Royal Wessanen nv

Press release - Results second quarter 2010 29 July 2010

Wessanen reports improved underlying operating profit and EPS

Q2 2010 highlights

- Revenue steady at EUR 193.7 million, in line with last year's second quarter
- Operating result (EBIT) improved to EUR 9.4 million (Q2 2009: EUR (4.8) million)
- Net result of EUR 6.6 million; Earnings per share (EPS) of EUR 0.08
- Wessanen Europe revenue EUR 131.0 million (0.6% autonomous growth)
- Piet Hein Merckens took over as CEO on 1 June
- Strategic initiatives (e.g. brand harmonisation and centralised sourcing) are on schedule
- For second half 2010, Wessanen expects its operating result to be around break-even

Consolidated key figures Q2 2010

X EUR million, unless stated otherwise	Q2 2010	Q2 2009	% change	H1 2010	H1 2009	% change
Revenue [1]	193.7	193.8	(0.1)%	366.3	362.3	1.1%
Autonomous revenue development [1, 2]	*(3.4)%*			*(0.2)%*		
EBITDA [1]	12.9	8.1	56.2%	22.7	10.0	>100%
Operating result (EBIT) [1]	9.4	(4.8)		15.8	(5.7)	
EBIT margin (as a % of revenue)[1]	*4.9%*	*(2.5)%*		*4.3%*	*(1.6)%*	
Result from discontinued operations, net of income tax	0.5	(29.3)		(5.0)	(29.6)	
Net result, attributable to equity holders of Wessanen	6.6	(84.6)		1.8	(87.9)	
Operating cash flow [1]	18.0	6.5	>100%	3.7	2.0	85%
Net debt	63.1	203.7				
Earnings per share (in euro) (total Wessanen)	0.08	(1.25)		0.03	(1.30)	
Average nr. of outstanding shares (x 1,000 shares)	74,466	67,605		73,151	67,609	

CEO Statement

Piet Hein Merckens, Wessanen CEO, comments: "Since joining Wessanen in April, I have familiarised myself with the business, our brands and our people. I have travelled to see our operations across Europe, met suppliers and customers and visited numerous stores. With the implementation of initiatives such as brand harmonisation and centralised sourcing, I see the first signs that our strategy is taking hold. Wessanen has clear pockets of strength, but we will need to re-establish focus and make progress in standardisation of processes and leveraging best practices.

[1] From continuing operations

[2] Including adjustments for currency effects, acquisitions and trading days (index Q2-09: 100%)

Our underlying Q2 performance was satisfactory with an ongoing focus on advertising and promotional spending to support and build our brands. SAP was successfully introduced in our French grocery business and clear progress has been made regarding centralised sourcing. Furthermore, brand awareness of Beckers continues to increase and ABC has benefited from further productivity gains. We continue our investments to enhance capabilities and improve the overall quality of the organisation.

As highlighted in the strategic update in January, 2010 is a 'year of investments' to strengthen and consolidate the core business. We will continue to invest in advertising and promotional spending and in our sales force to build and grow our brands. Work continues on centralised sourcing, the development of retail formulas in the health food channel, the further roll-out of SAP and the introduction of our Bjorg brand in Italy. Since these investments will not immediately generate higher sales and margins, our profitability in the second half of 2010 will be reduced. However we anticipate that these initiatives will start to bear fruit from 2011 onwards.

Although I am still new to the company, I am tremendously impressed by the spirit of Wessanen's management and employees and by their conviction that the company can play a key role in the European organic marketplace. I share their enthusiasm and belief that we are on the right track."

Priorities FY2010

- Wessanen Europe: strengthening the core through centralised sourcing, strategic cooperation with suppliers, brand and product alignment and increased marketing and ICT spending
- Frozen Foods: revitalising the Beckers brand, innovation and continued focus on production costs
- ABC: completing business process redesign, cost reductions, improving weighted distribution and innovation, with the intention to divest in 2011
- PANOS Brands: expected to be divested during 2010

Outlook FY2010

For the second half of 2010, Wessanen expects its normalised operating result to be around break-even. The operating result of Wessanen Europe in the second half is expected to be below last year's normalised earnings with especially the third quarter being marked by higher spending on marketing, sales and ICT. As indicated before, ABC expects to realise a full year operating result above break-even, with the fourth quarter being seasonally weakest. Non-allocated costs are expected to increase due to the corporate transition process.

As in the first half, we expect the effective income tax rate to be below the normal level of 30-35%. Capital expenditures will be around the level of depreciation and amortisation of EUR 15 million.

Financial summary

In the second quarter, revenue from continuing operations was stable at EUR 193.7 million, including a positive currency effect of 1.5% (a stronger British pound partly offset by a weaker US dollar) and an acquisition effect of 1.3%. Autonomous growth amounted to (3.4)% with higher revenue at Wessanen Europe offset by lower reported revenue at ABC and to a lesser extent at Frozen Foods.

Operating result (EBIT) was EUR 9.4 million, showing a strong increase over last year's loss of EUR 4.8 million. Net financing costs amounted to EUR (1.7) million (Q2 2009: EUR (6.2) million) and total income taxes were EUR (1.4) million. The effective tax rate was a relatively low 18.0%, reflecting the recognition of past tax losses.

Profit from discontinued operations, net of tax, amounted to EUR 0.5 million. This relates to PANOS Brands for which the divestment process is progressing according to plan.

