Royal Wessanen nv

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Press release – Results third quarter 2009 October 28, 2009

Strategic transition progressing

Highlights

Strategic & operational highlights

- Divestment Tree of Life North America progressing according to plan.
- Intention to divest frozen food operations Karl Kemper and Righi.
- Forensic investigation at American Beverage Corporation (ABC) concluded without further adjustments to 2008 restated results.

Financial results

- Tree of Life North America, PANOS Brands, Liberty Richter, Karl Kemper and Righi reported as discontinued operations.
- Decrease of 4.5% in revenue continuing operations to EUR 171.3 million (Q3-08: EUR 179.3 million).
- Operating profit continuing operations of EUR 5.0 million (Q3-08: EUR 17.2 million).
- Net loss of EUR 20.1 million (Q3-08: net profit of EUR 11.8 million) owing to lower operating result and higher financing charges from continuing operations, and impairment charges at Karl Kemper and Righi.
- Net cash flow from operating activities of EUR 31.3 million (Q3-08: cash outflow of EUR 10.7 million).
- Net debt to EBITDAE ratio as at September 30, 2009, of 3.3 (Q2-09: 3.4).
- Operating result continuing operations in fourth quarter expected to be below break-even.

Consolidated key figures third quarter 2009

Q3 2009	Q3 2008	% change	*X EUR million, unless stated otherwise*	YTD 2009	YTD 2008	% change
171.3	179.3	(4.5)%	Revenue[1]	533.6	547.8	(2.6)%
		(4.7)%	Organic revenue growth[1, 2]			(2.8)%
5.0	17.2	(70.7)%	Operating result (EBIT)[1]	(0.7)	37.1	>(100)%
2.9%	9.6%		EBIT margin (as a % of revenue)[1]	(0.1)%	6.8%	
(17.4)	0.3	>(100)%	Result from discontinued operations, net of income tax	(50.6)	(0.9)	>(100)%
(20.1)	11.8	>(100)%	Net result[3]	(108.0)	26.0	>(100)%
31.3	(10.7)	>100%	Net cash flow from operating activities	56.7	4.9	>100%
(0.30)	0.17		Earnings per share (in euro)	(1.60)	0.38	
67,616	67,585		Average number of outstanding shares (x 1,000 shares)	67,609	67,585	

[1] From continuing operations.
[2] Organic revenue growth, including adjustments for currency effects, acquisitions and trading days (index Q3-08: 100%).
[3] Profit attributable to equity holders of Wessanen.

CEO Statement

Frans Koffrie, Wessanen CEO, comments: “We are pleased to see further progress is made in Wessanen’s strategic transition to a group with focus on the European organic and specialty food markets, which continue to show vitality despite difficult economic circumstances. The Benelux and German operations are being restructured to reduce complexity and better align these organizations. Not only do we intend to divest Tree of Life North America before the end of the year, but we have also decided to divest Karl Kemper and Righi. The external investigations at ABC have been concluded with no further adjustments to restated 2008 results, and we are now focusing on improving the company.

Our operational performance this quarter at ABC and Wessanen Europe was down from last year, and we expect not to make an operating profit in the fourth quarter of this year. We are satisfied that we stayed well within our financial covenant as our net debt to EBITDAE ratio ended at 3.3 this quarter.”

Financial summary

Revenue from continuing operations decreased by 4.5% to EUR 171.3 million. Organic revenue growth, including adjustments for currency effects, acquisitions and trading days, was a negative 4.7%. The decrease in revenue was most pronounced at ABC but also noticeable in other business segments.

Following lower revenues, operating profit from continuing operations in Q3-09 decreased with EUR 12.2 million to EUR 5.0 million. ABC’s operating profit was EUR 0.9 million (Q3-08: EUR 9.3 million). The lower operating profit also included almost EUR 1 million restructuring expenses and a similar amount of advisory fees relating to various strategic processes.

The net result attributable to equity holders of Wessanen for the quarter was EUR 20.1 million negative versus EUR 11.8 million positive in the third quarter last year, mainly due to pre-tax impairment charges of EUR 16.1 million from discontinued operations and EUR 5.3 million higher pre-tax financing charges in addition to the lower operating profit from continuing operations as explained above. The impairment charges at Karl Kemper and Righi originate in divestment proceeds expected to be lower than book values. In addition, net financing costs increased with EUR 5.3 million mainly caused by amendment and advisory fees relating to the syndicated credit facility and fair value losses on the long-term USD 100 million interest rate swap.

