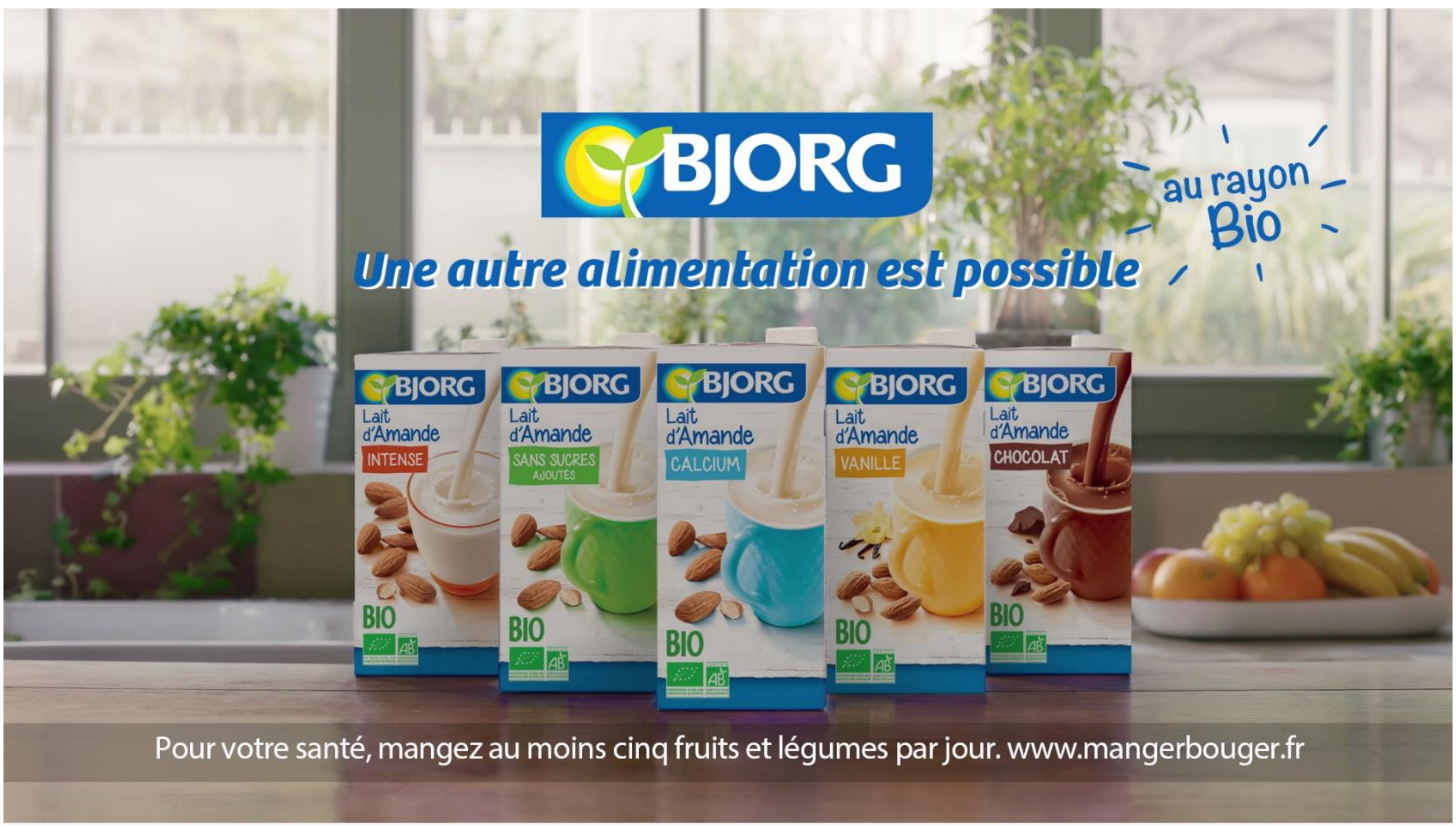
Press release

H1 and Q2 2016 results



H1 and Q2 2016 highlights

- Autonomous growth of 8.6% for H1 (Q2: 8.0%)
- Own brands growth of 9.9% in H1 (Q2: 10.3%)
- EBITE increases by 30.2% to €25.0 million for H1 (Q2: €10.9 million)

