreciated linearly over their best estimated period of use. The depreciation period and the depreciation method used are evaluated again each year at the closure of the reporting period.

Research and development

The expenses of research activities, included for the purpose of acquiring new scientific or technological knowledge, are included as expenses in the income statement as they arise. The expenses of 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 included 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 activated expense includes the costs of raw materials, direct wage costs and a proportionate part of the overheads. Activated expenses for development are valued at cost price less the accumulated depreciation and exceptional depreciation.
All other expenses for development are included as a debit in the income statement as they arise. Since Ter Beke's development expenses do not fulfil the criteria for activation, these expenses are included as a debit in the income statement.

Other intangible assets

Other debits for internally generated intangible assets - e.g. brand names - are included as a debit in the income statement as they arise. Other intangible assets - e.g. brand patents, computer software - acquired by the group are valued at cost price less the accumulated depreciation and exceptional depreciation.

Depreciation

Intangible assets are depreciated according to the linear method over their expected period of use, from the date on which they come into use.
The depreciation percentages applied are:

> Computer software 20 %
> Brand patents 10 %

Goodwill

We speak of 'goodwill' when the cost of a merger on the takeover date exceeds the group's interest in the net current value of the identifiable assets, liabilities and conditional obligations of the party that has been taken over. Goodwill is initially included as an asset at cost price and is thereafter valued at cost price less any accumulated exceptional depreciation losses.
The cash-flow-generating unit to which goodwill is attributed is tested each year for an exceptional depreciation, and every time there is an indication that the unit might have undergone an exceptional depreciation by comparing the balance-sheet value of the unit with its saleable value. If the unit's saleable value is lower than the balance-sheet value, the exceptional depreciation loss will first be attributed at the balance-sheet value of the goodwill attributed to the unit and then to the other assets of the unit in proportion to the balance-sheet value of each of the unit's assets. An exceptional depreciation loss that is included for goodwill may not be reversed in a later period. When a subsidiary or joint venture is sold, the allocated goodwill will be included in the determination of the profit or loss upon sale.
If the group's interest in the net current value of the identifiable assets, liabilities and conditional obligations exceeds the cost of the merger, the remaining surplus is immediately included in the income statement after re-assessment.

Tangible fixed assets

Tangible assets are included if it is likely that the Entity will enjoy the future economic advantages relating to the assets and if the costs thereof can be determined reliably.

Assets under ownership

Tangible fixed assets are valued at cost price or at manufacturing price less the accumulated depreciation and any accumulated exceptional depreciation. In addition to the purchase price, the cost price also includes, if applicable, taxes that cannot be reclaimed and all directly-attributable costs to make the asset ready for use. The manufacturing price of self-made tangible fixed assets includes the direct cost of materials, directing manufacturing costs, a proportional part of the fixed costs of materials and manufacturing, and a proportional part of the depreciation and reductions in value of assets used in the manufacturing.
Costs after first inclusion are only included in the balance-sheet in the balance-sheet value of an asset, or as a separate asset, if it is likely that the group will enjoy the future economic benefits thereof and these costs can be determined reliably. All other repair and maintenance costs are included in the income statement in the period in which they were incurred. The tangible fixed assets are depreciated in accordance with the linear method from the date they come into use and over the period of time they are expected to be used.
The main depreciation percentages currently applied are:

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

Land is not depreciated, since it is assumed that it has an unlimited period of use

Government subsidies

Government subsidies may only be included if it can be postulated with reasonable certainty that:
> the group will meet the conditions pertaining to the subsidies, and
> the subsidies will be received.

Government subsidies are systematically included as revenues over the periods which are needed to attribute these subsidies to the related costs they are intended to compensate for. A government subsidy that is received in compensation for debits or losses already incurred or for the purpose of providing immediate financial support to the group without future related costs is included as income in the period in which it is to be received.
Investment subsidies are deducted from the balance-sheet value of that particular asset.
Operating subsidies are included if they are received and reported as Other Operating Revenues.

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Leasing

A lease contract is included as a financial lease if it transfers to the lessee most of the risks and benefits relating to the property. All other forms of leases are considered as operational leases.

The group as lessee

Financial leases - Assets held under a financial lease are included as group assets for amounts equal to the current value of the leased asset or, if it is lower, at the cash value of the minimum lease payments less the accumulated depreciation or exceptional depreciation losses. The liability to the lessor pertaining hereto is included in the balance-sheet as a liability under financial leases.
The minimum lease payments are included partly as financing costs and partly as settlement of the outstanding obligation in such a way that this results in constantly recurrent interest over the remaining balance of the obligation. The financing costs are included directly as a debit in the P&L account. The amount of a leased asset to be depreciated is systematically attributed to each reporting period during the period of its expected use, on a basis that is consistent with the depreciation rules that the lessee applies to assets in ownership to be depreciated. If it is reasonably certain that the lessee will acquire the property at the end of the lease period, the period of its expected use is the asset's period of use. Otherwise case, the asset is depreciated over the lease period or the period of use, if the latter is shorter.

Operational leases - Lease payments for operational leases must be included on a time-proportional basis during the lease period, unless a different systematic method of attribution is more representative of the time-pattern of the benefits that the user enjoys. Benefits (to be) received as an 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 yield value. The cost price is determined by means of the FIFO method. The cost price for goods being processed and finished products includes all conversion costs and other costs of bringing the stocks to their current location and to their current state/condition. The conversion costs include the production costs and the attributed fixed and variable production overhead costs (including depreciation). The yield value is the estimated sale 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 effect the sale thereof.

Exceptional depreciation losses from tangible and intangible fixed assets (except for goodwill)

On every reporting date, the group investigates its balance-sheet values for tangible and intangible fixed assets for the purpose of determining whether there is an indication of a possible exceptional depreciation in an asset. If there is such an indication, the saleable value of the asset will be estimated so as to be able to determine the exceptional depreciation loss (if any). However, if it is not possible to determine the saleable value of an individual asset, the group will estimate the saleable value for the cash flow-generation unit to which the asset belongs.
The saleable value is the highest value of the current value minus the sale costs and its going-concern value. The going-concern value is determined by discounting the expected future cash flows, whereby a discount rate for taxes is used. This discount rate reflects the cash time-value of the money and the specific risks pertaining to the asset.
If the saleable value of an asset (or a cash flow-generating unit) is estimated to be lower than the balance-sheet value of the asset (or a cash flow-generating unit), the balance-sheet value is reduced to its saleable value. An exceptional depreciation loss is included immediately as a debit in the income statement. A previously-included exceptional depreciation loss is retracted if there is a change in the estimates used to determine the saleable value, but not for a higher amount than the net balance-sheet value that would have been determined if no loss through exceptional depreciation had been included in the previous years.