Cash inflow from operating activities was EUR 31.3 million for the quarter (Q3-08: cash outflow of EUR 10.7 million), reflecting lower receivables mainly as a result of increased factoring of around EUR 18 million. Capital expenditures of continuing operations, mainly in existing production lines, were EUR 1.6 million this quarter, below our depreciation levels and significantly lower than last year.

In Q3-09, net debt decreased by EUR 24.7 million to EUR 179.0 million as at September 30, 2009, due to the positive cash flow from operating activities, translation effects from a weaker US Dollar and low capital expenditure. Primarily on account of debt reduction, the net debt to EBITDAE ratio at the end of the quarter was 3.3 (Q2-09: 3.4), well within our financial covenant of 4.0.

Outlook

The operating result from continuing operations in the fourth quarter of this year is expected to be below break-even. Wessanen Europe is expected to continue experiencing pressure on sales volume and margins and will further invest in advertising & promotion, while ABC is not expected to be profitable in the fourth quarter low season. Corporate costs will continue to be relatively high due to the various strategic processes.

Highlights Wessanen Europe

Q3 2009	Q3 2008	% change	*X EUR million, unless stated otherwise*	YTD 2009	YTD 2008	% change
118.3	120.7	(2.0)%	Revenue	369.2	374.8	(1.5)%
		(1.3)%	Organic revenue growth			0.1%
6.1	9.6	(36.1)%	Operating result (EBIT)	21.3	29.8	(28.5)%
5.2%	8.0%		EBIT margin (as a % of revenue)	5.8%	8.0%	

Organic revenue growth was a negative 1.3%, largely volume based, while reported sales of Wessanen Europe were also impacted by a weaker British Pound. Sales to grocery stores were lower than last year due to private label competition and continued weakness in the French dietetic market, while sales to health food stores in France and the Netherlands improved year-on-year.

Our third quarter operating result ended EUR 3.5 million lower than that of the comparable period last year partially due to EUR 1.6 million higher advertising & promotional spending, and to changes in our sales mix. During the quarter, Wessanen Europe also incurred restructuring expenses related to the integration of the Benelux organic food organizations.

Highlights Frozen Foods

Q3 2009	Q3 2008	% change	*X EUR million, unless stated otherwise*	YTD 2009	YTD 2008	% change
28.1	29.8	(5.7)%	Revenue	87.9	91.6	(4.1)%
		(6.0)%	Organic revenue growth			(3.5)%
1.1	0.3	>100%	Operating result (EBIT)	3.9	2.2	86.9%
3.6%	1.1%		EBIT margin (as a % of revenue)	4.4%	2.3%	

We have decided to divest Karl Kemper and Righi, as the activities of these two relatively small companies demonstrate virtually no synergies with our Frozen activities in the Benelux. As a result, Karl Kemper and Righi are reported as discontinued operations. The Frozen Foods segment now consists of Favory Convenience Food Group and Beckers.

Even though revenue of Frozen Foods declined organically by 6.0% in very competitive markets, operating profit was higher as price increases earlier this year took effect and production was more efficient, somewhat offset by restructuring charges in this quarter related to the integration of the Dutch and Belgian Beckers organizations.

Highlights North America Branded

Q3 2009	Q3 2008	% change	*X EUR million, unless stated otherwise*	YTD 2009	YTD 2008	% change
24.9	28.8	(13.7)%	Revenue	76.5	81.4	(6.1)%
		(17.4)%	Organic revenue growth			(15.4)%
0.9	9.3	(89.3)%	Operating result (EBIT)	(16.3)	11.1	>(100)%
3.9%	31.8%		EBIT margin (as a % of revenue)	(21.3)%	13.5%	

Q3 2009	Q3 2008	% change	*X USD million, unless stated otherwise*	YTD 2009	YTD 2008	% change
35.7	43.4	(17.4)%	Revenue	104.7	124.2	(15.8)%
		(17.4)%	Organic revenue growth			(15.4)%
0.8	14.0	(94.4)%	Operating result (EBIT)	(22.3)	16.8	>(100)%
3.9%	31.8%		EBIT margin (as a % of revenue)	(21.3)%	13.5%	

The North America Branded segment now solely consists of ABC. PANOS Brands and Liberty Richter are reported as discontinued operations.