Consolidated key figures

In € million, unless stated otherwise	Q2 2016	Q2 2015	H1 2016	H1 2015	% increase
Revenue	**142.7**	**131.5**	**285.7**	**263.2**	**8.5%**
Autonomous revenue development[1]	8.0%		8.6%		
EBITDAIE[2]	**12.7**	**9.0**	**28.5**	**23.2**	**22.8%**
Normalised operating result (EBITE)	**10.9**	**6.9**	**25.0**	**19.2**	**30.2%**
Operating result (EBIT)	**10.3**	**6.9**	**24.4**	**19.1**	**27.7%**
Net financing costs	(0.1)	(1.1)	(0.6)	(1.9)	
Income tax expense	(3.0)	(2.1)	(7.5)	(5.7)	
Profit after income tax from continuing operations	**7.2**	**3.7**	**16.3**	**11.5**	**41.7%**
Profit/(loss) from discontinued operations	–	(0.2)	–	4.6	–
Profit for the period	**7.2**	**3.5**	**16.3**	**16.1**	**1.2%**
Net debt	16.6	0.6			

[1]Including adjustments for currency effects and acquisitions.

[2]Operating result before depreciation, amortisation, impairments and exceptional items.

CEO Statement

Christophe Barnouin (CEO) commented: "We are continuing to make good progress on the execution of our strategy and have achieved strong growth and increased profitability.

We achieved 9.9% autonomous growth on our own brands in H1 (Q2: 10.3%). Market development has overall continued to be favourable albeit at different levels across the countries.

We have been successful at completing two further acquisitions, one in the 2nd quarter and another one right at the start of Q3. Ineobio with its Destination brand further strengthens our position in the French Organic Store Channel with focus on organic coffee and tea. Mrs Crimble's in the UK opens a new strategic growth segment to us with its strong position in gluten free in-between products. Integration plans are on track.

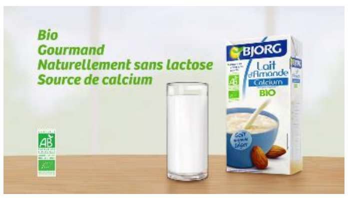
More and more consumers want to change to healthier and more sustainable food and we are well placed to benefit from this long term trend."

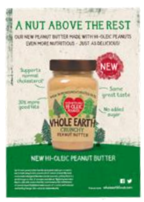
Brand and Category review

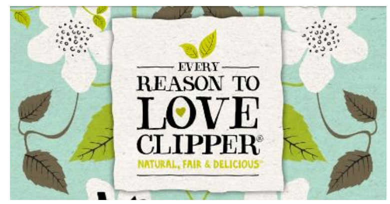
Our own brands grew at nearly 10% in H1 2016. Our two biggest French brands, Bjorg (in Grocery) and Bonneterre (in HFS) have continued to grow at very healthy double digit levels. A generally favourable market for organic food in France coupled with strong brand plans are driving our success. Alter Eco and Clipper have also done very well, the latter performing strongly across various markets. Whole Earth in the UK has had an exceptionally strong 1st half in 2016 based on a strong demand for peanut butter and success of our brand plans. We are now market leader in the segment in the UK.

Isola Bio as well as our entire Dairy Alternatives Category has performed strongly especially in Italy and France. We have also seen good growth across our other core categories, especially in Hot Drinks, Breakfast Cereals and Veggie Meals. We are continuing to reduce private label volumes as we focus on our own brands.

Results in our German business were disappointing across both Allos and Tartex given changes in market dynamics and below expected performance of recent innovation. Corrective action plans are being developed.







Financial review

In Q2 revenue increased by 8.5% to €142.7 million. Autonomous revenue growth amounted to 8.0%. The depreciation of the British pound contributed (1.4)% and the first time inclusion of Piramide and Ineobio contributed 1.9%.

EBITE increased by €4.0 million to €10.9 million, mainly driven by higher gross profit (following higher sales volumes), partly offset by higher marketing (phasing) and other overhead expenses. Depreciation and amortisation expenses decreased by €0.5 million, resulting in an EBITDAIE of €12.7 million. Exceptional items amount to €(0.6) million and relate to severance expenses.