Financial instruments

Trade receivables

Trade receivables are initially booked at current value and are then valued at the amortised cost price calculated on the basis of the effective-interest method. Appropriate exceptional depreciation losses are included in the income statement for estimated non-realisable amounts if there are objective indications that an exceptional depreciation loss has occurred.
The amount of loss is specified as the difference between the balance-sheet value of the asset and the cash value of future, estimated cash flows made in cash at the original effective interest rate upon initial inclusion.

Investments

Investments are no longer included 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 current value, plus the directly attributable transaction costs. For an investment that is not valued at current value, depreciations are incorporated in the income statement.

Investments held till maturity date

Promissory notes that the group definitely intends to hold till their maturity date (promissory notes held till maturity date), and is able to do so, are valued at the amortised cost price calculated by means of the effective-interest method, less any write-offs due to exceptional depreciation losses for the purpose of taking non-realisable amounts into consideration.
Such exceptional depreciation losses are included in the income statement if, and only if, there are objective indications of exceptional depreciation losses. Exceptional depreciation losses are retracted in subsequent periods when the rise in the saleable value can be objectively related to an event that took place after the write-off. The retraction may not exceed the amortised cost price as it would have been if the exceptional depreciation had not been included.

Other investments

Investments other than those held till maturity are classified as financial assets for sale which are valued after the first inclusion at current value. If no current value can be determined, they are valued at cost price. The profits and losses following changes in the current value are included directly in the equity capital until the financial asset is sold, or upon confirmation of exceptional depreciation losses. In this case the cumulative loss or profit that was directly included in the equity capital is transferred from the equity capital to the income statement. Exceptional depreciation losses included in the income statement on an investment in an equity capital instrument classified as available for sale are not retracted via the income statement.
An exceptional depreciation loss included in the income statement on a promissory note classified as available for sale is later retracted in the income statement if the rise in the current value of the instrument can be objectively related to an event that took place after the inclusion of the exceptional depreciation loss. With the exception of equity capital instruments, changes in the current value due to exchange-rate results are included in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash values, directly redeemable deposits and other short-term, extremely liquid investments that can be immediately converted to cash, the amount of which is known and which bear no material risk of depreciation.

Financial obligations and equity capital instruments

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

Bank loans

Interest-bearing bank loans and credit excesses are initially valued at current 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 pay-off or instalment of a loan is included over the loan period, in accordance with the rules for financial reporting on financing costs, which are applied by the group (see above).

Trade debits

Trade debits are initially booked at current value and are then valued at the amortised cost price calculated on the basis of the effective-interest method.

Equity capital instruments

Equity capital instruments issued by the company are included 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 at current value after first inclusion.
There are three sorts of hedging relations:

(a) Cash flow hedging
Changes in the current value of derivatives indicated as cash flow hedges are included in the equity capital. The non-effective part is included in the income statement.
If the cash flow hedging of a fixed commitment or an expected future transaction leads to the inclusion of a non-financial asset or a non-financial obligation, then the profits or losses on the derived financial instrument incorporated earlier in the equity capital are included in the initial valuation of the asset or obligation when the asset or obligation is booked.
If the hedging of an expected future transaction leads to the inclusion of a financial asset or a financial obligation, the related profits or losses on the derived financial instrument incorporated directly in the equity capital 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 equity capital 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 inclusion of an asset or an obligation, the amounts directly included in the equity capital are transferred to the income statement in the same period(s) in which the hedged expected future transaction affects the profit or loss.

(b) Current-value hedging

Changes in the current value of derivatives which were indicated and qualify as current-value hedging are included in the income statement, together with any change in the current value of the hedged asset or the hedged obligation which is to be attributed to the hedged risk.

(c) Hedging of a net investment in a foreign entity

Hedges of net investments in foreign entities are comparably incorporated as a cash-flow hedge. The part of the profit or loss on the hedging instrument for which it is confirmed that it is an effective hedge is directly included in the equity capital; the profit or loss on the non-effective part is immediately included in the income statement. The profit or loss on the hedging instrument regarding the effective part of the hedge which is directly included in the equity capital is included in the income statement when the foreign entity is divested. The changes in the current value of derivatives that are not classified can be immediately included 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 current value of each derivative that does not qualify as a hedging transaction are immediately included in the income statement.

Redeemed own shares

If the group redeems its own shares, the amount paid - including directly attributable direct costs - is incorporated as a reduction in the equity capital. The revenue from the sale of own shares is directly included in the equity capital and has no impact on the net results.

Dividends

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

Fixed assets held for sale

Fixed assets and groups of assets that are divested are classified as 'held for sale' if their balance-sheet value will mainly be realized 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 fixed asset (or group of assets being disposed of) classified as held for sale will be included at the lowest value of its balance-sheet value and its current value minus the costs of sale.

Provisions

A provision will be included 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 that contains economic advantages within it will be required to settle the obligation, and
(c) the amount of the obligation can be reliably estimated.

The amount included 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, where-by a discount rate "for taxes" is used. This discount rate reflects the cash time-value of the money and the specific risks pertaining to the obligation.
A provision for reorganization is laid down when the group has approved a detailed and formalized plan for the reorganization and when the reorganization 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.

Staff remuneration

Staff remuneration comprises all forms of remuneration allocated by the Entity in exchange for the services provided by the staff.
Staff remuneration includes:
- short-term staff pay, including such things as the wages, salaries and social security contributions, holiday money, continued pay during illness, profit-sharing and bonuses and payments in kind for the current staff members;
- payments after staff leave, including such things as pensions and life insurance;
- other long-term staff remuneration;
- compensation for dismissal;
- and share-based payments.