The forensic investigation into financial irregularities at ABC has been completed and has not lead to further adjustments to the restated results for 2008. A remediation program to strengthen the control framework is being developed. A new management team is making headway with a back-to-basics recovery plan and has reduced the workforce in anticipation of seasonally lower production in the fall/winter season. The operating result was under pressure from lower sales and production inefficiencies.

Highlights Non-Allocated*

Q3 2009	Q3 2008	*X EUR million, unless stated otherwise*	YTD 2009	YTD 2008
(3.1)	(2.0)	Operating result (EBIT)	(9.6)	(6.0)

**Non-allocated includes corporate expenses*

Corporate expenses were higher due to approximately EUR 1 million advisory fees incurred relating to various strategic processes.

Highlights Discontinued operations

Q3 2009	Q3 2008	% change	*X EUR million, unless stated otherwise*	YTD 2009	YTD 2008	% change
210.5	207.5	1.4%	Revenue	668.7	614.7	8.8%
		(1.1)%	Organic revenue growth			(0.1)%
(13.8)	2.9	>(100)%	Operating result (EBIT)	(13.2)	7.1	>(100)%
(6.6)%	1.4%		EBIT margin (as a % of revenue)	(2.0)%	1.2%	

Tree of Life North America (TOL NA), PANOS Brands and Liberty Richter in North America, and Karl Kemper and Righi in Europe are reported under discontinued operations.

Third quarter revenue reported by TOL NA of USD 277.7 million (Q3-08: USD 284.6 million) was USD 6 million lower due to a weaker Canadian Dollar. Ongoing gross margin pressure on imported products in Canada and changes in the US customer mix were mitigated by the impact of cost reduction initiatives, resulting in an operating profit of USD 2.7 million (Q3-08: USD 3.1 million) at TOL NA.

The operating loss reported for discontinued operations in Q3-09 is primarily attributable to impairment charges of EUR 16.1 million at Karl Kemper and Righi. The performance of PANOS and Liberty Richter was encouraging with slightly higher operating profit on unchanged revenue year-on-year.

Important dates

February 25, 2010	Publication of the fourth quarter and annual 2009 results
April 14, 2010	Annual General Meeting of Shareholders
April 29, 2010	Publication of the first quarter results 2010
July 29, 2010	Publication of the second quarter results 2010
October 28, 2010	Publication of the third quarter results 2010

Company profile

Royal Wessanen nv is a multinational food corporation based in the Netherlands which operates in European and North American markets. We specialize in identifying, developing and distributing premium foods that are authentic and true to their origins. Our brands and products are focused on the natural, organic and specialty foods markets.

Appendix

1. Condensed consolidated interim financial statements third quarter 2009

Note on forward-looking statements

This announcement contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of the safe-harbor provisions of the US federal securities laws. These forward-looking statements 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 behavior 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.