Net result, attributable to Wessanen equity holders, was EUR 6.6 million (Q2 2009: EUR (84.6) million).

Operating cash flow from continuing operations (after interest and income tax paid) was EUR 18.0 million (Q2 2009: EUR 6.5 million), positively impacted by a tax refund due to the compensation of past losses, slightly offset by seasonally higher working capital primarily at ABC.

Net debt decreased to EUR 63.1 million (Q1 2010: EUR 66.2 million) due to higher operating cash flow, largely offset by capital expenditures, the acquisition of Kroon and the cash settlement in early April of an interest rate swap. The net debt to EBITDAE ratio amounted to 1.6x as at 30 June (Q1 2010: 2.0x).

	Total revenue				Total operating result (EBIT)			
X EUR million, unless stated otherwise	Q2 2010	Q2 2009	% change	% auton. growth	Q2 2010	% of revenue	Q2 2009	% change
Wessanen Europe	131.0	126.1	3.8%	0.6%	7.0	5.4%	8.2	(13.5)%
Frozen Foods	30.7	31.5	(2.7)%	(1.7)%	2.0	6.6%	2.2	(8.6)%
ABC	32.0	36.2	(11.4)%	(18.7)%	3.5	10.9%	(13.0)	
Non-allocated / eliminations	-	-	-	-	(3.1)	-	(2.2)	
Wessanen	193.7	193.8	(0.1)%	(3.4)%	9.4	4.9%	(4.8)	

	Wessanen Europe		Frozen Foods		ABC		Non-allocated	
X EUR million	Q2 2010	Q2 2009	Q2 2010	Q2 2009	Q2 2010	Q2 2009	Q2 2010	Q2 2009
EBIT	7.0	8.2	2.0	2.2	3.5	(13.0)	(3.1)	(2.2)
Exceptionals	(1.1)	-	-	-	(0.1)	(10.3)	(0.3)	-
EBIT before exceptionals	8.1	8.2	2.0	2.2	3.6	(2.7)	(2.8)	(2.2)

Important dates

28 October 2010	Publication of the third quarter results 2010
24 February 2011	Publication of the fourth quarter results 2010
19 April 2011	Annual General Meeting of Shareholders
28 April 2011	Publication of the first quarter results 2011

Analyst & investor conference call

A press conference will be hosted by Piet Hein Merckens (CEO) and Frans Eelkman Rooda (CFO) at Hotel Okura (Amsterdam) at 9h00 CET. An analyst and investors meeting will be hosted at Hotel Okura (Amsterdam) at 11h00 CET. There will be a live audio webcast via www.wessanen.com. The presentation will be available for download there as well. Analysts and investors can also participate by dialling the following telephone number: +31 (0)45 631 6903.

Press, investor and analyst enquiries

Carl Hoyer
VP Corporate Communications
Phone +31 (0)20 3122 140 / +31 (0)6 12 355 658
Email Carl.hoyer@wessanen.com / investor.relations@wessanen.com

Company profile

Royal Wessanen nv is a leading company in the European organic food market. Operating mainly in France, Benelux, the UK and Germany, we manage and develop our brands and products in the grocery and health food channels. Our vision is to become the Organic^{+} food champion in our chosen markets, providing organic food that delivers clear consumer benefits. Next to our leading position in Organic+ food businesses, we also produce and market frozen snack products in the Benelux and fruits drinks and cocktail mixers in the US.

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-harbour 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 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.

Semi-annual financial report

Introduction

This report contains the semi-annual financial report of Royal Wessanen nv (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.

The semi-annual financial report for the six-month period ended 30 June 2010 consists of the semi-annual Report of the Executive Board, the condensed consolidated interim financial statements and a responsibility statement by Wessanen's Executive Board. The consolidated interim financial statements are accompanied by a Review Report of Deloitte Accountants B.V,

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 2009.

With reference to section 5.25d of the Financial Markets Supervision Act (Wet op het financieel toezicht), the Executive Board of Royal Wessanen nv hereby declares that, to the best of its knowledge:

- The 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 2010 and of the result of our consolidated operations for the first half year of 2010 and the undertakings included in the consolidation taken as a whole; and

- The semi-annual report of the Executive Board gives a true and fair view of the position as of 30 June 2010, the development during the first half year of 2010 of the Company and its undertakings included in the interim financial statements and the description of the expected risks and developments for the remainder of 2010.

Amsterdam, 28 July 2010

Executive Board
Piet Hein Merckens, CEO
Frans Eelkman Rooda, CFO

Performance of the group

Wessanen Europe

X EUR million, unless stated otherwise	Q2 2010	Q2 2009	% change	H1 2010	H1 2009	% change
Revenue	131.0	126.1	3.8%	256.5	250.9	2.2%
Autonomous revenue development	*0.6%*			*0.8%*		
EBITDA	7.9	9.0	(12.5)%	15.6	16.8	(7.4)%
Operating result (EBIT)	7.0	8.2	(13.5)%	14.0	15.2	(7.7)%
EBIT margin (as a % of revenue)	*5.4%*	*6.5%*		*5.5%*	*6.1%*	
Operating cash flow	10.4	6.6		11.9	9.4	

Revenue amounted to EUR 131.0 million, an increase of 3.8%. Autonomous growth was 0.6%, driven by 1.1% price-effect and (0.5)% volume effect. Grocery sales were up, while sales in the health food stores channel decreased. The currency effect was 0.8% due to a strengthening of the British pound. The acquisition of Kroon in the Netherlands contributed 2.0%.