Pension arrangements

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

Defined contribution obligation

Contributions paid to these defined-contribution obligations are included immediately in the income statement.

Defined benefit obligation

The balance-sheet value of the defined benefit obligation is determined by the cash value of the payment obligations, taking account of the actuarial profits or losses not included, minus the pension costs for completed service not included, and of the current value of the pension fund investments. If this calculation results in a net surplus, then the value of the asset resulting here from is limited to the actuarial losses not included and pension costs for completed service and the cash value of the future payments from the pension scheme or the reductions in the future contributions to the pension scheme.
The inclusion of actuarial profits and losses is individually determined for each defined benefit obligation. If the net cumulative profits or losses not included come to more than 10 % of the cash value of the defined benefit obligation or, if higher, of the current value of the assets, then this surplus is included in the P&L account over the expected average remaining careers of the employees participating in the scheme. In all other cases, the actuarial profits or losses are not included. 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 obligation, pension costs for completed service are immediately included as a cost.
The cash value of the obligations under defined benefit obligations and the related pension costs are calculated by a qualified actuary in accordance with the projected unit credit method. The discount rate adopted 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 obligations. The amount included in the P&L account 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 profits and losses.

Redundancy pay

Redundancy payments are included as an obligation 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 redundancy pay in consequence of an offer to encourage voluntary retirement (early retirement pensions).

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 obligations.

Variable pay

The variable pay of clerical staff and management is calculated on the basis of financial core-figures and the balanced scorecards. The expected amount of the variable pay is included as a cost in the reporting period concerned.

Share-based payments

The cost of the group's obligation in relation to share-option schemes is the current value of these instruments. This current value is determined by means of the current value of the shares on the allocation date. The total amount included as an expense over the waiting period is determined taking account of the current value of the allocated options. Conditions that must be met in order to make the options unconditional are included in the assumptions when calculating the number of options that are expected to be exercisable. At the end of every accounting year, the group reviews the number of options that are expected to be exercisable. Any impact of this review is included in the P&L account, together with an adjustment to the equity capital over the remaining waiting period.

Taxes on profits

The taxes on profits include the taxes on profits and deferred taxes. Both taxes are included in the P&L account, except in those cases where it concerns components that are part of the equity capital. In this last case the inclusion proceeds via the equity capital. The term 'taxes on profits' is taken to mean those that are levied on the taxable income for the reporting period, calculated at the tax assessment rates applicable at the balance-sheet date, in common with adjustments to the taxes due over the previous reporting periods. Deferred taxes are calculated according to the balance-sheet method and arise mainly from the differences between the balance-sheet value of assets and liabilities in the balance-sheet and the tax basis of those assets and liabilities. The amount of deferred taxes is based on the expectations regarding the realisation of the balance-sheet 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 included 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 liabilities 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.

Revenues

Revenues are included if it is likely that the Entity will enjoy the economic advantages relating to the transaction and if the amount thereof can be determined reliably. Turnover is reported after taxes and discounts.

Sale of goods – Revenues from the sale of goods are included 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 sold goods 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 go to the group, and
(e) the costs incurred or to 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 included as a reduction in the revenue at the time of invoicing.

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

Rental revenues – Rental revenues are included directly in the income statements on a linear basis, spread over the rental period.

Financial revenues – Financial revenues comprise the interest received, the dividends received, the exchange-rate revenues and the revenues from hedging instruments that are included in the income statement.

Interest – Interest is included 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 included 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 revenues.

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 included in the income statement, regardless of when the expenses are paid. Expenses can only be transferred to a subsequent period if they fulfil the definition of an asset.

Purchases – Purchases of trade goods, raw materials and auxiliary materials and purchased services are included 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 included in the income statement in the period in which they were incurred. Development costs and system development costs are included in the income statement in the period in which they were incurred if they do not meet the criteria for activation.

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

2. Consolidation circle

The consolidated annual income statement of the group for 2009 includes the Entity and 23 consolidated subsidiaries over which the Entity exercises control (Note 32). The consolidated financial statement for 2008 includes 24 consolidated subsidiaries.
In the course of 2009, FreshMeals UK Ltd. was liquidated.

3. Reporting per segment and geographical information

Ter Beke is a food group, specializing in the development, production and sale of processed meats and fresh ready meals in Europe. At the end of 2009 the Ter Beke group had a workforce of 1,770 (2008: 1,784) (full-time equivalents on December 31 2009 and the average number of temporary workers in 2009). 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 organization 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, pâtés 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 include the assets and liabilities pertaining directly 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 fixed assets, goodwill, tangible fixed assets and the elements of the operational working capital. All other assets and liabilities have not been allocated to the business segments and are mentioned as "not allocated". Assets and liabilities per segment are presented before elimination of inter-segment positions. Arm's length conditions are taken as a basis for inter-segment transfer pricing. The investment expenses per segment include the cost of the acquired assets with an expected period of use of more than one year. In this segment reporting the same valuation rules are used as in the consolidated financial statements.

Both the processed meats and ready meals segment generate most of their turnover through business with major groups (discount, retail and customer groupings). Whilst the group's customer portfolio is quite diversified, the termination of a relationship with a major customer grouping may influence the short term profitability.

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

The division of the net turnover per region is based on the geographical location of the external clients. The division of the total assets and investment expenses per region is based on the geographical location of the assets. The investment expenses per segment include the cost of the acquired assets with an expected economic lifetime of more than one year.