Royal Wessanen nv

Condensed consolidated interim financial statements

Condensed consolidated income statement

In EUR millions, unless stated otherwise

Q3 2009	Q3 2008 (Restated)		YTD 2009	YTD 2008 (Restated)
		Continuing operations		
171.3	179.3	Revenue	**533.6**	547.8
-	-	Other income	**-**	1.1
(166.3)	(162.1)	Operating expenses	**(534.3)**	(511.8)
5.0	17.2	**Operating result**	**(0.7)**	37.1
(5.0)	0.3	Net financing costs	**(10.6)**	2.8
-	-	Share in results of associates	**-**	-
-	17.5	**Profit/(loss) before income tax**	**(11.3)**	39.9
(2.5)	(5.9)	Income tax expense	**(47.6)**	(12.4)
(2.5)	11.6	**Profit/(loss) from continuing operations**	**(58.9)**	27.5
		Discontinued operations		
(17.4)	0.3	Profit/(loss) from discontinued operations, net of income tax	**(50.6)**	(0.9)
(19.9)	11.9	**Profit/(loss) for the period**	**(109.5)**	26.6
		Attributable to:		
(2.7)	*11.5*	*Total attributable from continuing operations*	***(57.4)***	*26.9*
(17.4)	*0.3*	*Total attributable from discontinued operations*	***(50.6)***	*(0.9)*
(20.1)	11.8	**Equity holders of Wessanen**	**(108.0)**	26.0
0.2	0.1	**Minority interests**	**(1.5)**	0.6
(19.9)	11.9	**Profit/(loss) for the period**	**(109.5)**	26.6
		Earnings per share attributable to equity holders of Wessanen (in EUR)		
(0.30)	0.17	Basic	**(1.60)**	0.38
(0.29)	0.17	Diluted	**(1.58)**	0.38
		Earnings per share from continuing operations (in EUR)		
(0.04)	0.17	Basic	**(0.85)**	0.39
(0.04)	0.17	Diluted	**(0.85)**	0.39
		Average number of shares (in thousands)		
67,616	67,585	Basic	**67,609**	67,585
0.6977	0.6686	Average USD exchange rate (Euro per USD)	**0.7302**	0.6552
1.1357	1.2623	Average GBP exchange rate (Euro per GBP)	**1.1304**	1.2779

Consolidated statement of comprehensive income

In EUR millions, unless stated otherwise

Q3 2009	Q3 2008 (Restated)		YTD 2009	YTD 2008 (Restated)
(19.9)	11.9	**Profit/(loss) for the period**	**(109.5)**	26.6
		Other comprehensive income		
(6.6)	8.4	Foreign exchange translation differences, net of income tax	**8.7**	(2.6)
0.2	0.6	Effective portion of changes in fair value of cash flow hedges, net of income tax	**7.0**	(1.3)
(6.4)	9.0		**15.7**	(3.9)
(26.3)	20.9	**Total comprehensive income for the period**	**(93.8)**	22.7
		Attributable to:		
(26.5)	20.8	**Equity holders of Wessanen**	**(92.3)**	22.1
0.2	0.1	**Minority interests**	**(1.5)**	0.6
(26.3)	20.9	**Total comprehensive income for the period**	**(93.8)**	22.7

Consolidated balance sheet

In EUR millions, unless stated otherwise

	September 30, 2009	December 31, 2008 (Restated)
Assets		
Property, plant and equipment	**93.0**	122.0
Intangible assets	**159.6**	187.7
Investments in associates	**-**	0.6
Other investments	**1.6**	3.1
Deferred tax assets	**29.7**	115.4
Total non-current assets	**283.9**	428.8
Inventories	**73.6**	215.7
Income tax receivables	**5.3**	0.4
Trade receivables	**75.0**	168.1
Other receivables and prepayments	**17.6**	48.7
Cash and cash equivalents	**18.5**	44.8
Assets classified as held for sale	**266.0**	-
Total current assets	**456.0**	477.7
Total assets	**739.9**	906.5
Equity		
Share capital	**68.4**	68.4
Share premium	**93.9**	93.9
Reserves and retained earnings	**94.9**	186.9
Total equity attributable to equityholders of Wessanen	**257.2**	349.2
Minority interests	**6.0**	7.8
Total equity	**263.2**	357.0
Liabilities		
Interest bearing loans and borrowings	**203.2**	227.1
Employee benefits	**20.8**	21.6
Provisions	**1.3**	3.7
Deferred tax liabilities	**4.3**	5.3
Total non-current liabilities	**229.6**	257.7
Bank overdrafts	**7.0**	18.8
Interest bearing loans and borrowings	**8.3**	13.5
Provisions	**3.1**	5.1
Income tax payables	**4.7**	5.4
Trade payables	**79.2**	141.8
Non-trade payables and accrued expenses	**57.9**	107.2
Liabilities classified as held for sale	**86.9**	-
Total current liabilities	**247.1**	291.8
Total equity and liabilities	**739.9**	906.5
End of period USD exchange rate (Euro per USD)	**0.6847**	0.7090
End of period GBP exchange rate (Euro per GBP)	**1.0998**	1.0255

