Royal Wessanen nv

press release

Q1 2013 trading update |

Normalised operating result significantly up to €9.3 million

'Wessanen 2015' well under way

Acquisition of Alter Eco, a leading French fair-trade brand

Q1 2013 highlights

- Autonomous revenue growth (1.0)%, impacted by our strategy to rationalise product portfolio
- Normalised operating result significantly up to €9.3 million
- Our transformational programme 'Wessanen 2015' is well under way
- Acquisition Alter Eco, the leading French brand in fair-trade; 2012 sales €16.5 million

Consolidated key figures Q1 2013

in € million, unless stated otherwise	Q1 2013	Q1 2012 [2]
Revenue	**172.5**	170.6
Autonomous revenue development [1]	(1.0)%	
Normalised operating result (EBITE)	**9.3**	2.9
as % of revenue	5.4%	1.7%
Operating result (EBIT)	8.2	2.9
Net result, attributable to equity holders	**5.1**	1.7
Net debt	62.7	57.3
Earnings per share (in €)	**0.07**	0.02
Average nr. of outstanding shares (x 1,000)	75,682	75,665

[1)] Including adjustments for currency effects and acquisitions/divestments, [2)] Restated for revised IAS19 (employee benefits)

CEO statement

Piet Hein Merckens (CEO) commented: "In the first quarter of the year, consumer confidence has deteriorated and unemployment has increased in Europe. Under these circumstances we have nevertheless been able to make significant progress. Most of our core categories have continued to grow whilst the implementation of our transformational programme 'Wessanen 2015' runs smoothly. This will lead us in becoming a more profitable company, being more focused on its core activities, more agile and more efficient.

Revenue growth has been subdued this quarter - as I expect it will be in the coming quarters - mostly due to deliberate actions on our side to reduce complexity by cutting the tail of our range of products in our grocery and HFS operations and to withdraw from low-yielding activities such as German and Italian grocery. Profitability was up due to increased gross profit, the first tangible results from our restructuring and healthy performances in numerous of our businesses, next to a favourable year-on-year comparison.

I am very pleased to notice consumer appreciation for healthy and nutritional food continuously growing. I am equally pleased with the fact that consumers gradually incorporate more of a sustainable agenda when making their food purchases. Over the past months we also witness mainstream consumers getting more and more engaged with healthier and organic food. Organic food is at the centre of what we do and who we are. I am therefore very enthusiastic about the acquisition of Alter Eco. Its brand, products and philosophy are complementary to these of our successful French business. After the acquisition of Clipper early 2012, this acquisition will be another milestone in the execution of our strategy of strengthening our European leadership in organic food."

Transformational programme ‘Wessanen 2015’ progressing well

‘Wessanen 2015’, the sizeable reorganisation we are undertaking to restructure our European and IZICO activities, is progressing well. Since the announcement last November, discussions with works councils have all been finalised and tangible steps are being implemented including SKU reduction programmes in various markets and splitting the Benelux as well as the French HFS organisation into a branded and distribution unit.

'Wessanen 2015' addresses the structure and cost base of the company, next to increasing focus and substantially reducing complexity. In addition, we are addressing low-yielding and non-performing activities. We are to build a better integrated European organisation in order to make our organic brands most desired in Europe. Our organisation will be consumer- and customer-led with corner stones to leverage our scale in numerous areas such as innovation and category alignment through Category Brand Teams, central sourcing, manufacturing, quality and ICT.

Cost savings in the order of €15 million per annum are expected from 2014 onwards. The one-off costs - having a cash effect - are estimated to be €(21) million. In Q1 2013, €(0.9) million of additional costs have been accounted for, including €(0.5) million for HFS, €(0.2) million for Grocery and €(0.2) mln for IZICO. Cumulative costs are €(17.2) million.

Acquiring Alter Eco, the leading French brand in fair-trade

Wessanen has signed a sale and purchase agreement to acquire Paris-based Alter Eco from a group of private investors. The acquisition is expected to be closed early June, depending on satisfaction of certain closing conditions.