Key data per business segment

	2009			2008		
	PROCESSED MEATS	READY MEALS	TOTAL	PROCESSED MEATS	READY MEALS	TOTAL
SEGMENT INCOME STATEMENT						
Segment income	273,152	119,222	392,374	269,413	123,793	393,206
Segment results	7,794	10,773	18,567	6,050	4,536	10,586
Non-allocated results			-3,480			-2,633
Net financing cost			-2,660			-4,712
Tax			-4,171			4,363
Consolidated result			8,256			7,604
SEGMENT BALANCE SHEET						
Segment assets	153,451	62,642	216,093	164,160	64,438	228,598
Non-allocated assets			13,923			10,838
Total consolidated assets			230,016			239,436
Segment liabilities	47,824	29,626	77,450	51,358	32,214	83,572
Non-allocated liabilities			152,566			155,864
Total consolidated liabilities			230,016			239,436
OTHER SEGMENT INFORMATION						
Investments						
• Tangible fixed assets	11,226	5,193		11,909	4,245	
• Intangible fixed assets	171	69		49	27	
Depreciations and non-cash costs	11,978	7,452		12,073	9,360	
Non current depreciations and non-cash costs				2,025	1,456	

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Key data per geographical region

	2009	2008
THIRD PARTY TURNOVER		
Belgium	168,510	165,871
The Netherlands	148,937	149,911
UK	25,215	27,496
Germany	18,069	15,052
France	16,664	20,322
Other	14,979	14,554
	392,374	**393,206**
ASSETS PER REGION		
Belgium	160,430	175,607
The Netherlands	44,661	46,709
France	6,185	7,383
Other	18,740	9,737
	230,016	**239,436**
INVESTMENTS PER REGION		
Belgium	13,296	15,853
The Netherlands	3,641	1,433
France	111	140
Other	0	0
	17,048	**17,426**

4. Operating revenues

	2009	2008	%
REVENUES FROM THE SALE OF GOODS	392,374	393,206	-0.2%

The results show that Ter Beke consciously maintained its focus in improving the profitability of its activities.

The group's turnover growth in 2009 was compensated by the termination of non profitable volume contracts in France in the first semester of 2008.

Along with the evolution of the raw material prices, the termination resulted in a decrease of the turnover in the ready meals division by 4.5 million EUR (-3.7%).

The turnover of the processed meats division increased by 3.7 million EUR (1.4%). This positive evolution is the result both of the growth of the service slicing activities in The Netherlands and the growth of the processed meats production activities in our home markets. The turnover growth is slowed down by decreasing raw material prices that were passed on in the sale prices.

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5. Trade goods, raw and auxiliary materials

	2009	2008
Purchases	200,413	211,871
Stock changes	3,626	318
TOTAL	**204,039**	**212,189**

6. Services and miscellaneous goods

	2009	2008
Sale-related expenses	32,077	34,489
Production-related expenses	41,942	40,646
Other	6,885	7,470
TOTAL	**80,904**	**82,605**

7. Wages and salaries

Wages and salaries in 2009 amounted to EUR 72,877 (000) compared to EUR 70,507 (000) in 2008.

Wages and salaries can be split up as follows:

	2009	2008
Wages and salaries	48,758	47,119
Social security contributions	17,432	17,339
Other personnel costs	6,687	6,049
TOTAL	**72,877**	**70,507**
Total employment in full-time equivalents	1,770	1,784

8. Impairments, write-offs and provisions

	2009	2008
Impairments	871	237
Provisions	-236	-887
TOTAL	**635**	**-650**

The 2009 impairments mainly concern impairments on the technical spare parts stock.

9. Other operating income and expenses

	2009	2008
Recovery of wage-related costs	1,318	466
Recovery of logistic costs	122	118
Government grants	12	43
Profits from the sale of assets	202	11
Insurance recoveries	286	3,001
Losses in value	-68	-40
Local tax	-1,701	-1,635
Indemnities	299	0
Other	131	-3
TOTAL	**601**	**1,961**

10. Profits/losses of operating activities

	2009	2008	%
Profit of operating activities	15,087	7,953	89.7%
Non current operating activities	0	3,425	-100.0%
CURRENT PROFIT OF OPERATING ACTIVITIES (REBIT)	**15,087**	**11,378**	32.6%

The EBITDA increases by 17.7% from 29.9 million EUR to 35.2 million EUR. This increase is primarily due to an improved product mix, further efficiency improvements throughout the entire supply chain and continued cost control and cost reduction efforts.

The improved product mix is caused by the profitable growth of the turnover and the positive effect of the terminated French contracts.

The recurring operating result (REBIT) increases in 2009 by 3.7 million EUR compared to 2008 (compared to an EBITDA increase of 5.3 million EUR) because the group recorded 1.6 million EUR additional recurring depreciations and impairments in 2009 compared to 2008.

The operating result (EBIT) increases considerably in 2009 compared to 2008 because the group recorded 3.4 million EUR non-recurring depreciations and impairments in 2008.

11. Financial income

	2009	2008
Interest income	322	141
Positive exchange rate differences	499	0
Other	165	113
TOTAL	**986**	**254**

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12. Financing expenses

	2009	2008
Interest costs on loans	3,074	3,881
Interest costs on leasing	247	268
Negative exchange rate differences	0	566
Bank costs	246	252
Revaluation of financial instruments	0	11
Other	79	-12
TOTAL	**3,646**	**4,966**

13. Tax

TAX	2009	2008
TAX ON PROFITS		
Financial year	3,055	1,751
Previous financial years	195	-111
DEFERRED TAX LIABILITIES		
Effect of temporary differences	1,052	-5,811
Deferred tax on the loss of the current financial year	-131	-192
TOTAL TAX IN THE INCOME STATEMENT	**4,171**	**-4,363**

The tax rate in Belgium amounts to 33.99 % (2008: 33.99 %). For the other countries, the tax rates applicable in those countries are used.

RELATIONSHIP BETWEEN THE TAX BURDEN AND THE ACCOUNTING PROFIT	2009	2008
TAX ON PROFITS		
Accounting profit before tax	12,427	3,241
Tax at the Belgian tax rate (2009 : 33,99% and 2008 : 33,99%)	4,224	1,102
Effect of the different tax rates of the foreign companies	-215	-205
Effect of the expenses non deductible against tax	508	560
Deferred tax assets and liabilities into result	-164	-5,090*
Realisation of previously not-acknowledged tax receivables	0	-86
Notional interest deduction	-444	-328
Other effects	262	-316
ACTUAL TAX BURDEN	**4,171**	**-4,363**
Actual tax percentage	33.6%	

* Ter Beke won the litigation against the Belgian tax authorities on the Luxembourg captive reinsurance structure in appeals on May 6, 2008. The tax authorities waived their right to an appeal before the Supreme Court. As a result, Ter Beke can incorporate the entire deferred tax liability on the equity of Ter Beke Luxembourg per 31 December 2007 in the 2008 result on the condition that, at the same time, the deferred tax assets for losses carried forward of Ter Beke France SA and TerBeke-Pluma NV are expensed.