Consolidated statement of cash flow

In EUR millions, unless stated otherwise

Q3 2009	Q3 2008 (Restated)		**YTD 2009**	YTD 2008 (Restated)
		Cash flows from operating activities		
5.0	17.2	Operating result	**(0.7)**	37.1
		Adjustments for:		
2.6	3.0	Depreciation, amortization and impairments	**18.6**	9.2
1.4	(0.3)	Other non-cash and non-operating items	**4.8**	0.2
9.0	19.9	**Cash generated from operations before changes in working capital and provisions**	**22.7**	46.5
7.5	(14.2)	Changes in working capital	**12.4**	(21.6)
(0.6)	(0.1)	Payment from provisions and changes in employee benefits	**(3.0)**	(3.2)
15.9	5.6	**Cash generated from operations**	**32.1**	21.7
(5.2)	(4.6)	Income tax paid	**(15.8)**	(10.6)
(4.1)	(3.6)	Interest paid	**(7.6)**	(7.9)
6.6	(2.6)	**Operating cash flow from continuing operations**	**8.7**	3.2
24.7	(8.1)	Operating cash flow from discontinued operations	**48.0**	1.7
31.3	(10.7)	**Net cash from operating activities**	**56.7**	4.9
		Cash flows from/(used in) investing activities		
(1.6)	(8.8)	Acquisition of property, plant and equipment	**(6.4)**	(23.9)
0.1	-	Proceeds from sale of property, plant and equipment	**0.8**	0.3
(0.1)	2.2	(Investments in)/proceeds from sale of investments	**-**	2.6
(0.2)	(0.1)	Acquisition of intangible assets, excluding goodwill	**(1.1)**	(0.5)
-	(29.2)	Acquisition of subsidiaries, net of cash acquired	**(1.0)**	(29.2)
(1.8)	(35.9)	**Investing cash flow from continuing operations**	**(7.7)**	(50.7)
(1.0)	(0.4)	Investing cash flow from discontinued operations	**(2.5)**	5.1
(2.8)	(36.3)	**Net cash used in investing activities**	**(10.2)**	(45.6)
28.5	(47.0)	**Net cash flow before financing activities**	**46.5**	(40.7)
		Cash flows from/(used in) financing activities		
(19.7)	34.9	Repayments of borrowings	**(21.0)**	33.1
(0.2)	-	Net payments of finance lease liabilities	**(0.1)**	-
(2.3)	(12.1)	Cash receipts/(payments) derivatives	**(6.2)**	(4.7)
(3.7)	-	Payment of transaction costs related to loans and borrowings	**(3.7)**	-
-	-	Repurchase of own shares	**(0.1)**	(0.7)
-	(13.6)	Dividends paid	**-**	(40.6)
(25.9)	9.2	**Financing cash flow from continuing operations**	**(31.1)**	(12.9)
-	0.5	Financing cash flow from discontinued operations	**(3.5)**	(0.2)
(25.9)	9.7	**Net cash from/(used in) financing activities**	**(34.6)**	(13.1)
2.6	(37.3)	**Net cash flow**	**11.9**	(53.8)
35.4	33.0	**Cash and cash equivalents at beginning of period**	**26.0**	50.1
2.6	(37.3)	Net cash from operating, investing and financing activities	**11.9**	(53.8)
0.3	1.7	Effect of exchange rate differences on cash and cash equivalents	**0.4**	1.1
(26.8)	-	Cash and cash equivalents related to discontinued operations at end of period	**(26.8)**	-
11.5	(2.6)	**Cash and cash equivalents of continuing operations at end of period**	**11.5**	(2.6)
0.6977	0.6686	Average USD exchange rate (Euro per USD)	**0.7302**	0.6552
1.1357	1.2623	Average GBP exchange rate (Euro per GBP)	**1.1304**	1.2779

Condensed consolidated statement of changes in equity

In EUR millions, unless stated otherwise

	September 30, 2009	September 30, 2008
Balance at beginning of year as reported previously	**371.6**	429.7
Adjustments related to previous years	**(14.6)**	(9.0)
Balance at beginning of year (restated)	**357.0**	420.7
Profit/(loss) for the period	**(109.5)**	26.6
Other comprehensive income		
Foreign exchange translation differences, net of income tax	**8.7**	(2.6)
Effective portion of changes in fair value of cash flow hedges, net of income tax	**7.0**	(1.3)
Total other comprehensive income	**15.7**	(3.9)
Total comprehensive income for the period	**(93.8)**	**22.7**
Transactions with owners, recorded directly in equity		
Contributions by and distributions to owners		
Dividends to shareholders	**-**	(40.6)
Repurchase of own shares	**-**	(0.7)
Share-based payment transactions	**0.4**	0.6
Change in minority	**(0.4)**	(12.8)
Total contributions by and distributions to owners	**-**	**(53.5)**
Total transactions with owners	**-**	**(53.5)**
Balance at end of period	**263.2**	**389.9**
Equity attributable to equity holders of Wessanen	**257.2**	382.1
Minority interests	**6.0**	7.8
Total equity at the end of the period	**263.2**	389.9