Net financing costs amounted to €(0.1) million (Q2 2015: €(1.1) million), including a revaluation of purchasing forwards in the amount of €0.2 million. The comparative quarter included a currency hedge result of €(0.6) million, relating to non-cash exchange rate differences on intercompany loans.

Income tax expenses were €(3.0) million (Q2 2015: €(2.1) million). The recognition in Q2 2016 of an additional deferred tax asset related to tax carry forward losses of €0.8 million (profit) ultimately resulted in an effective tax rate in the six-month period ended 30 June 2016 of 31.5% (H1 2015: 33.2%).

In H1 2016, the net cash flow before financing activities was €(19.3) million, including the acquisitions of the Piramide tea business and Ineobio for the amount of €31.1 million (H1 2015: €(6.7) million, of which €(44.8) million related to continuing operations (including the acquisition of Abafoods of €43.0 million) and €38.1 million to discontinued operations (including divestment proceeds)). The cash flow from financing activities amounts to €(0.1) million, mainly including €9.2 million of long-term loans drawn and a dividend payment of €(8.3) million. As a result the net debt position increased to €16.6 million as at 30 June 2016 (31 December 2015: net cash of €17.5 million).

Guidance FY 2016

- Our own brands have shown solid autonomous growth in the first half of 2016, driven by innovations, continued marketing investments and good market growth. For the second half of 2016 we expect our own brands to maintain high single digit growth, but private label sales are expected to decline and therefore reduce overall third party revenue growth. Full year autonomous revenue growth is expected to be in the range of 5-7%.
- For 2016, we are increasing our marketing investments, although the phasing will be different than last year. Last year, we invested more in the first half then in the second half. For 2016, marketing investments are more weighted to the second half of the year.
- For the full year, excluding the effect of the acquisitions year to date, we expect EBITE and EBITE margins to be higher than last year.
- Net financing costs are expected at around €1-2 million.
- Tax rate between 30-35%.
- Capital expenditures €8-9 million.
- Depreciation and amortisation €7-8 million.

Analyst & investor meeting

At 10h00 CET, an analyst & investor meeting will be hosted by Christophe Barnouin (CEO) and Ronald Merckx (CFO) at the Wessanen office in Amsterdam. Those unable to attend in person can participate in a conference call. The dial-in number is +31 (0)20 716 8254 (toll free 0800 222 330, no access code). There will also be a live audio webcast via www.wessanen.com.

The press release and presentation are available for download at www.wessanen.com.

Media, investor & analyst enquiries

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Important dates

25-10-2016	Publication Q3 2016 results
16-11-2016	Capital Markets Day (Italy)
15-02-2017	Publication Q4 2016 results

Company profile

Wessanen is a leading company in the European market for healthy and sustainable food. In 2015, our revenue was €523 million and we employed on average 904 people. Our mission is Healthier Food, Healthier People, Healthier Planet and we focus on organic, vegetarian, fair trade and nutritionally beneficial products. Our family of companies is committed to driving positive change in food in Europe. Our core brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, Gayelord Hauser, Isola Bio, Kallø, Mrs Crimble's, Tartex, Whole Earth and Zonnatura.

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.

Introduction

This report contains the semi-annual financial report of Royal Wessanen ('Wessanen' or 'the Company'), a public limited company domiciled in the Netherlands. The principal activities of the Company and its subsidiaries ('the Group') are described in Note 1 on page 13.

The semi-annual financial report for the six-month period ended 30 June 2016 consists of the condensed consolidated interim financial statements, the semi-annual report of the Executive Board and the responsibility statement by Wessanen's Executive Board. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's consolidated IFRS financial statements for the year ended 31 December 2015.