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14. Goodwill

	2009	2008
GOODWILL		
Start of the financial year	38,439	39,770
Acquisitions		-884
Calculation differences		-447
END OF THE FINANCIAL YEAR	**38,439**	**38,439**
EXCEPTIONAL VALUE REDUCTIONS		
Start of the financial year	3,235	1,740
Exceptional impairment losses		1,495
END OF THE FINANCIAL YEAR	**3,235**	**3,235**
NET BALANCE SHEET VALUE END OF THE FINANCIAL YEAR	**35,204**	**35,204**

The group opted to allocate the goodwill to its segments. In 2009, this means EUR 29,096 (000) for the processed meats (2008 : EUR 29,096 (000)) and EUR 6,108 (000) (2008 : EUR 6,108 (000)) for the fresh ready meals. Every year, the group carries out an “Impairment” analysis on this goodwill by means of the discounted cash flow method.

This calculation is based on budget estimates on the one hand, supplemented by projections over the estimated lifetime of the most important production installations, and, on the other hand, on growth percentages determined on the basis of available sector information. The used discount rate is the marginal interest rate of the Entity.

15. Intangible fixed assets

INTANGIBLE FIXED ASSETS	2009 SOFTWARE	2008 SOFTWARE
ACQUISITION VALUE		
Start of the financial year	13,006	12,306
Extension consolidation circle		
Acquisitions	517	960
Transfer and discontinuations	-32	-265
Transfer from / to other entries		5
END OF THE FINANCIAL YEAR	**13,491**	**13,006**
DEPRECIATIONS		
Start of the financial year	10,440	9,615
Extension consolidation circle		
Depreciations	931	1,092
Transfer and discontinuations	-25	-267
END OF THE FINANCIAL YEAR	**11,346**	**10,440**
NET BALANCE SHEET VALUE END OF THE FINANCIAL YEAR	**2,145**	**2,566**

16. Tangible fixed assets

2009	LAND AND ASSETS	INSTALLATIONS, MACHINES AND EQUIPMENT	FURNITURE AND ROLLING STOCK	LEASING	OTHER	ASSETS UNDER CONSTRUCTION	TOTAL
ACQUISITION VALUE							
Start of the financial year	100,559	191,318	3,275	3,686	1,261	112	300,211
Extension consolidation circle							0
Acquisitions	1,597	14,498	77	55	0	304	16,531
Transfer and discontinuations	-1,532	-6,985	-78	-145	-1,180		-9,920
Transfer from / to other entries		145				-145	0
Calculation differences							0
END OF THE FINANCIAL YEAR	**100,624**	**198,976**	**3,274**	**3,596**	**81**	**271**	**306,822**
DEPRECIATIONS							
Start of the financial year	44,602	131,488	2,665	2,499	752	0	182,006
Extension consolidation circle							0
Depreciations	3,577	14,125	236	488	8		18,434
Transfer and discontinuations	-918	-6,643	-77	-142	-680		-8,460
Calculation differences							0
END OF THE FINANCIAL YEAR	**47,261**	**138,970**	**2,824**	**2,845**	**80**	**0**	**191,980**
IMPAIRMENT							
Start of the financial year	2,060	1,163	2	0	0	0	3,225
Extension consolidation circle							0
Addition	500						500
Reduction							0
Transfer and discontinuations	-533	-448					-981
END OF THE FINANCIAL YEAR	**2,027**	**715**	**2**	**0**	**0**	**0**	**2,744**
NET CAPITAL GRANTS							
Start of the financial year	528	1,991	20	0	0	0	2,539
Extension consolidation circle							0
New allocations	114	1,264	22				1,400
Other	-27	-140					-167
Depreciation	-81	-343	-8				-432
END OF THE FINANCIAL YEAR	**534**	**2,772**	**34**	**0**	**0**	**0**	**3,340**
NET BALANCE SHEET VALUE ON 31 DECEMBER 2009	**50,802**	**56,519**	**414**	**751**	**1**	**271**	**108,758**

In relation to the takeover contract for the business units Pronto, Les Nutons and l'Ardennaise from Unilever Belgium NV, a 99-year ground lease contract had been concluded in July 1996 for the use of the land and buildings. The buildings are included as financial leasing, the land under operational leasing.

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2008	LAND AND ASSETS	INSTALLATIONS, MACHINES AND EQUIPMENT	FURNITURE AND ROLLING STOCK	LEASING	OTHER	ASSETS UNDER CONSTRUCTION	TOTAL
ACQUISITION VALUE							
Start of the financial year	97,164	197,079	5,158	10,648	81	819	310,949
Extension consolidation circle							0
Acquisitions	1,379	14,626	258	90	0	112	16,465
Transfer and discontinuations	-2,398	-22,658	-783	-1,357	0	0	-27,196
Transfer from / to other entries	4,414	2,273	-1,358	-5,695	1,180	-819	-5
Calculation differences		-2					-2
END OF THE FINANCIAL YEAR	**100,559**	**191,318**	**3,275**	**3,686**	**1,261**	**112**	**300,211**
DEPRECIATIONS							
Start of the financial year	43,994	139,163	4,343	3,358	63	0	190,921
Extension consolidation circle							0
Depreciations	3,621	13,646	217	481	9	0	17,974
Transfer and discontinuations	-3,013	-21,320	-1,895	-1,340	680		-26,888
Calculation differences		-1					-1
END OF THE FINANCIAL YEAR	**44,602**	**131,488**	**2,665**	**2,499**	**752**	**0**	**182,006**
IMPAIRMENT							
Start of the financial year	850	0	0	0	0	0	850
Extension consolidation circle							0
Addition	1,210	1,163	2				2,375
Reduction							0
END OF THE FINANCIAL YEAR	**2,060**	**1,163**	**2**	**0**	**0**	**0**	**3,225**
NET CAPITAL GRANTS							
Start of the financial year	708	2,478	21	0	0	0	3,207
Extension consolidation circle							0
New allocations							0
Other	-154	-143	2				-295
Depreciation	-26	-344	-3				-373
END OF THE FINANCIAL YEAR	**528**	**1,991**	**20**	**0**	**0**	**0**	**2,539**
NET BALANCE SHEET VALUE ON 31 DECEMBER 2008	**53,369**	**56,676**	**588**	**1,187**	**509**	**112**	**112,441**