Notes to the condensed consolidated interim financial statements

In millions of Euro, unless stated otherwise

1 The Company and its operations

Royal Wessanen nv ('Wessanen' or the 'Company') is a public limited company domiciled in the Netherlands. The condensed consolidated interim financial statements of the Company as at and for the nine-month period ended September 30, 2009, comprises the Company and its subsidiaries (together referred to as the 'Group') and Wessanen's interest in associated companies.

The information in these condensed consolidated interim financial statements is unaudited.

Wessanen is a multinational food corporation based in the Netherlands, which operates in European and North American markets. We specialize in identifying, developing and distributing premium foods that are authentic and true to their origins. Our brands and products are focused on the natural, organic and specialty foods markets.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared on the basis of the recognition and measurement requirements of accounting standards adopted by the EU as of December 31, 2008. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the Group as at and for the year ended December 31, 2008.

These condensed consolidated interim financial statements were approved by the Executive and Supervisory Boards on October 27, 2009.

3 Accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2008, except for the adoption of the following new standards, amendments to standards and interpretations, which have been adopted as relevant to the Company for the first time.

Amendments to IAS 1 'Presentation of Financial Statements'

The amendments to IAS 1 mainly concern the presentation of changes in equity, in which changes as a result of the transaction with shareholders should be presented separately.

The Company opted to present items of income and expense and components of other comprehensive income in two separate statements as from January 1, 2009.

IFRS 8 'Operating Segments'
IFRS 8 'Operating segments', adopted as from January 1, 2009, by the Company, requires an entity to report financial and descriptive information about its reportable segments (IFRS 8 'Operating segments' replaces IAS 14 'Segment Reporting'). Operating segments are components of an entity for which separate financial information is available, which information is regularly evaluated by the entity's chief operating decision maker in order to make decisions about how to allocate resources and assess performance.

On April 22, 2009, Wessanen announced that it has changed the European reporting segments with immediate effect, into Wessanen Europe (natural, organic and specialty food products) and Frozen Foods, in light of the strategic focus to expand its presence in the European natural, organic and specialty food markets.

In accordance with IFRS 8 'Operating Segments', the Company's segmentation of it's European operations was changed as from January 1, 2009 (including comparatives) into the reportable segments: Wessanen Europe and Frozen Foods.

IFRIC Interpretation 13 'Customer Loyalty Programmes'
IFRIC 13 addresses recognition and measurement of the obligation to provide free or discounted goods or services in the future. This interpretation is applicable to the Company from January 1, 2009, but did not have a material impact on the Company's financial results or position.

Other standards and interpretations effective as from January 1, 2009, did not have a material impact on the Company.

4 Estimates
The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2008.

5 Financial risk management
The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended December 31, 2008.

6 Discontinued operations (*)

In accordance with IFRS 5 '*Non-current Assets Held for Sale and Discontinued Operations*', the North America Distribution operations and the operations of PANOS Brands and Liberty Richter (the later two both part of the North America Branded segment in prior periods) have been classified as discontinued operations as at September 30, 2009. In addition, the operations of Karl Kemper (Germany) and Righi (Italy) (both part of the Frozen Foods segment in prior periods), have been classified as discontinued operations as at August 31, 2009. Management committed to a plan to sell these operations following the strategic decision to focus on expansion of Wessanen's presence in the European natural, organic and specialty food markets through organic growth and acquisitions.

Subsequent to classification as discontinued operations, results and cash flows of the North America Distribution operations and the operations of PANOS Brands, Liberty Richter, Karl Kemper and Righi have been re-presented for prior periods into results and cash flows from discontinued operations in accordance with IFRS 5.