The Executive Board of Royal Wessanen hereby declares that, to the best of its knowledge:

- The condensed consolidated interim financial statements, which have been prepared in accordance with the applicable financial reporting standards for interim financial reporting, give a true and fair view of the assets, liabilities and financial position at 30 June 2016 and of the result of our consolidated operations for the first half year of 2016 and the undertakings included in the consolidation taken as a whole; and
- The semi-annual report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, 25 July 2016

Executive Board

Christophe Barnouin (CEO)

Ronald Merckx (CFO)

Risks and uncertainties

Please refer to the note on forward-looking statements on page 5 of this press release and, with regard to risk management, to our Annual Report 2015 (page 64-67), in which we have described the main risks of Wessanen and which is deemed part of this report by reference. For the remainder of 2016 the risks are expected the same as disclosed in our Annual Report 2015.

Additional risks not known to us, or currently believed not to be material, could later turn out to have a material impact on our businesses, revenue, assets, liquidity, capital resources or net income. The Group's financial risk management objectives and policies are consistent with those disclosed in our Annual Report 2015.

Condensed consolidated income statement

In € millions, unless stated otherwise

	H1 2016 (unaudited)	H1 2015 Restated[1] (unaudited)
Continuing operations		
Revenue	**285.7**	263.2
Raw materials and supplies	**(168.0)**	(153.1)
Personnel expenses	**(41.6)**	(39.8)
Depreciation, amortisation and impairments	**(3.5)**	(4.2)
Other operating expenses	**(48.2)**	(47.0)
Operating expenses	**(261.3)**	(244.1)
Operating result	**24.4**	19.1
Net financing costs	**(0.6)**	(1.9)
Profit before income tax	**23.8**	17.2
Income tax expense	**(7.5)**	(5.7)
Profit after income tax from continuing operations	**16.3**	11.5
Discontinued operations		
Profit/(loss) from discontinued operations, net of income tax	**-**	4.6
Profit for the period	**16.3**	16.1
Attributable to equity holders of Wessanen	**16.3**	16.1
Earnings per share attributable to equity holders of Wessanen (in €)		
Basic	**0.22**	0.21
Diluted	**0.21**	0.21
Earnings per share from continuing operations (in €)		
Basic	**0.22**	0.15
Diluted	**0.21**	0.15
Average number of shares (in thousands)		
Basic	**75,598**	75,696
Diluted	**76,012**	76,326
Average GBPexchange rate (GBP per €)	**0.7850**	0.7272

[1] 2015: 'Personnel expenses' and 'Other operating expenses' have been restated for a reclassification of other personnel related expenses in the amount of €(3.1) million from 'Other operating expenses' to 'Personnel expenses'.

Condensed consolidated statement of comprehensive income

In € millions

	H1 2016	H1 2015
	(unaudited)	(unaudited)
Profit/(loss) for the period	**16.3**	16.1
Other comprehensive income		
Remeasurements of post employment benefit obligations, net of income tax	**(0.6)**	(0.3)
Other comprehensive income that will not be reclassified to profit or loss	**(0.6)**	(0.3)
Foreign currency translation differences, net of income tax	**(4.0)**	5.1
Effective portion of changes in fair value of cash flow hedges, net of income tax	**0.1**	(0.1)
Other comprehensive income that may be reclassified to profit or loss	**(3.9)**	5.0
Total other comprehensive income/(loss)	(4.5)	4.7
Total comprehensive income/(loss)	**11.8**	20.8
Attributable to equity holders of Wessanen	**11.8**	20.8