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17. Financial assets

	2009	2008
Receivables and securities in cash	159	150
TOTAL	**159**	**150**

18. Deferred tax assets and liabilities

The deferred tax assets and liabilities are attributable to the following headings

	2009	2008
Debts	-218	-539
Tangible fixed assets	8,654	8,392
Stocks	-85	0
Receivables	369	0
Provisions	-126	-76
Tax loss carry forwards deducted from other entries	-131	-193
DEFERRED TAX ASSETS AND LIABILITIES	**8,463**	**7,584**

In 2009, the group did not acknowledge EUR 8,455 (000) (EUR 8,730 (000) in 2008) in deferred tax assets on tax-deductible losses because it is insufficiently certain that these will be realized in the near future.

19. Stocks

	2009	2008
Raw and auxiliary materials	14,553	16,032
Work in progress	3,672	3,748
Finished goods	4,759	4,419
Trade goods	139	233
TOTAL	**23,123**	**24,432**

20. Trade and other receivables

	2009	2008
Trade receivables	50,944	48,117
Grants to receive	1,400	0
VAT to be reclaimed	2,103	2,620
Tax to be reclaimed	887	2,569
Accrued and deferred accounts	1,360	1,371
Interest receivable	0	2
Indemnities receivable	0	2,211
Other	1,250	2,173
TOTAL	**57,944**	**59,063**

Our trade receivables are not intrestbearing.
The average number of days of customer credit for the group is 47 (2008 : 45).
There were no booked impairments on trade receivables incorporated as a cost in the income statement in 2009 (322,000 EUR in 2008).

21. Cash and cash equivalents

	2009	2008
Short-term financial assets	0	3,172
Sight accounts	2,676	2,404
Cash	7	4
TOTAL	**2,683**	**5,580**

The short-term financial assets consist entirely of short-term investments with financial institutions with a maximum duration of 3 months.

22. Equity capital

The various components of the equity capital, together with the changes between 31 December 2009 and 31 December 2008 are shown in the Consolidated Transaction Summary of the Equity Capital.

Capital

The Entity's issued capital amounted to EUR 4,903 (000) on 31 December 2009, 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.
Through the conversion of warrants, 2,450 shares were created in 2008 at an average strike price of EUR 33.41.

On 31 December 2009, there was a total of 2,200 allocated warrants outstanding, giving entitlement to a total of 2,200 shares with an average exercise price of EUR 42.59 per share. The warrants were granted to key employees whom the shareholders wish to bind to the company in the long term. In 2009, no warrants expired. If all allocated warrants are effectively converted, the consequence for the shareholders of Ter Beke would be a dilution of 0.13 %.

Share-based payments

Summary of existing warrant plans

During the period ending on 31 December 2009, the group had the outstanding warrant plan described below.

PLAN	OFFER	OUTSTANDING ON 31 DEC 09	OUTSTANDING ON 31 DEC 08	EXERCISE PRICE
2002	3 June 2002	2,200	2,200	42.59

The share option plan was approved by the Extraordinary General Meeting. Warrants with a fixed exercise price each give entitlement to one Ter Beke NV share at an exercise price equal to the average of the closing prices for the share on Euronext Brussels during the thirty days preceding the offer date. The period of these warrants is 5 years.
In view of the developments in stock-market prices for Ter Beke shares and in view of the law of 24 December 2002, the exercise period for the existing plan was extended by the Extraordinary General Meeting of 28 May 2003 by three years. The warrants were granted to key employees whom the shareholders wish to bind to the company in the long term. Options allocated under this warrant plan are exercisable from the third anniversary of the date of receipt and if the employment conditions mentioned in the scheme are met.

The movements in options are as follows:

	2009	2008
Number of outstanding warrants		
• Start of the financial year	2,200	8,800
• Exercise	0	-2,450
• Lapsed	0	-4,150
END OF THE FINANCIAL YEAR	**2,200**	**2,200**

In the income statement, EUR 4 (000) was included as a cost in 2009 and 2008 for the share-base payments.

Own share reserve

The reserve for own shares contains the acquisition value of the own shares held by the group. On 31 December 2009 the group held no own shares compared to 1,000 own shares on 31 December 2008.

Exchange-rate differences

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

Dividends

On 25 February 2010, the Board of Directors proposed paying out EUR 4,071,659.35 or EUR 2.35 per share. This dividend has still not been approved by the Ter Beke General Shareholders Meeting and has therefore not yet been included in the accounts.

23. Staff remuneration

Provisions for pensions and similar obligations

The group and its subsidiaries provide for pension schemes and other staff benefits. On 31 December 2008 the total net debt for pension schemes and similar obligations, also including redundancy payments was EUR 1,627 (000). This was EUR 1,692 (000) as at 31 December 2009.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS	OBLIGATIONS UNDER IAS 19 DEFINED BENEFIT PLAN	OTHER PROVISIONS	TOTAL PROVISIONS
1 JANUARY 2008	**1,261**	**1,104**	**2,365**
Extension consolidation circle	0		0
Service cost	128		128
Interest cost	73		73
Actuarial effect	0		0
Payments and reversals	-99	-840	-939
Other		0	0
31 DECEMBER 2008	**1,363**	**264**	**1,627**
Extension consolidation circle			0
Service cost	85	185	270
Interest cost	83		83
Actuarial effect			0
Payments and reversals	-154	-134	-288
Other			0
31 DECEMBER 2009	**1,377**	**315**	**1,692**

Defined contribution plans

The Ter Beke companies contribute to public or privately-managed pension or insurance funds under the fixed contribution schemes relating to staff remuneration. Once the contribution is paid, the group's companies have no further payment obligations. The periodical contributions constitute a cost for the year in which they are owed. In 2009 this cost amounted to EUR 1,474 (000). In 2008 this was EUR 1,145 (000). The provisions mainly consist of restructuring provisions and of defined benefit obligations under IAS 19.