Alter Eco is engaged in organic and fair trade products such as chocolate, coffee, tea and juices. Under its brand Alter Eco around 100 products are marketed in the grocery, independent stores and out-of-home channels. It has developed strong partnerships with farmers’ cooperatives, based on fair trade and respect for human rights and environment. Revenue amounted to €16.5 million in 2012.



Financial summary Q1 2013

First quarter revenue increased 1.1% to €172.5 million. There was no currency effect, while last year's addition of Clipper contributed 2.2%. Autonomous growth was (1.0)% with price/mix contributing 2.9% and volume (3.9)%.

Gross margin percentage increased at Grocery, HFS and IZICO, while ABC showed a modest decline. Warehousing and transportation expenses decreased, in part due to temporarily increases last year. General and administrative costs decreased as a result of various cost reductions related to 'Wessanen 2015' and higher costs last year, mainly related to the acquisition of Clipper and a leadership programme.

Marketing investments were in line with last year, although the geographical mix differed. France increased its spending due to the launch of a new Bjorg TV campaign, while both the UK and Germany invested less. Last year, the UK showed large media spending on both Clipper and Kallo, while the German decline related to lower spending due to a revised go-to-market approach and last year's Whole Earth campaign.

Normalised EBIT showed a significant increase from €2.9 million last year to €9.3 million. Also when including exceptional costs of €(1.1) million, the operating result increased substantially to €8.2 million.

Net financing costs amounted to €(0.4) million versus a restated €(0.6) million last year. Income tax expenses increased to €(2.7) versus €(0.8) million, representing a 35% tax rate.

Net result attributable to equity holders was €5.1 million (Q1 2012: €1.7 million). Earnings per share were €0.07 ((Q1 2012: €0.02).

Net debt increased to €62.7 million, compared to €54.9 mln at yearend 2012, mainly due to a seasonal outflow of working capital and additional inventory build-up at IZICO ahead of the closure of the Deurne plant. The Net Debt/EBITDAE ratio fell to 1.6x at the end of March (31 Dec 2012: 1.7x).

Adoption of accounting standard ‘IAS 19R’

Adoption of accounting standard ‘IAS 19R’ as from 1 January 2013 resulted in the recognition of ‘unrecognised actuarial gains and losses’ - related to changes in defined benefit obligations and in fair value of plan assets – in ‘other comprehensive income’. This resulted in an increase in equity of € 9.2 million and a decrease in the provisions for employee benefits and deferred tax of € 9.0 million and €0.2 million respectively.

Restatement of the 2012 income statement (for comparison purposes) resulted in an increase in pension expenses (personnel expenses) of €0.5 million and a decrease in interest expense defined benefit plans (net financing costs) of €1.1 million, equally spread over the quarters. Accordingly, the net loss for the full year 2012 decreased by €0.6 million from €(53.5) million to €(52.9) million.

Financial guidance FY 2013

- Net financing costs expected to be €2-3 million
- Effective tax rate expected to be around 35%
- Capital expenditures expected to be €8-10 million
- Depreciation and amortisation expected to be €14 million
- Non-allocated expenses (including corporate expenses) expected to be €11 million

Grocery

in € million, unless stated otherwise	Q1 2013	Q1 2012	% change
Revenue	**70.9**	66.4	6.8%
Autonomous revenue growth [1]	*1.7%*		

Revenue increased 6.8% to €70.9 million of which 1.7% autonomous growth. Volume contributed 0.1% and price/mix 1.6%. Lower private label sales in both the UK and Italy reduced autonomous growth by almost 2%.

In France, Bjorg continued to grow market share driven by strong performances in cooking aids, breakfast cereals and sweets-in-between. In a stable dietetic market, Gayelord Hauser lost some volumes, while Dr Schär gained market share. Other brands such as Krisprolls and Clipper continue to grow as well.

The UK branded business posted a strong quarter, realising market share gains in all major categories. The loss of a private label savoury biscuits contract negatively impacted revenue as did our choice for reduced off-shelf activity in tea. Almond Breeze continues to grow well on the back of a TV campaign.