Condensed consolidated statement of changes in equity

In € millions

	Issued and paid-up share capital	Share premium	Reserves: Treasury reserve	Reserves: Translation reserve	Reserves: Hedging reserve	Reserves: Other legal reserves	Retained earnings	Total equity
2015								
Balance of beginning of year	76.0	102.9	(0.1)	(14.8)	-	0.7	(10.5)	154.2
Comprehensive income and expense for the period								
Profit/(loss) for the period	-	-	-	-	-	-	16.1	16.1
Foreign currency translation differences[1,2]	-	-	-	5.1	-	-	-	5.1
Remeasurements of post employment benefit obligations[1]	-	-	-	-	-	-	(0.3)	(0.3)
Effective portion of changes in fair value of cash flow hedges[1]	-	-	-	-	(0.1)	-	-	(0.1)
Total comprehensive income and expense for the period	-	-	-	5.1	(0.1)	-	15.8	20.8
Contributions by and distributions to owners								
Shares delivered	-	-	1.1	-	-	-	(1.1)	-
Dividends	-	-	-	-	-	-	(7.5)	(7.5)
Purchase of own shares			(4.4)				-	(4.4)
Share-based payments	-	-	-	-	-	-	0.2	0.2
Transfer to other legal reserves	-	-	-	-	-	(0.2)	0.2	-
Total contributions by and distributions to owners	-	-	(3.3)	-	-	(0.2)	(8.2)	(11.7)
Balance at 30 June 2015 (unaudited)	76.0	102.9	(3.4)	(9.7)	(0.1)	0.5	(2.9)	163.3
2016								
Balance of beginning of year	76.0	102.9	(3.5)	(11.0)	0.1	-	18.9	183.4
Comprehensive income and expense for the period								
Profit/(loss) for the period	-	-	-	-	-	-	16.3	16.3
Foreign currency translation differences[1]	-	-	-	(4.0)	-	-	-	(4.0)
Remeasurements of post employment benefit obligations[1]	-	-	-	-	-	-	(0.6)	(0.6)
Effective portion of changes in fair value of cash flow hedges[1]	-	-	-	-	0.1	-	-	0.1
Total comprehensive income and expense for the period	-	-	-	(4.0)	0.1	-	15.7	11.8
Contributions by and distributions to owners								
Shares delivered	-	-	1.8	-	-	-	(1.8)	-
Dividends	-	-	-	-	-	-	(8.3)	(8.3)
Purchase of own shares			(0.5)				-	(0.5)
Share-based payments	-	-	-	-	-	-	0.5	0.5
Transfer to other legal reserves	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	1.3	-	-	-	(9.6)	(8.3)
Balance at 30 June 2016 (unaudited)	76.0	102.9	(2.2)	(15.0)	0.2	-	25.0	186.9

[1] Net of income tax

[2] Foreign currency translation differences of €5.1 million comprises translation differences over the period H1 2015 related to the appreciation of the GBP and US dollar in the amount of €9.2 million and the recycling of the accumulated translation differences following the divestment of ABC in the amount of €(4.1) million.

Condensed consolidated statement of financial position

In € millions

	30 June 2016 (unaudited)	31 December 2015 (audited)
Assets		
Property, plant and equipment	47.7	43.8
Intangible assets	119.7	97.5
Other investments	1.2	0.9
Deferred tax assets	8.2	8.3
Total non-current assets	**176.8**	**150.5**
Inventories	65.3	59.0
Income tax receivables	-	0.1
Trade receivables	100.1	92.0
Other receivables and prepayments	18.5	16.8
Cash and cash equivalents	6.9	24.7
Total current assets	**190.8**	**192.6**
Total assets	**367.6**	**343.1**
Equity		
Share capital	76.0	76.0
Share premium	102.9	102.9
Reserves	(17.0)	(14.4)
Retained earnings	25.0	18.9
Total equity	**186.9**	**183.4**
Liabilities		
Interest-bearing loans and borrowings	17.1	1.5
Employee benefits	7.8	6.7
Provisions	2.1	3.9
Deferred tax liabilities	5.2	7.0
Total non-current liabilities	**32.2**	**19.1**
Bank overdrafts	3.6	1.5
Interest-bearing loans and borrowings	2.8	4.2
Provisions	5.9	6.7
Income tax payables	5.1	3.3
Trade payables	77.7	67.9
Non-trade payables and accrued expenses	53.4	57.0
Total current liabilities	**148.5**	**140.6**
Total liabilities	**180.7**	**159.7**
Total equity and liabilities	**367.6**	**343.1**
End of period GBP exchange rate (GBP per Euro)	0.8265	0.7339