The operating result of EUR 7.0 million was lower year-on-year due to a step-up in ICT costs and the expansion of our sales force. Advertising and promotional spending was only marginally higher than last year as a result of phasing of spending towards the third quarter. EBIT also includes non-recurring items of approximately EUR 1.1 million in relation to provisioning for a legal dispute and some redundancies. Excluding non-recurring items, operating result amounted to EUR 8.1 million.

We continue to invest in advertising and promotional spending to support and build our brands. Initiatives in the quarter included, for example, our first ever Whole Earth peanut butter TV commercial in the UK and a range of Bjorg advertisements in Le Monde.

In Europe, grocery markets for organic food showed modest growth, but continued to be affected by retailers expanding their private label activities at the expense of branded suppliers. Health food markets in the UK, France and Benelux declined, while showing growth in Germany.

In France, revenue grew, driven by higher sales in a stable grocery market, mainly from market share gains of Bjorg due to promotion and innovation. Baby Bjorg continues to show solid growth. In a weak HFS market, which manifested itself particularly in chilled, our sales were slightly higher. After shrinking for some years, the dietetic market showed positive momentum during the second quarter, from which our Gayelord Hauser brand benefited.

In early July, a SAP ERP system was successfully introduced in the grocery part of our French business. In anticipation of the launch, some products were pre-loaded to our customers, resulting in additional sales in the second quarter.

In the Netherlands, revenue from health food stores was stable, showing a mixed underlying performance. As a general trend, witnessed in grocery as well, smaller shops are struggling while larger, more innovative stores achieve higher sales. Natudis is well-positioned to benefit from this trend. The first steps have been taken to integrate Kroon, the number 2 perishables supplier, into our Dutch organisation.

In grocery, organic declined. For our brand Biorganic, we see increased interest from several retail chains. One of the larger grocery chains adjusted its speciality food shelf concept, resulting in some Zonnatura products - those without functional claims – being relocated to the mainstream shelf. We were also able to introduce the Schär range of gluten-free products to the specialty shelf.

In the UK, total sales were slightly down in both sterling and euro terms. Grocery remains a highly competitive market; our sales were nearly flat. With the introduction of four types of flavoured rice cake, we experienced strong interest and listings by most of the major multiples. In June, the first ever TV commercial for Whole Earth peanut butter was broadcast.

The UK health food channel continues to decline, with smaller independent traders particularly affected, resulting in lower year-on-year revenues.

In Germany, the organic market continues to grow. Revenue was up in both health food stores and in the grocery channel. Our sales at health food stores benefited from a successful summer campaign and innovations, like Allos bars and biscuits, and vegetarian, gluten-free Cremisso spreads. In grocery, Whole Earth continues to grow, supported by innovations in the cereal and biscuit categories, and a second 'City campaign', this time in Munich after the successful launch in Hamburg.

In Italy, our soy milk plant performs as planned. We also have started to build the presence of our Bjorg and Efficance brands in the grocery channel following in-sourcing of distribution previously handled by a third party. In the second half of 2010 and 2011, we will continue to invest in distribution, innovations and brand support.

Frozen Foods

X EUR million, unless stated otherwise	Q2 2010	Q2 2009	% change	H1 2010	H1 2009	% change
Revenue	30.7	31.5	(2.7)%	59.4	59.8	(0.7)%
Autonomous revenue development	*(1.7)%*			*(0.3)%*		
EBITDA	3.2	3.5	(8.2)%	5.2	5.4	*(4.9)%*
Operating result (EBIT)	2.0	2.2	(8.6)%	2.8	2.8	(1.3)%
EBIT margin (as a % of revenue)	*6.6%*	*7.1%*		*4.8%*	*4.8%*	
Operating cash flow	3.0	0.1		3.4	4.5	

Revenue amounted to EUR 30.7 million, an organic decrease of 1.7%. Volume was lower by 2.4% but this was partly compensated by a price and mix effect of 0.7%. The channel mix developed unfavourably.

Competition in the out-of-home channel remains fierce. Revenue at foodservice was slightly up and retail sales improved partly due to improved distribution. Declining consumer demand affected both private label and branded retail volumes. Beckers continues to focus on product concepts and business creation via brand building, for example via the promotion of Beckers Party Mix timed coinciding with the football World Cup. It increased its brand awareness in the second quarter.

The impact of lower sales was compensated by lower cost of goods sold and production expenses. Increased advertising and promotional spend and sales force expansion were the main factors behind a modestly lower operating result, despite continued efficiency gains. Operating result was EUR 2.0 million, representing an operating margin of 6.6%.

American Beverage Corporation (ABC)

X EUR million, unless stated otherwise	Q2 2010	Q2 2009	% change	H1 2010	H1 2009	% change
Revenue	32.0	36.2	(11.4)%	50.4	51.6	(2.1)%
Autonomous revenue development	*(18.7)%*			*(4.7)%*		
EBITDA	4.7	(2.3)		7.1	(5.9)	
Operating result (EBIT)	3.5	(13.0)		4.8	(17.2)	
EBIT margin (as a % of revenue)	*10.9%*	*(35.8)%*		*9.4%*	*(33.5)%*	
Operating cash flow	(0.1)	5.3		(1.8)	0.1	

X USD million, unless stated otherwise	Q2 2010	Q2 2009	% change	H1 2010	H1 2009	% change
Revenue	41.1	49.2	(16.5)%	66.2	68.9	(3.9)%
Operating result (EBIT)	4.5	(17.6)		6.2	(23.1)	
Operating cash flow	0.0	6.9		(2.4)	0.1	

First half year revenue was USD 66.2 million, a 3.9% decline versus last year. Second quarter revenue was EUR 41.1 million, a decrease of 16.5% versus revenue reported for Q2 2009, partly due to higher than expected sales in March 2010 due to earlier shipments.