The following table presents the result from discontinued operations for the period, net of income tax:

In EUR millions, unless stated otherwise

Q3 2009	Q3 2008		**YTD 2009**	YTD 2008
210.5	207.5	Revenue	**668.7**	614.7
-	0.3	Other income	**-**	3.8
(224.3)	(204.9)	Operating expenses	**(681.9)**	(611.4)
(13.8)	2.9	**Operating result**	**(13.2)**	7.1
(2.8)	(2.5)	Net financing costs	**(6.9)**	(8.4)
-	-	Share in results of associates	**0.2**	(0.1)
(16.6)	0.4	**Profit/(loss) before income tax**	**(19.9)**	(1.4)
(0.8)	(0.1)	Income tax expense	**(30.7)**	0.5
(17.4)	0.3	**Profit/(loss) for the period**	**(50.6)**	(0.9)
		Earnings per share from discontinued operations (in EUR)		
(0.26)	-	Basic	**(0.75)**	(0.01)
(0.25)	-	Diluted	**(0.73)**	(0.01)

Impairment losses of EUR 16.1 million in total on the measurement of the disposal groups to the lower of their carrying amount and their fair value less costs to sell have been recognized in Q3 2009.

In the first nine months of 2009 impairments of deferred tax assets related to tax losses carried forward in the US, Germany and Italy are recognized in the amount of EUR 30.2 million in total, as it is no longer probable that sufficient taxable profits will be available to allow the benefits to be utilized.

The loss from discontinued operations for the first nine months of 2009 of EUR 50.6 million (first nine months of 2008: loss of EUR 0.9 million) is attributable entirely to equity holders of Wessanen.

7 Segment information

Activities of continuing operations are carried out by three separate business segments as from Q3 2009: Wessanen Europe, Frozen Foods and North America Branded. Non-allocated includes corporate entities.

Key financial data regarding these segments are given below:

	Revenue			
In EUR millions	**Q3 2009**	Q3 2008	**YTD 2009**	YTD 2008
Wessanen Europe	**118.3**	120.7	**369.2**	374.8
Frozen Foods	**28.1**	29.8	**87.9**	91.6
North America Branded	**24.9**	28.8	**76.5**	81.4
Total continuing operations	**171.3**	179.3	**533.6**	547.8
Frozen Foods	**8.4**	8.6	**25.4**	25.7
North America Branded	**9.2**	8.9	**27.8**	24.6
North America Distribution	**192.9**	190.0	**615.5**	564.4
Total discontinued operations	**210.5**	207.5	**668.7**	614.7
Total Royal Wessanen (*proforma*)	**381.8**	386.8	**1,202.3**	1,162.5

	EBIT and EBIT margin*							
In EUR millions	**Q3 2009**		Q3 2008		**YTD 2009**		YTD 2008	
Wessanen Europe	**6.1**	***5.2%***	9.6	*8.0%*	**21.3**	***5.8%***	29.8	*8.0%*
Frozen Foods	**1.1**	***3.6%***	0.3	*1.1%*	**3.9**	***4.4%***	2.2	*2.3%*
North America Branded	**0.9**	***3.9%***	9.3	*31.8%*	**(16.3)**	***(21.3)%***	11.1	*13.5%*
Non-Allocated	**(3.1)**		(2.0)		**(9.6)**		(6.0)	
Total continuing operations	**5.0**	***2.9%***	17.2	*9.6%*	**(0.7)**	***(0.1)%***	37.1	*6.8%*
Frozen Foods	**(16.8)**	***>(100)%***	-	*0.1%*	**(18.0)**	***(71.3)%***	(0.7)	*(2.6)%*
North America Branded	**1.1**	***10.8%***	0.8	*9.7%*	**2.4**	***7.9%***	1.9	*7.9%*
North America Distribution	**2.0**	***1.0%***	2.1	*1.1%*	**2.6**	***0.4%***	5.9	*1.0%*
Elimination	**(0.1)**		-		**(0.2)**		-	
Total discontinued operations	**(13.8)**	***(6.6)%***	2.9	*1.4%*	**(13.2)**	***(2.0)%***	7.1	*1.2%*
Total Royal Wessanen (*proforma*)	**(8.8)**	***(2.3)%***	20.1	*5.2%*	**(13.9)**	***(1.2)%***	44.2	*3.8%*

**: Operating result (EBIT) as % of total revenue*

8 Other income

Other income from continuing operations in the first nine months of 2008 of EUR 1.1 million mainly included a net gain on the sale of a purchase option related to the premises of Allos Walter Lang in Mariendrebber (Germany).