Zonnatura and Dr Schär both showed a good performance in Dutch supermarkets. Early April, Zonnatura has launched a new TV commercial "what happened to our food ?", its first appearance on TV since 2007. Feedback on amongst other social media is overwhelmingly positive, while sampling via Facebook and on various Dutch train stations has just started.

In Germany, we have implemented our changed go-to-market approach, teaming up with BioGourmet to offer a limited assortment. Our Italian soy plant continues to perform satisfactorily, while Italian sales were clearly below last year as a result of ceasing the distribution of the Bjorg and Efficance brands.

The operating result clearly improved as a result of higher sales, an increased gross margin and lower operational costs, in part due to changes made in our loss making German and Italian grocery activities.

Health Food Stores

in € million, unless stated otherwise	Q1 2013	Q1 2012	% change
Revenue	**52.8**	53.9	(2.0)%
Autonomous revenue growth	*(1.5)%*		

Revenue amounted to €52.8 million, a 1.5% autonomous revenue decline. Price/mix contributed 2.0% and volume had an effect of (3.5)%. In France, the first indications of the refocus and restructuring at Bonneterre are encouraging. The Bonneterre and Evernat brands are back to growth and we see good volume development at both chains and groups. The operational changes are progressing such as outsourcing transportation, the transfer of all fresh to Biodistrifrais and reducing the number of SKUs.

In the German market, which continues to trend favourably, both Allos and Tartex grew sales. Allos started to benefit from its new positioning and extended range. Innovations such as 'Heimische Ernte' and Tartex 'Veggie meals' contributed as well.

Benelux revenue was lower due to the impact of previously lost store customers who continue to de-concentrate and a decrease at fresh supplier Kroon. Our existing formula stores and independent stores continue to increase their volumes. Furthermore, our Belgian operations continue to grow.

Operating profit increased amongst others as a result of lower costs on the back of the implemented restructuring plans and lower efficiency early last year.

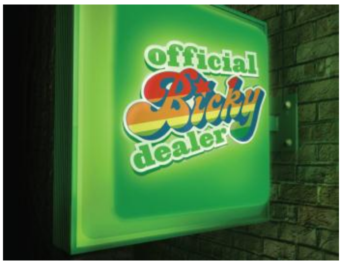
IZICO

In € million, unless stated otherwise	Q1 2013	Q1 2012	% change
Revenue	**28.2**	27.8	1.4%
Autonomous revenue growth	*1.4%*		

Revenue increased 1.4% to €28.2 million. Autonomous revenue growth consisted of an (1.2)% volume decline and a price/mix effect of 2.6%. Both branded and private label sales to Dutch retail have been growing while the out-of-home channel in both Belgium and the Netherlands has been impacted by a sluggish demand in part due to bad weather.

IZICO is making good progress in becoming one integrated company. The Favory snacks plant in Deurne has been closed per the end of March, including a successful transfer of customers and related volumes to the Bocholt plant. Furthermore, the new structure and roles at the various departments such as marketing, sales and finance are being implemented. As a result, IZICO will be able to strengthen its Benelux market positions, improve profitability and enable it to better cope with the challenging environment.

The operating result clearly improved as a consequence of an improved gross contribution and good cost containment. Marketing spending was in line with last year.



ABC

In € million, unless stated otherwise	Q1 2013	Q1 2012	% change
Revenue	**22.5**	24.7	(8.9)%
Revenue (in U$ million)	**29.6**	32.9	(9.9)%
Autonomous revenue growth	*(9.9)%*		

Revenue declined to US$29.6 million as a result of a positive price/mix effect of 1.2% and a volume decline of (11.1)%. While Daily's witnessed a volume decline due to weak market trends, its market share remained stable during the seasonally less important first quarter. Little Hug continued to grow, thereby clearly outpacing the total category. Its growth is driven by an increase in merchandising for its 20- and 40-count packs and increased distribution on the Tropical and Berry Blends flavours.