Daily's, our cocktail mixer brand, continues to do well driven by the success of ready-to-drink pouches. Revenue from Little Hug, our fruit drink brand, was below our expectations in the second quarter due to lower merchandising at a large customer and competitive pricing.

Total advertising and promotional expenses increased during Q2. The Little Hug revitalisation project is underway, targeted at raising consumer awareness through consumer print ads and on-line advertising. Daily's is also building its brand with the help of consumer print ads, Facebook advertising and the launch of a summer promotion micro site. We also launched new, redesigned ready-to-drink pouches.

We increased investment in consumer research to provide ongoing feedback on ABC products. Work continues on the introduction of flavour extensions and new concepts.

Operating result amounted to EUR 3.5 million (USD 4.5 million). Last year, an impairment (EUR 10.3 million) and incidental charges following the financial review (EUR 2.4 million) impacted the operating result. The continued implementation of operational efficiencies is paying off, resulting in increased profitability versus last year's underlying profit.

Working capital increased over the quarter, due to inventory and receivables being at a seasonal high. As the summer selling season progresses and production volume is reduced, working capital will decrease.

Non-allocated and eliminations (including corporate expenses)

X EUR million, unless stated otherwise	Q2 2010	Q2 2009	H1 2010	H1 2009
EBITDA	(2.9)	(2.1)	(5.2)	(6.3)
Operating result (EBIT)	(3.1)	(2.2)	(5.8)	(6.5)

Non-allocated expenses amounted to EUR 3.1 million compared to EUR 2.2 million last year as a result of higher expenses for the corporate transition process, lower absorption by the operating companies and some severance payments.

Discontinued operations

Profit from discontinued operations, net of tax, amounted to EUR 0.5 million. This relates to PANOS Brands. Revenue and operating result both developed favourably.

Risks and uncertainties

Please refer to our Annual Report 2009 (available at www.wessanen.com) with regard to risk management, in which we have described the main risks of the Company which are deemed part of this report by reference, and to the note on forward-looking statements at the end of this press release. The Group's financial risk management objectives and policies are consistent with those disclosed in our Annual Report 2009.

For the remainder of 2010 we see in particular the principal risks and uncertainties mentioned below:

- The risk of a recessionary decline of our markets with potential loss of margin
- The risk of intensified competitive pressure
- Execution risk in the implementation of our strategic plans

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.

Unaudited condensed consolidated income statement

In EUR millions, unless stated otherwise

Q2 2010[1]	Q2 2009[1]		HY 2010	HY 2009
		Continuing operations		
193.7	193.8	**Revenue**	**366.3**	362.3
-	-	**Other income**	**-**	-
(121.8)	(117.7)	Raw materials and supplies	**(229.5)**	(219.6)
(29.8)	(29.0)	Personnel expenses	**(58.0)**	(59.5)
(3.5)	(12.9)	Depreciation, amortisation and impairments	**(6.9)**	(15.7)
(29.2)	(39.0)	Other operating expenses	**(56.1)**	(73.2)
(184.3)	(198.6)	**Operating expenses**	**(350.5)**	(368.0)
9.4	(4.8)	**Operating result**	**15.8**	(5.7)
(1.7)	(6.2)	Net financing costs	**(6.4)**	(9.2)
-	-	Share in results of associates	**-**	-
7.7	(11.0)	**Profit/(loss) before income tax**	**9.4**	(14.9)
(1.4)	(45.8)	Income tax expense	**(2.3)**	(45.1)
6.3	(56.8)	**Profit/(loss) after income tax from continuing operations**	**7.1**	(60.0)
		Discontinued operations		
0.5	(29.3)	Profit/(loss) from discontinued operations, net of income tax	**(5.0)**	(29.6)
6.8	(86.1)	**Profit/(loss) for the period**	**2.1**	(89.6)
		Attributable to:		
6.1	*(55.3)*	*Total attributable from continuing operations*	***6.8***	*(58.3)*
0.5	*(29.3)*	*Total attributable from discontinued operations*	***(5.0)***	*(29.6)*
6.6	(84.6)	**Equity holders of Wessanen**	**1.8**	(87.9)
0.2	(1.5)	**Non-controlling interests**	**0.3**	(1.7)
6.8	(86.1)	**Profit/(loss) for the period**	**2.1**	(89.6)
		Earnings per share attributable to equity holders of Wessanen (in EUR)		
0.08	(1.25)	Basic	**0.03**	(1.30)
0.08	(1.24)	Diluted	**0.03**	(1.29)
		Earnings per share from continuing operations (in EUR)		
0.08	(0.81)	Basic	**0.09**	(0.86)
0.08	(0.81)	Diluted	**0.09**	(0.85)
		Average number of shares (in thousands)		
74,466	67,605	Basic	**73,151**	67,609
0.7821	0.7332	Average USD exchange rate (Euro per USD)	**0.7618**	0.7478
1.1722	1.1495	Average GBP exchange rate (Euro per GBP)	**1.1609**	1.1214