9 Net financing costs

Net financing costs of continuing operations increased by EUR 13.4 million, from a net gain of EUR 2.8 million in the first nine months of 2008 to a net loss of EUR 10.6 million in the first nine months of 2009.

Besides increased interest costs and costs related to derivatives, net financing costs were negatively impacted by amendment fees paid for the syndicated credit facility of EUR 3.7 million and by the termination of hedge accounting per April 1, 2009, in respect of our long-term $ interest rate swap of EUR 5.0 million (as it is no longer 'highly probable' that the underlying US debt financing will be continued beyond July 2010).

10 Income tax expense

The Group's consolidated effective tax rate for continuing operations in the first nine months of 2009 is more than 100%, due to impairments recognized in respect of deferred tax assets related to tax losses carried forward in the US and the Netherlands in the amount of EUR 52.7 million in total, as it is no longer probable that sufficient taxable profits will be available to allow the benefits to be utilized.

11 Net debt

Net debt can be specified as follows:

In EUR millions

	September 30, 2009	December 31, 2008
Long-term interest bearing loans and borrowings	**203.2**	227.1
Short-term interest bearing loans and borrowings	**8.3**	13.5
Total interest bearing loans and borrowings	**211.5**	240.6
Bank overdrafts	**7.0**	18.8
Cash and cash equivalents	**(18.5)**	(44.8)
Net debt related to continuing operations*	**200.0**	214.6
Net debt related to discontinued operations*	**(21.0)**	-
Net debt Royal Wessanen*	**179.0**	214.6

**Net debt represents total debt less cash and cash equivalents*

12 Share-based compensation

Share-based compensation expense in the first nine months of 2009 amounted to EUR 0.4 million compared with EUR 0.6 million in the same period last year.

During the first nine months of 2009, the Company granted 111,000 share rights to Executive Board members and 252,900 share rights to Other Employees.

13 Acquisitions

Wessanen Europe
In February 2009, Royal Wessanen acquired the remaining 0.4% of Distriborg Groupe's shares for EUR 1.0 million in cash, including acquisition costs. As a result, Distriborg Groupe's shares were delisted from Euronext Paris and Wessanen now holds 100% of the shares of Distriborg Groupe. As Distriborg Groupe is already fully consolidated, the increase in the shareholding did not have any effect on consolidated revenue and operating profit for the period.

Frozen Foods
Early April 2009, Royal Wessanen made a capital contribution of EUR 4.0 million to Favory Convenience Food Group, resulting in an increased equity interest in Favory Convenience Food Group of 3.5% to 64.1%. The capital contribution was required and used by Favory Convenience Food Group for repayment of EUR 4.0 million of the financing drawn under its major credit facility, as a result of which continuation of funding was secured. As Favory Convenience Food Group is already fully consolidated, the increase in the shareholding did not have any effect on consolidated revenue and operating profit for the period.

The acquisitions resulted in additional goodwill capitalization of EUR 0.8 million in the first nine months of 2009.

14 Cash flow

Cash flow from investing activities
The cash outflow from continuing operations related to investing activities of EUR 7.7 million in the first nine months of 2009 mainly includes capital expenditures of EUR 6.4 million (EUR 23.9 million in the comparable period last year) for investments in machinery and production lines, investments in SAP of EUR 1.2 million and business acquisitions of EUR 1.0 million (EUR 29.2 million in the comparable period last year).

Cash flow from financing activities
The cash outflow from financing activities amounted to EUR 31.1 million in the first nine months of 2009 compared with an outflow of EUR 12.9 million in the same period last year. The cash outflow in the first nine month of 2009 mainly includes a repayment made on the floating rate borrowings of EUR 17.8 million and amendment fees paid for the syndicated credit facility in the amount of EUR 3.7 million both in Q3 2009. In addition, (net) cash payments related to derivatives were made of EUR 6.2 million, due to the periodic settlement and renewal of foreign currency swaps and forward contracts, and settlements of the fuel hedge in North America during the first half of 2009.