Condensed consolidated statement of cash flows

In € millions, unless stated otherwise

	H1 2016 (unaudited)	H1 2015 (unaudited)
Cash flows from operating activities		
Operating result	**24.4**	19.1
Adjustments for:		
Depreciation, amortisation and impairments	3.5	4.2
Other non-cash and non-operating items	2.5	2.9
Cash generated from operations before changes in working capital and provisions	**30.4**	26.2
Changes in working capital	(4.1)	(14.8)
Payments from provisions and changes in employee benefits	(4.6)	(2.3)
Cash generated from operations	**21.7**	9.1
Interest paid	(0.3)	(0.6)
Income tax paid	(6.5)	(6.5)
Operating cash flow from continuing operations	**14.9**	2.0
Operating cash flow from discontinued operations	-	(1.7)
Net cash from operating activities	**14.9**	0.3
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1.7)	(3.1)
Acquisition of intangible assets	(1.4)	(0.7)
Acquisition of subsidiaries, net of cash acquired	(31.1)	(43.0)
Investing cash flow from continuing operations	**(34.2)**	(46.8)
Investing cash flow from discontinued operations	-	39.8
Net cash flow from investing activities	**(34.2)**	(7.0)
Net cash flow before financing activities	**(19.3)**	(6.7)
Cash flows from financing activities		
Net proceeds from/(repayments of) interest-bearing loans and borrowings	9.2	(4.3)
Net payments of finance lease liabilities	-	(0.1)
Cash receipts/(payments) of derivatives	(0.5)	(0.5)
Purchase of own shares	(0.5)	(4.4)
Dividends paid	(8.3)	(7.5)
Financing cash flow from continuing operations	**(0.1)**	(16.8)
Financing cash flow from discontinued operations	-	-
Net cash from financing activities	**(0.1)**	(16.8)
Net cash flow	**(19.4)**	(23.5)

Notes to the condensed consolidated interim financial statements

In € millions, unless stated otherwise

1 The Company and its operations

Koninklijke Wessanen N.V. ('Royal Wessanen', '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 six-month period ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as 'the Group').

The information in these condensed consolidated interim financial statements is unaudited, apart from the comparative consolidated financial position as per 31 December 2015.

Wessanen is a leading company in the European market for healthy and sustainable food. In 2015, our revenue was €523 million and we employed on average 904 people. Our mission is Healthier Food, Healthier People, Healthier Planet and we focus on organic, vegetarian, fair trade and nutritionally beneficial products. Our family of companies is committed to driving positive change in food in Europe. Our core brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, Gayelord Hauser, Isola Bio, Kallø, Mrs Crimble's, Tartex, Whole Earth and Zonnatura.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. 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 31 December 2015.

These condensed consolidated interim financial statements were approved by the Executive Board and by the Supervisory Board on 25 July 2016.

3 Significant accounting policies

The significant accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015 except for the adoption of new standards, amendments to standards and interpretations, which have been adopted as relevant to the Company for the first time. These standards and interpretations have no material effect on the Company's condensed consolidated interim financial statements.

4 Estimates

The preparation of the condensed consolidated 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 estimates and 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 31 December 2015. Reference is made to the 2015 Annual Report, Note 2 (pages 86-87).

In the 2015 Annual Report, we highlighted that for the cash-generating unit Branded-Germany the headroom was limited based on the 2015 annual impairment test (reference is made to pages 108-109). Sales from the new vegetarian spread 'Brotzeit' under the Tartex brand, and a stabilization of private label sales were key assumptions in this test. Disappointing results in the first half of 2016 across both Allos and Tartex triggered an intermediate impairment test in Q2 2016, which did not result in an impairment loss to be recognised. The determination of the recoverable amount of the cash-generating unit is based on a fair value less cost of disposal valuation. The fair value less cost of disposal valuation is based on a similar approach as used in the 2015 annual impairment test (discounted cash flow approach, using five years of forecast (level 3)), with a normalisation for recharges of corporate costs. The cash flow projections made do not include the upside of non-committed profit improvement plans currently being developed. The key assumptions used to determine the cash flows are based on updated market expectations and management's best estimates (including modest revenue growth in the five years of forecast, terminal value growth rate at an average long-term inflation rate of 1.8% and a pre-tax discount rate of 10.1%).

5 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015. In addition, reference is made to the 'risks and uncertainties' section as included on page 7 of this report.

6 Acquisitions

On 1 March 2016, Wessanen has closed the acquisition of the Piramide tea business (asset deal), in the Netherlands, for a purchase consideration of €7.8 million. On 1 June 2016, Wessanen closed the acquisition of Ineobio, in France, for a purchase consideration of €19.9 million on a cash and debt free basis. Wessanen acquired 100% of the shares of Ineobio International S.A.S.