[1]: No review procedures have been performed on the results of the quarter

Unaudited consolidated statement of comprehensive income

In EUR millions

Q2 2010[1]	Q2 2009[1]		HY 2010	HY 2009
6.8	(86.1)	**Profit/(loss) for the period**	**2.1**	(89.6)
		Other comprehensive income		
11.7	(0.3)	Foreign currency translation differences, net of income tax	**19.9**	15.3
(0.2)	6.1	Effective portion of changes in fair value of cash flow hedges, net of income tax	**0.4**	6.8
11.5	5.8		**20.3**	22.1
18.3	(80.3)	**Total comprehensive income for the period**	**22.4**	(67.5)
		Attributable to:		
18.1	(78.8)	**Equity holders of Wessanen**	**22.1**	(65.8)
0.2	(1.5)	**Non-controlling interests**	**0.3**	(1.7)
18.3	(80.3)	**Total comprehensive income for the period**	**22.4**	(67.5)

[1:] No review procedures have been performed on the results of the quarter

Unaudited consolidated statement of financial position

In EUR millions, unless stated otherwise

	30 June 2010	31 December 2009
Assets		
Property, plant and equipment	**95.4**	88.3
Intangible assets	**136.2**	130.4
Investments in associates	**-**	-
Other investments	**2.6**	3.2
Deferred tax assets	**4.8**	4.3
Total non-current assets	**239.0**	226.2
Inventories	**79.5**	68.9
Income tax receivables	**4.2**	11.4
Trade receivables	**80.4**	69.5
Other receivables and prepayments	**22.6**	19.8
Cash and cash equivalents	**26.3**	44.3
Assets classified as held for sale	**9.3**	197.8
Total current assets	**222.3**	411.7
Total assets	**461.3**	637.9
Equity		
Share capital	**75.2**	68.4
Share premium	**105.0**	93.9
Reserves and retained earnings	**9.8**	(12.4)
Total equity attributable to equityholders of Wessanen	**190.0**	149.9
Non-controlling interests	**6.0**	5.7
Total equity	**196.0**	155.6
Liabilities		
Interest-bearing loans and borrowings	**73.3**	5.8
Employee benefits	**22.0**	21.6
Provisions	**2.9**	2.9
Deferred tax liabilities	**2.5**	2.6
Total non-current liabilities	**100.7**	32.9
Bank overdrafts	**1.2**	24.1
Interest-bearing loans and borrowings	**15.9**	205.4
Provisions	**3.8**	5.6
Income tax payables	**1.9**	2.3
Trade payables	**84.3**	78.2
Non-trade payables and accrued expenses	**55.6**	67.2
Liabilities classified as held for sale	**1.9**	66.6
Total current liabilities	**164.6**	449.4
Total equity and liabilities	**461.3**	637.9
End of period USD exchange rate (Euro per USD)	**0.8183**	0.6946
End of period GBP exchange rate (Euro per GBP)	**1.2315**	1.1203

Unaudited consolidated statement of cash flows

Q2 2010[1]	Q2 2009[1]		HY 2010	HY 2009
		Cash flows from operating activities		
9.4	(4.8)	Operating result	**15.8**	(5.7)
		Adjustments for:		
3.5	12.9	Depreciation, amortisation and impairments	**6.9**	15.7
1.9	0.8	Other non-cash and non-operating items	**2.2**	3.8
14.8	8.9	**Cash generated from operations before changes in working capital and provisions**	**24.9**	13.8
(1.3)	5.4	Changes in working capital	**(19.0)**	4.8
(1.1)	(1.7)	Payment from provisions and changes in employee benefits	**(3.9)**	(2.4)
12.4	12.6	**Cash generated from operations**	**2.0**	16.2
7.4	(6.0)	Income tax received / (paid)	**4.6**	(10.7)
(1.8)	(0.1)	Interest paid	**(2.9)**	(3.5)
18.0	6.5	**Operating cash flow from continuing operations**	**3.7**	2.0
0.4	(2.1)	Operating cash flow from discontinued operations	**(22.2)**	23.4
18.4	4.4	**Net cash from operating activities**	**(18.5)**	25.4
		Cash flows from/(used in) investing activities		
(2.6)	(1.8)	Acquisition of property, plant and equipment	**(6.6)**	(4.8)
0.1	0.6	Proceeds from sale of property, plant and equipment	**0.2**	0.7
(0.5)	-	(Investments in)/proceeds from sale of intangible assets	**(1.0)**	-
0.5	0.3	(Investments in)/proceeds from sale of investments	**0.8**	0.1
-	(0.1)	Acquisition of intangible assets, excluding goodwill	**-**	(0.9)
(2.8)	-	Acquisition of subsidiaries, net of cash acquired	**(2.8)**	(1.0)
(5.3)	(1.0)	**Investing cash flow from continuing operations**	**(9.4)**	(5.9)
(3.3)	(1.2)	Investing cash flow from discontinued operations	**127.0**	(1.5)
(8.6)	(2.2)	**Net cash from/(used in) investing activities**	**117.6**	(7.4)
9.8	2.2	**Net cash flow before financing activities**	**99.1**	18.0
		Cash flows from/(used in) financing activities		
(1.7)	0.1	Repayments of borrowings	**(125.5)**	(1.2)
(0.1)	(0.1)	Net payments of finance lease liabilities	**(0.2)**	(0.1)
(7.7)	3.1	Cash receipts/(payments) derivatives	**(8.4)**	(3.9)
-	-	Share capital increase	**17.9**	-
(9.5)	3.2	**Financing cash flow from continuing operations**	**(116.2)**	(5.2)
-	(1.6)	Financing cash flow from discontinued operations	**-**	(3.5)
(9.5)	1.6	**Net cash from/(used in) financing activities**	**(116.2)**	(8.7)
0.3	3.8	**Net cash flow**	**(17.1)**	9.3
24.7	(2.9)	**Cash and cash equivalents at beginning of period**	**41.7**	26.0
0.3	3.8	Net cash from operating, investing and financing activities	**(17.1)**	9.3
0.9	(0.3)	Effect of exchange rate differences on cash and cash equivalents	**1.3**	0.4
0.1	-	Cash acquired	**0.1**	-
(1.0)	-	Cash and cash equivalents related to discontinued operations at end of period	**(1.0)**	-
25.0	0.6	**Cash and cash equivalents of continuing operations at end of period**	**25.0**	35.7
0.6784	0.7589	Average USD exchange rate (Euro per USD)	**0.7618**	0.7478
1.1115	1.1547	Average GBP exchange rate (Euro per GBP)	**1.1609**	1.1214