24. Interest-bearing obligations

	MATURITY PERIOD			
2009	WITHIN THE YEAR	BETWEEN 1 AND 5 YEARS	AFTER 5 YEARS	TOTAL
Credit institutions	20,669	42,564	4,212	67,445
Leasing debts	309	393	0	702
TOTAL	**20,978**	**42,957**	**4,212**	**68,147**

	MATURITY PERIOD			
2008	WITHIN THE YEAR	BETWEEN 1 AND 5 YEARS	AFTER 5 YEARS	TOTAL
Credit institutions	18,409	49,580	6,342	74,331
Leasing debts	471	631	0	1,102
TOTAL	**18,880**	**50,211**	**6,342**	**75,433**

The loans from credit institutions consist of:

> short-term credits with a maturity period within the month for EUR 2,662 (000);

> long-term credits with a fixed interest rate for EUR 47,220 (000);

> long-term credits whereby the interest rates are regularly reviewed for agreed periods of less than one year for EUR 18,265 (000).

WEIGHTED AVERAGE INTEREST RATE AT YEAR END	2009	2008
Loans with fixed interest rate	4.81%	4.96%
Loans with variable interest rate	2.04%	5.28%

Minimum payments credit institutions (including interests):

	2009	2008
• less than 1 year	20,356	21,775
• more than 1 and less than 5 years	45,630	55,294
• more than 5 years	4,492	7,184

The group has sufficient short-term credit lines to fulfil its short-term requirements. In order to obtain the aforementioned obligations to credit institutions, the group did not pledge any assets, nor were guarantees given by third parties.

The minimum financial lease payments (including interests) are:

	2009	2008
• less than 1 year	337	529
• more than 1 and less than 5 years	413	678
• more than 5 years	0	0

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

25. Trade liabilities and other debts

	2009	2008
Trade debts	49,392	57,916
Dividends	104	105
Other	2,232	3,094
TOTAL	**51,728**	**61,115**

26. Risks derived from financial instruments

Exposure to risks relating to 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 derived 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.
Considering the decreasing short-term interest rates and the fact that only 30.70% of the long-term loans have been contracted at variable interests, the company did not contract a specific coverage for this risk.

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, purchases and interest-bearing loans expressed in a currency other than the local currency of the company (Pound Sterling, etc.). On 31 December 2008, the group had a net position in Pound Sterling of £ 2,702 (000), on 31 December 2009 this position was £2,280 (000).

On 31 December 2008 the group had, as hedging against the exchange rate risk, an option contract for the sale of 3,000 (000) GBP for EUR and forward contracts for the sale of 2,800 (000) GBP for EUR. On 31 December 2009 the group had an option contract for the sale of 5,000 (000) GBP for EUR and forward contracts for the sale of 2,000 (000) GBP for EUR.

Credit risk

The credit risk is the risk that one of the contracting parties fails to honour his obligations with regard to the financial instrument, giving rise to a loss for the other party. 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 liquidities and short-term investments: short-term investments are made in easily-tradable securities or in fixed-term deposits in reputable banks.

> Transactions with derived financial instruments: transactions with derived financial instruments are only permitted with counter-parties that have a high degree of creditworthiness.

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 to ensure that sufficient credit lines are available. See also note 24.

27. Operational leasing

The group hires its cars and a number of freight vehicles under a number of operational leasing contracts. Future payments under this non-terminable operational leasing contracts amount to:

	2009	2008
• less than 1 year	774	752
• more than 1 and less than 5 years	1,230	1,421
• more than 5 years		16
TOTAL	**2,004**	**2,189**

28. Liabilities not appearing in the balance sheet

The group has not set up any sureties as a guarantee for debts or obligations to third parties.
The total purchase obligations in relation to major investment projects for which the respective contracts had already been assigned or orders placed amounted on 31 December 2009 to EUR 993 (000) (2008: EUR 980 (000)).

29. Transactions with affiliated parties, directors and members of the executive committee

Remuneration of directors

The compensation policy was prepared by the Nomination & Compensation Committee and approved by the Board of Directors. The compensations of the executive directors and members of the Executive Committee are structured in a fixed part, a variable part that is defined as a function of an evaluation by the Compensation Committee, and long-term incentives such as a pension plan. Effective 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 2009 can be summarized as follows:

IN MILLION EUR	2009	2008
Compensation Board members Ter Beke NV for the execution of their mandate	0,2	0.2
Total cost for the group of members of the Executive Committee, exclusive of the compensation for the execution of their Board membership within Ter Beke NV	2,2	2

Transactions with other parties

Transactions with related 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 2008 and 2009 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 Companies Code) we refer to the annual report chapter on Corporate Governance.

30. Profit per share

The calculation of the ordinary Profit Per Share is based on a net profit to be allocated to the ordinary shareholders of EUR 8,256 (000) (2008: EUR 7,604 (000) and a weighted average number of outstanding ordinary shares during the year of 1,732,621 (2008: 1,731,641).

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

CALCULATION PROFIT PER SHARE	2009	2008
Number of outstanding ordinary shares per 1 January financial year	1,732,621	1,730,171
Effect of issued ordinary shares		1,446
Weighted average number of outstanding shares per 31 December financial year	1,732,621	1,731,617
Net profit	8,256	7,604
Average number of shares	1,732,621	1,731,617
PROFIT PER SHARE	**4.77**	**4.39**

Diluted pps

In calculating the PPS 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. This concerns the warrant plans in 2009 and 2008. The warrant scheme plan consists of 2,200 outstanding warrants as per 31 December 2009.

CALCULATION DILUTED PROFIT PER SHARE	2009	2008
Net profit	8,256	7,604
Average number of shares	1,732,621	1,731,617
Dilution effect warrant plans	2,200	4,565
Adjusted average number of shares	1,734,821	1,736,182
DILUTED PROFIT PER SHARE	**4.76**	**4.38**

31. Impact of acquisitions

Transactions in 2009 and 2008

There were no transactions in 2009 and 2008.