The results of Piramide tea and Ineobio have been included as from 1 March 2016 and 1 June 2016 respectively contributing €3.1 million to consolidated revenue and €0.6 million to consolidated operating profit for the period ending 30 June 2016. If the acquisitions had occurred on 1st January 2016 the acquired businesses would have contributed €13.3 to the consolidated revenue and €1.7 to the consolidated operating profit. Acquisition costs amounted to €0.5 million in total.

Based on the preliminary purchase price allocation, the acquisitions had the following effect on Wessanen's assets and liabilities:

in € millions	Acquired values	Fair value adjustments	Carrying amounts
Property, plant and equipment	5.8	-	5.8
Intangible assets	0.1	1.7	1.8
Other investments	1.3	-	1.3
Inventories	6.8	-	6.8
Trade and other receivables, and prepayments	5.7	-	5.7
Cash and cash equivalents	0.1	-	0.1
Interest-bearing loans and borrowings	(6.0)	-	(6.0)
Employee benefits	(0.2)	-	(0.2)
Bank overdrafts	(3.5)	-	(3.5)
Income tax payables	(0.2)	-	(0.2)
Trade and non-trade payables, and accrued expenses	(6.5)	-	(6.5)
Net identifiable assets and liabilities	**3.4**	**1.7**	**5.1**
Goodwill on acquisitions			22.6
Considerations paid			**27.7**
Net bankoverdrafts acquired			3.4
Net cash outflow			**31.1**

The total net cash outflow of €31.1 million (including net bank overdrafts acquired of €3.4 million) was fully paid in cash, of which €2.0 million in escrow relating to the acquisition of Ineobio. The total net cash outflow of €31.1 million is excluding interest-bearing loans and borrowings acquired of €6.0 million (see table above).

The fair value adjustment related to intangible assets of €1.7 million, includes the 'Piramide' trademark (indefinite life) only. The goodwill recognised on the acquisition of the Piramide tea business of €6.1 million is attributable to the leading position of Piramide tea in the Health Food Stores channel. It fits our ambition to build strong brands across all channels and to further strengthen and leverage our scale, expertise and capabilities in core categories. The goodwill recognised is expected to be deductible for tax purposes.

The acquired value of the net identifiable assets and liabilities of €3.4 million fully relates to the acquisition of Ineobio. The purchase price allocation in respect of the acquisition of Ineobio is still in process. Accordingly, a goodwill amount of €16.5 million has been recorded provisionally. Organic Tea & Coffee is a core category for Wessanen and a key part of the market for healthy, sustainable and organic food. Wessanen is already a European leader in Organic teas and Destination will become the flagship of our coffee brands and enhance the presence we already have with the Alter Eco & Bonneterre brands.

7 Seasonality of operations

Revenue of our Branded segment is in general modestly higher in the first half of the year. In addition, operating profit is impacted by the phasing of marketing spending throughout the year.

8 Operating segment information

The Group's activities are respectively have been carried out by the following segments: Branded (qualified as 'continuing operations') and ABC (qualified as 'discontinued operations'). 'Non-allocated' includes (Dutch and in 2015 also US) corporate entities.

Key financial data regarding these segments are given below:

In € millions	Revenue		Operating result and operating margin[1]			
	H1 2016	**H1 2015**	**H1 2016**		**H1 2015**	
Branded	285.7	263.2	25.8	9.0%	20.3	7.7%
Non-allocated	-	-	(1.4)		(1.2)	
Continuing operations	**285.7**	263.2	24.4	8.5%	19.1	7.3%
ABC	-	21.7	-		(1.5)	-6.9%
Discontinued operations	**-**	**21.7**	**-**		**(1.5)**	-6.9%
Total Wessanen	**285.7**	284.9	**24.4**	8.5%	17.6	6.2%

[1] Operating result as % of total revenue.

The profit from discontinued operations in H1 2015 of €4.6 million includes the operating result of €(1.5) million and the after tax gain recognised on divestments of €4.6 million.