[1] No review procedures have been performed on the results of the quarter

Unaudited condensed consolidated statement of changes in equity

In EUR millions	Issued and paid up share capital	Share premium	Other reserves: Treasury shares	Other reserves: Translation reserve	Other reserves: Hedging reserve	Other reserves: Other legal reserves	Retained earnings	Total equity attributable to equity holders of Wessanen	Non-controlling interests	Total equity
2009										
Balance at beginning of year as previously reported	68.4	93.9	(6.2)	(50.5)	(7.7)	2.5	263.4	363.8	7.8	371.6
Adjustments related to previous years	-	-	-	0.3	-	-	(14.9)	(14.6)	-	(14.6)
Balance at beginning of year (restated)	**68.4**	**93.9**	**(6.2)**	**(50.2)**	**(7.7)**	**2.5**	**248.5**	**349.2**	**7.8**	**357.0**
Total comprehensive income and expense for the period										
Profit / (loss) for the period	-	-	-	-	-	-	(87.9)	(87.9)	(1.7)	(89.6)
Foreign currency translation differences	-	-	-	15.3	-	-	-	15.3	-	15.3
Effective portion of changes in fair value of cash flow hegdes	-	-	-	-	6.8	-	-	6.8	-	6.8
Total comprehensive income and expense for the period	-	-	-	15.3	6.8	-	(87.9)	(65.8)	(1.7)	(67.5)
Contributions by and distributions to owners										
Share options exercised/shares delivered	-	-	0.2	-	-	-	(0.2)	-	-	-
Share-based payments	-	-	-	-	-	-	0.3	0.3	-	0.3
Transfer to other legal reserves	-	-	-	-	-	(0.9)	0.9	-	-	-
Total contributions by and distributions to owners	-	-	0.2	-	-	(0.9)	1.0	0.3	-	0.3
Changes in ownership interest in subsidiaries that do no result in a loss of control										
Change in non-controlling interests	-	-	-	-	-	-	-	-	(0.5)	(0.5)
Balance at 30 June 2009	**68.4**	**93.9**	**(6.0)**	**(34.9)**	**(0.9)**	**1.6**	**161.6**	**283.7**	**5.6**	**289.3**
2010										
Balance at beginning of year	**68.4**	**93.9**	**(6.0)**	**(37.4)**	**(0.5)**	**0.1**	**31.4**	**149.9**	**5.7**	**155.6**
Total comprehensive income and expense for the period										
Profit / (loss) for the period	-	-	-	-	-	-	1.8	1.8	0.3	2.1
Foreign currency translation differences	-	-	-	19.9	-	-	-	19.9	-	19.9
Effective portion of changes in fair value of cash flow hegdes	-	-	-	-	0.4	-	-	0.4	-	0.4
Total comprehensive income and expense for the period	-	-	-	19.9	0.4	-	1.8	22.1	0.3	22.4
Contributions by and distributions to owners										
Share capital increase	6.8	11.1	-	-	-	-	-	17.9	-	17.9
Share options exercised/shares delivered	-	-	0.4	-	-	-	(0.4)	-	-	-
Share-based payments	-	-	-	-	-	-	0.1	0.1	-	0.1
Transfer to other legal reserves	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	6.8	11.1	0.4	-	-	-	(0.3)	18.0	-	18.0
Balance at 30 June 2010	**75.2**	**105.0**	**(5.6)**	**(17.5)**	**(0.1)**	**0.1**	**32.9**	**190.0**	**6.0**	**196.0**

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 six-month period ended 30 June 2010 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. The quarterly figures in these condensed consolidated interim financial statements are not audited nor reviewed.

Royal Wessanen nv is a leading company in the European organic food market. Operating mainly in France, Benelux, the UK and Germany, we manage and develop our brands and products in the grocery and health food channels. Our vision is to become the Organic+ food champion in our chosen markets, providing organic food that delivers clear consumer benefits. Next to our leading position in Organic+ food businesses, we also produce and market frozen snack products in the Benelux and fruits drinks and cocktail mixers in the US.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting' as adopted by the EU. 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 2009.