Ahead of the important summer season, Daily's has expanded its frozen cocktail pouch line, introducing six new flavours (three Tropical and three Light ones). It now includes 13 flavours with three categories. By updating the packaging all categories are now clearly distinguishable for consumers with colour schemes identifying each line. A new campaign including TV, print and online activation will include a more colourful, fun approach to differentiate Daily's.

Little Hug continues to invest in brand activation via amongst others magazine advertising, coupons, online sweepstakes and on-pack promotions (e.g. ''Barrel full of cash').

The operating result was lower year-on-year as a consequence of lower revenue, an unfavourable mix effect impacting gross margin and higher costs mainly due to the phasing of marketing spending.

Non-allocated and eliminations (including corporate expenses)

Inter-segment revenue between Grocery and HFS amounted to €(1.9) million (Q1 2012: €2.2 million). Non-allocated expenses, reflecting corporate costs not charged to operating segments, were down versus last year.

Important dates

Thursday 25 July 2013	Q2 2013 results (7h15)
Friday 25 October 2013	Q3 2013 results (7h15) (trading update)
Friday 21 February 2014	Q4 2013 results (7h15)
Tuesday 15 April 2014	Annual Shareholders Meeting

Analyst & investor meeting

At 10h00 CET, an analyst, investor & media call will be hosted by Ronald Merckx (CFO). The dial-in number is +31 (0) 20 794 8504 (toll free 0800 265 8528). The press release and presentation will be available for download at www.wessanen.com.

Press, investor and analyst enquiries

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Company profile

Royal Wessanen is a leading company in the European organic food market. In 2012, Wessanen generated revenue of €711 million, employing 2,064 on average. Operating mainly in France, the Benelux, UK, Germany and Italy, we manage and develop our brands and products in the grocery and health food channels. Our vision is to make our organic brands most desired in Europe. Our brands, such as Bjorg, Whole Earth, Zonnatura, Kallo, Clipper, Bonneterre, Ekoland, Allos, de Rit and Tartex, are pioneering brands in the organic food markets.

Next to our leading position in organic food businesses, we also produce and market branded (Beckers, Bicky) and private label frozen snack products in the Benelux (IZICO) and fruit drinks (Little Hug) and cocktail mixers (Daily's) in the US (ABC).

Note on forward-looking statements

This press release includes forward looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Wessanen's ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

Condensed consolidated income statement

In € millions, unless stated otherwise

	Q1 2013	Q1 2012 Restated[1]
	(unaudited)	(unaudited)
Revenue	**172.5**	170.6
Operating result	**8.2**	2.9
Net financing costs	**(0.4)**	(0.6)
Profit/(loss) before income tax	**7.8**	2.3
Income tax expense	**(2.7)**	(0.8)
Profit/(loss) for the period	**5.1**	1.5
Attributable to:		
Equity holders of Wessanen	**5.1**	1.7
Non-controlling interests	**-**	(0.2)
Profit/(loss) for the period	**5.1**	1.5
Earnings per share attributable to equity holders of Wessanen (in EUR)		
Basic	**0.07**	0.02
Average number of shares (in thousands)		
Basic	**75,682**	75,665
Average USD exchange rate (Euro per USD)	**0.7598**	0.7505
Average GBP exchange rate (Euro per GBP)	**1.1693**	1.1938

Condensed consolidated statement of financial position

In € millions, unless stated otherwise

	31 March 2013	31 December 2012 Restated[1]	31 December 2012 Reported
	(unaudited)	(unaudited)	(audited)
Total non-current assets	**152.7**	154.5	154.5
Total current assets	**214.4**	183.4	183.4
Total assets	**367.1**	337.9	337.9
Total equity	**115.8**	110.8	101.6
Total non-current liabilities	**20.3**	81.0	90.2
Total current liabilities	**231.0**	146.1	146.1
Total liabilities	**251.3**	227.1	236.3
Total equity and liabilities	**367.1**	337.9	337.9
End of period USD exchange rate (Euro per USD)	**0.7809**	0.7579	0.7579
End of period GBP exchange rate (Euro per GBP)	**1.1826**	1.2253	1.2253

1) Restated for revised IAS19 (employee benefits)