The assets can be specified as follows:

In € millions	Total assets	
	30 June 2016	31 December 2015
Branded	350.4	308.0
Non-allocated	17.2	35.1
Continuing operations	**367.6**	343.1
Discontinued operations	**-**	-
Total Wessanen	**367.6**	343.1

In the first six months of 2016, total assets increased by €24.5 million, from €343.1 million as at 31 December 2015 to €367.6 million as at 30 June 2016, mainly due to the acquisition of Ineobio and Piramide tea (see Note 6).

9 Income taxes

The income tax expense is recognised based on management's latest estimate of the weighted average income tax rate for the full financial year. The Group's estimated weighted average income tax rate for Wessanen's continuing operations for the full year 2016 is 35% excluding discrete items (2015: 35%). The recognition of an additional deferred tax asset related to tax carry forward losses of €0.8 million ultimately resulted in an effective tax rate in the six-month period ended 30 June 2016 of 31.5% (H1 2015: 33.2%).

10 Provisions

Provisions decreased by €2.6 million to €8.0 million as per 30 June 2016. The net decrease mainly comprises an addition to (€1.8 million) and payments from (€(3.6) million) the provision for cash-settled share-based compensation transactions.

11 Borrowings and loans

Net debt can be specified as follows:

	30 June 2016	31 December 2015
Long-term interest-bearing loans and borrowings[1]	17.1	1.5
Short-term interest-bearing loans and borrowings	2.8	4.2
Total interest-bearing loans and borrowings	**19.9**	**5.7**
Bank overdrafts	3.6	1.5
Cash and cash equivalents	(6.9)	(24.7)
Net debt/(cash) Wessanen	**16.6**	**(17.5)**

[1] Long-term interst bearing loans and borrowings as per 30 June 2016 are net of capitalised finance costs. As per 31 December 2015 capitalised finance costs were included in 'other investments'.

Net debt of Wessanen increased by €34.1 million in the six-month period ended 30 June 2016 to €16.6 million, mainly due to the acquisition of Piramide tea and Ineobio (= €31.1 million in total), capital expenditures (€3.1 million) and dividends paid (€8.3 million), partly offset by net cash from operating activities (€(14.9) million).

12 Repurchase of shares

In the six-month period ended 30 June 2016, Wessanen repurchased 47,376 shares for the total amount of €0.5 million.

The total number of shares (to be) purchased is based on the expected number of shares to be delivered upon vesting of the running Long Term Incentive plans.

13 Dividends

A cash dividend of €8.3 million that relates to the year 2015 was paid in April 2016 (H1 2015: €7.5 million).

14 Financial instruments

Recurring fair value measurements versus carrying amounts

The fair value of financial assets and liabilities equal the carrying amounts both as per 30 June 2016 and 31 December 2015. The classification and fair values of financial instruments have been determined for measurement based on the method as outlined in Note 25 of the 2015 Annual Report (pages 118-124).

15 Related party transactions

The Company has a related party relationship with its subsidiaries and key management.

Based on the Long-Term Incentive plan 2016, the Company granted 44,414 restricted shares to the Executive Board members in the first half of 2016. In June 2016, 258,027 shares were delivered to the (former) members of the Executive Board as part of the Long Term Incentive plan 2013, which plan vested at 150% (TSR ranking: 1st).

No other significant related party transactions occurred.

16 Events occurring after the reporting period

On 1 July 2016, Wessanen announced that it had signed and completed the acquisition of Mrs Crimble's, a pioneer of the UK gluten-free market for more than 30 years. Mrs Crimble's has established itself as a leading brand in the market, famous for its macaroons and broad range of other gluten-free products. Wessanen acquired 100% of Mrs Crimble's (Holdings) Ltd. for a purchase consideration of £15.4 million. Mrs Crimble's net revenue amounted to £12.7 million in 2015.

It has widespread distribution across all channels in the UK, increasing presence internationally and fits very well into Wessanen's existing portfolio of healthy and sustainable brands. Majority of sales are in 'Sweet in Between' products, also referred to as healthy snacking, a core category for Wessanen. Mrs Crimble's is expected to benefit from the growth in popularity of gluten-free products and demand from both consumers and retailers.