These condensed consolidated interim financial statements were approved by the Executive Board and by the Supervisory Board on 28 July 2010.

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 IFRS consolidated financial statements as at and for the year ended 31 December 2009, except for the adoption of the following new standards and interpretations, which have been adopted as relevant to the Company for the first time.

Accounting for business combinations
On 1 January 2010, the Company applied IFRS 3 'Business Combinations' (revised standard 2008) in accounting for business combinations. This revised standard has been applied prospectively and since there were no significant acquisitions during the first half of 2010 (reference is made to paragraph 12), the change did not have a material impact on the Company's consolidated financial statements.

For acquisitions on or after 1 January 2010, the Company measures goodwill as the fair value of the consideration transferred (including the fair value of any previously-held equity interest in the acquiree) and the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, which the Company incurs in connection with a business combination, are expensed as incurred.

Accounting for acquisitions of non-controlling interests
From 1 January 2010, the Company has applied IAS 27 'Consolidated and Separate Financial Statements' (amendment 2008) in accounting for acquisitions of non-controlling interests. The change in accounting policy has been applied prospectively; there was no impact on the Company's consolidated financial statements.

From 1 January 2010, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognized. Previously, goodwill arising on the acquisition of non-controlling interests in a subsidiary was recognized and represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

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 31 December 2009 (reference is made to Note 2 and Note 30 of the Annual Report 2009).

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 2009.

6 Discontinued operations

Discontinued operations in the first six months of 2010 include the operations of PANOS Brands and the operations of Tree of Life, Inc. The latter only applied for the month of January 2010, as Tree of Life, Inc. was sold late January 2010 to Kehe Food Distributors, Inc.

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

In EUR millions, unless stated otherwise

Q2 2010	Q2 2009		**HY 2010**	HY 2009
6.1	214.7	Revenue	**72.3**	458.2
(5.6)	(215.3)	Operating expenses	**(71.5)**	(457.6)
0.5	(0.6)	**Operating result**	**0.8**	0.6
-	0.1	Net financing costs	**(0.1)**	(0.6)
-	0.3	Share in results of associates	**-**	0.2
0.5	(0.2)	**Profit/(loss) before income tax**	**0.7**	0.2
-	(29.1)	Income tax expense	**(0.2)**	(29.8)
0.5	(29.3)	**Profit/(loss) after tax from discontinued operations**	**0.5**	(29.6)
-	-	After tax loss recognised on the divestment of discontinued operations	**(5.5)**	-
0.5	(29.3)	**Profit/(loss) from discontinued operations, net of income tax**	**(5.0)**	(29.6)

The net loss from discontinued operations, net of income tax in the first half of 2010 of EUR (5.0) million, mainly includes a non-cash net cumulative exchange loss deferred in equity of EUR (5.5) million related to the divestment of Tree of Life, Inc.

7 Segment information

Following the appointment of Piet Hein Merckens as CEO as of 1 June 2010, the Company is undertaking a review to update and fine-tune its strategy. Based on the outcome of this review, the Company intends to change its current management reporting structure. The latter is likely to have an impact on Wessanen's segment reporting, in accordance with IFRS 8 'Operating segments'.

Currently, the activities of continuing operations are carried out by the following three separate business segments: Wessanen Europe, Frozen Foods and American Beverage Corporation (ABC). 'Non-allocated' includes corporate entities.

Key financial data regarding these segments are given below:

In EUR millions	Revenue			
	Q2 2010	Q2 2009	**HY 2010**	HY 2009
Wessanen Europe	**131.0**	126.1	**256.5**	250.9
Frozen Foods	**30.7**	31.5	**59.4**	59.8
ABC	**32.0**	36.2	**50.4**	51.6
Total continuing operations	**193.7**	193.8	**366.3**	362.3

In EUR millions	EBIT and EBIT margin*							
	Q2 2010		Q2 2009		**HY 2010**		HY 2009	
Wessanen Europe	**7.0**	***5.4%***	8.2	*6.5%*	**14.0**	***5.5%***	15.2	*6.1%*
Frozen Foods	**2.0**	***6.6%***	2.2	*7.1%*	**2.8**	***4.8%***	2.8	*4.8%*
ABC	**3.5**	***10.9%***	(13.0)	*(35.8%)*	**4.8**	***9.4%***	(17.2)	*(33.5%)*
Non-Allocated	**(3.1)**		(2.2)		**(5.8)**		(6.5)	
Total continuing operations	**9.4**	***4.9%***	(4.8)	*(2.5%)*	**15.8**	***4.3%***	(5.7)	*(1.6%)*

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

The Group's revenues are impacted by seasonal fluctuations. The summer season results in highest revenue and operating profit for ABC in the second and third quarter.

In the first six months of 2010, total assets decreased by EUR 176.6 million, from EUR 637.9 million as at 31 December 2009 to EUR 461.3 million as at 30 June 2010, which can be specified as follows:

In EUR millions	Total assets	
	30 June 2010	31 December 2009
Wessanen Europe	**270.2**	290.1
Frozen Foods	**81.4**	83.7
ABC	**67.1**	45.1
Non-Allocated	**33.3**	21.2
Discontinued operations	**9.3**	197.8
Total operations	**461.3**	637.9

The decrease in total assets of discontinued operations is mainly caused by the sale of Tree of Life, Inc. in January 2010.