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32. 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 2009:

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
Ter Beke Holding BV - Burgemeester De Manlaan 2, 4837 BN Breda - The Netherlands	100
FreshMeals Nederland BV - Burgemeester De Manlaan 2, 4837 BN Breda - The Netherlands	100
Ter Beke International BV - Burgemeester De Manlaan 2, 4837 BN Breda - The Netherlands	100
FreshMeals Ibérica SL - Via de las Dos Castillas , 33 Complejo Empresarial Atica, Edificio 6	100
Planta 3a- Oficina B1, 28224 Pozuelo de Alarcon, Madrid - Spain	
Ter Beke Luxembourg SA - 19, rue de Bitbourg - 1273 Luxembourg - Luxemburg	100
Les Nutons SA - Chaussée de Wavre 259 A, 4520 Wanze - Belgium	100
N.S. Vamos et Cie 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 - Zone Industrielle des Grands Vris, 74540 Alby-sur-Chéran - France	100
Gefra Onroerend Goed Milsbeek BV - Ovenberg 11, 6596 DP Milsbeek - The Netherlands	100
Langeveld/Sleegers BV - Ovenberg 11, 6596 DP Milsbeek - The 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 - Prins Bernhardplein 200, 1097 JB Amsterdam - The Netherlands	100
FreshMeals NV - Beke 1, 9950 Waarschoot - Belgium	100
SDF Foods Ltd - Hillbrow Road, Esher, Surrey KT10 9NW - UK	100
H.J. Berkhout Verssnijlijn BV - Scheepmakerstraat 5 , 2984 BE Ridderkerk - The Netherlands	100

33. Events after year-end

After the balance-sheet date no events have occurred that could have an important influence on the situation of the company.

34. Fees of the statutory auditor

In relation to the financial year 2009, 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 50 (000). These fees concern mainly tax consultancy assignments. In relation to the statutory audit of Ter Beke NV, the Statutory Auditor invoiced a fee of EUR 207 (000).

Report of the statutory auditor on the consolidated financial statements

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

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. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2009, 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 230.016 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 8.256 (000) EUR.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we have considered 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 of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2009, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which does not change 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 and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Kortrijk, 26 February 2010
The statutory auditor

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

The original text of this report is in Dutch

> Abbreviated financial statements of Ter Beke NV

Balance Sheet

	2009	2008
FIXED ASSETS	**68,670**	**53,667**
I. Formation costs	0	26
II. Intangible fixed assets	0	0
III. Tangible fixed assets	1,830	2,051
IV. Financial fixed assets	66,840	51,590
FLOATING ASSETS	**67,444**	**87,100**
V. Receivables on more than 1 year	20	0
VI. Stocks	0	0
VII. Receivables on no more than 1 year	66,788	84,376
VIII. Cash investments	0	2,006
IX. Liquidities	423	519
X. Accrued and deferred accounts	213	199
TOTAL ASSETS	**136,114**	**140,767**
SHAREHOLDERS' EQUITY	**59,494**	**57,765**
I. Capital	4,903	4,903
II. Issue premiums	48,288	48,288
IV. Reserves	3,360	3,360
Legal reserves	649	649
Unavailable reserves	1,457	1,497
Tax-free reserves	679	679
Available reserves	575	535
V. Transferred result	2,943	1,214
PROVISIONS AND DEFERRED TAXES	0	0
DEBTS	76,620	83,002
X. Debts, more than 1 year	0	0
XI. Debts, no more than 1 year	76,617	83,001
XII. Accrued and deferred accounts	3	1
TOTAL LIABILITIES	**136,114**	**140,767**

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Income statement

	2009	2008
OPERATING REVENUES	**10,819**	**10,691**
Turnover	0	0
Stock changes	0	0
Produced fixed assets	0	0
Other operating revenues	10,819	10,691
OPERATING COSTS	**10,334**	**10,263**
Trade goods, raw and auxiliary materials	0	0
Services and miscellaneous goods	6,271	6,665
Salaries, social security and pensions	3,412	3,071
Write-offs and depreciation on intangible and tangible fixed assets	636	506
Depreciation on stocks and trade receivables	0	0
Provision for risks and costs	0	0
Other operating costs	15	21
OPERATING PROFIT	**485**	**428**
Financial income	6,722	5,684
Financial expenses	-482	-3,279
RESULT OF ORDINARY BUSINESS OPERATIONS BEFORE TAX	**6,725**	**2,833**
Exceptional income	0	0
Exceptional expenses	0	-1,562
PROFIT BEFORE TAX	**6,725**	**1,271**
Tax on profits	-925	-463
RESULT FOR THE YEAR AFTER TAX	**5,800**	**808**

The valuation 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. Both valuation rules differ widely from each other.

The entire version of the statutory financial statements as well as the accompanying reports will be available, after approval by the General Assembly of May 27, 2010, on our website www.terbeke.be and can be obtained free of charge upon request.

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Report of the statutory auditor on the abbreviated financial statements

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the financial statements together with the required additional comments.

Unqualified audit opinion on the financial statements

We have audited the financial statements of Ter Beke NV for the year ended 31 December 2009, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 136.114 (000) EUR and a profit for the year of 5.800 (000) EUR.

The board of directors of the company is responsible for the preparation of the financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the 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 of the company's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence that we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31 December 2009 give a true and fair view of the company's assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.

Additional comments

The preparation and the assessment of the information that should be included in the directors' report and the company's compliance with the requirements of the Companies Code and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments which do not change the scope of our audit opinion on the financial statements:

The directors' report includes the information required by law and is in agreement with the financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the company, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

No transactions have been undertaken or decisions taken in violation of the company's articles of association or the Companies Code such as we would be obliged to report to you. The appropriation of the results proposed to the general meeting is in accordance with the requirements of the law and the company's articles of association.

Kortrijk, 26 February 2010
The statutory auditor

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

The original text of this report is in Dutch

> Financial calendar and information

Financial calendar

General Meeting	27 May 2010 at 11:00
Share quoted ex-coupon	10 June 2010
Dividend payment	15 June 2010
Results first semester 2010	27 August 2010 before market opening
Trading update third quarter 2010	5 Novembre 2010 before market opening
Annual results 2010	At the latest 30 April 2011

Information

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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 op de maatschappelijke zetel.

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

Creation, lay-out and coordination: www.colorstudio.be

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