8 Net financing costs

Net financing costs decreased with EUR 2.8 million in the first half of 2010, mainly due to the decrease in average long-term debt as a result of the sale of Tree of Life, Inc. late January 2010 and share capital issued early March 2010. In addition, lower costs were incurred in respect of fair value adjustments to the interest rate swap in the first six months of 2010 compared to 2009. Early April 2010, the interest rate swap was terminated.

9 Income tax expense

The Group's consolidated effective tax rate in the first half of 2010 is 23.8%, positively impacted by the recognition of unrecognised income tax losses. In the first half of 2009, impairments of deferred tax assets related to tax carry forward losses, mainly in the Netherlands and the United States, were recognized in the amount of EUR 49.5 million.

10 Net debt

Net debt can be specified as follows:

In EUR millions, unless stated otherwise

	30 June 2010	31 December 2009
Long-term interest-bearing loans and borrowings	**73.3**	5.8
Short-term interest-bearing loans and borrowings	**15.9**	205.4
Total interest-bearing loans and borrowings	**89.2**	211.2
Bank overdrafts	**1.2**	24.1
Cash and cash equivalents	**(26.3)**	(44.3)
Net debt related to continuing operations*	**64.1**	191.0
Net debt related to discontinued operations*	**(1.0)**	(16.0)
Net debt Royal Wessanen*	**63.1**	175.0

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

11 Share-based compensation

Share-based compensation expense amounted to EUR 0.1 million and EUR 0.4 million in the first six months of 2010 and 2009 respectively.

During the first six months of 2010, the Company granted 280,800 share rights to the Executive Board members (of which 161,250 sign on shares, without performance hurdles to P.H. Merckens) and 297,900 share rights to Other Employees.

In the first six months of 2010, 57,250 shares were delivered to A.H.A. Veenhof conform a final agreement reached early June 2010. In addition, 25% of the conditional share rights granted to Other Employees under the Long Term Incentive Plan 2007 vested following approval of the SARC, resulting in a cash out flow of EUR 0.0 million in the first six months of 2010.

For further information on the characteristics of the long-term incentive plans, reference is made to the Annual Report, Note 9.

12 Acquisitions

In April 2010, Royal Wessanen acquired 100% of the shares of Kroon bv for a cash amount of EUR 2.8 million. Kroon is the number two supplier of produce in the HFS channel in the Netherlands. The results of Kroon are consolidated as from April 2010, contributing EUR 2.6 million to consolidated revenue and EUR 0.1 million to consolidated EBIT in the first six months of 2010. The acquisition resulted in additional goodwill recognition of EUR 2.4 million.

13 Cash flow

Cash flow from investing activities

The net cash inflow from investing activities of EUR 117.6 million in the first half of 2010 (HY 2009: EUR (7.4) million), mainly includes the net proceeds from the sale of Tree of Life, Inc. in January 2010 of EUR 127.1 million, partly offset by capital expenditures (including intangible assets) of EUR 7.4 million (HY1 2009: EUR (5.0) mln) and the acquisition of Kroon bv of EUR 2.8 million.

Cash flow from financing activities

The net cash outflow from financing activities amounted to EUR 116.2 million in the first six months of 2010 (2009: EUR (8.7) million), mainly as a result of repayments made to the credit facility of EUR 123.0 million in total following the sale of Tree of Life, Inc. in January 2010 and share capital issued in March 2010 (6.835.910 newly issued shares resulting in net proceeds of EUR 17.9 million). In addition, (net) payments related to derivatives were made of EUR 8.4 million, mainly related to the settlement of the interest rate swap in April 2010.

14 Contingent liabilities

On 29 January 2010 Wessanen completed the sale of its North American distribution business Tree of Life, Inc., to Kehe Food Distributors. The share purchase agreement provides that the purchase price of $190 million is subject to adjustment for available cash & debt, a working capital adjustment and a potential downward adjustment on the basis of the normalized 2009 EBITDA of Tree of Life. Based on the initial closing statement submitted by Kehe in accordance with the agreement, Kehe is claiming compensation for downward adjustments from normalized EBITDA and from working capital.
The Company disputes Kehe's claim and is engaged in discussions with Kehe to try and resolve the dispute. In case a settlement can not be achieved between the parties, the dispute will be submitted to binding arbitration. As per 30 June 2010, provisions have been made by the Company based on the Company's best estimate of the outcome.

15 Related party transactions

The Company has a related party relationship with its subsidiaries and its associates and key management. Furthermore, the Company pension fund (in liquidation) and other pension funds in the Netherlands are related parties.

In the first half of 2010, the Company granted 280,800 share rights to the Executive Board members and 297,900 share rights to Other Employees (see Note 11). No other significant related party transactions occurred.

Review report

To: the Executive Board and Supervisory Board of Royal Wessanen nv

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2010 of Royal Wessanen N.V., Amsterdam, which comprises the consolidated statement of financial position as at 30 June 2010, the condensed consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the condensed consolidated statement of changes in equity and the selected explanatory notes for the six-month period then ended, as set out on the pages 10 to 20. Management is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on the interim financial statements based on our review.

We have not reviewed the quarterly figures as included in the interim financial statements.

Scope

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 28 July 2010

Deloitte Accountants B.V.

P.J.M. Peerlings