D.E MASTER BLENDERS 1753 N.V.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months periods ended 31 December 2012 and 31 December 2011

D.E MASTER BLENDERS 1753 N.V.

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UNAUDITED CONSOLIDATED INCOME STATEMENTS
For the six months periods ended 31 December 2012 and 31 December 2011
(All amounts in thousands of Euro, except per share data)

	Note	1 July 2012 to 31 December 2012	3 July 2011 to 31 December 2011 Restated*
Sales		1,362,845	1,388,601
Cost of sales		(828,103)	(880,513)
Gross profit		534,742	508,088
Selling, general and administrative expenses		(408,143)	(402,877)
Operating profit		126,599	105,211
Finance income, net	11	36,114	66,040
Finance costs, net	11	(34,487)	(1,276)
Share of profit from associate		2,558	707
Profit before income taxes		130,784	170,682
Income tax expense	8	(39,262)	(101,052)
Profit for the period		91,522	69,630
Earnings per share – basic and diluted		0.15	0.12

* see Note 1

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the six months periods ended 31 December 2012 and 31 December 2011
(All amounts in thousands of Euro)

	1 July 2012 to 31 December 2012	3 July 2011 to 31 December 2011 Restated*
Profit for the period	91,522	69,630
Other comprehensive income (loss):		
Retirement benefit obligation related items – net of tax of 9,168 and 16,136	(117,225)	(52,446)
Foreign currency translation – tax not applicable	(18,710)	(31,895)
Effective portion of cash flow hedge – net of tax of 2,650	(7,955)	–
Total other comprehensive loss – net of tax	(143,890)	(84,341)
Total comprehensive loss for the period	(52,368)	(14,711)

* see Note 1

D.E MASTER BLENDERS 1753 N.V.

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of 31 December 2012 and 30 June 2012
(All amounts in thousands of Euro)

	Note	31 December 2012	30 June 2012
Assets			
Noncurrent assets:			
Property, plant and equipment		369,688	377,437
Goodwill and other intangible assets		385,547	386,817
Investments in associate		15,286	12,567
Deferred income tax assets	8	126,290	91,418
Other noncurrent financial assets		60,569	46,855
Retirement benefit asset	9	86,593	150,193
		1,043,973	1,065,287
Current assets:			
Inventories	5	343,809	404,863
Trade and other receivables		389,018	421,593
Income tax receivable		23,904	29,634
Derivative financial instruments		1,776	22,268
Cash and cash equivalents		294,204	220,343
		1,052,711	1,098,701
Total assets		2,096,684	2,163,988
Equity and liabilities			
Equity:			
Share capital		71,383	71,383
Additional paid in capital		407,145	417,363
Other reserves		(307,521)	(171,148)
Retained earnings		91,522	–
		262,529	317,598
Noncurrent liabilities:			
Borrowings	7	494,869	528,958
Retirement benefit obligations	9	139,768	109,461
Deferred income tax liabilities	8	61,637	47,263
Provisions	10	55,765	52,077
Derivative financial instruments		38,282	–
Other noncurrent liabilities		74,144	73,516
		864,465	811,275
Current liabilities:			
Borrowings	7	57,724	28,456
Trade and other payables		603,126	630,543
Income taxes payable		249,327	294,615
Provisions	10	43,629	66,005
Derivative financial instruments		15,884	15,496
		969,690	1,035,115
Total equity and liabilities		2,096,684	2,163,988

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six months periods ended 31 December 2012 and 31 December 2011
(All amounts in thousands of Euro)

	Share capital	Additiona paid in capital	Parent's Net Investment	Retirement Benefit Obligation Related Items	Currency Translation Reserve	Cash flow hedge reserve	Share-based payments reserve	Retained earnings	Total Parent Net Investment/ Equity
Balance — As of 2 July 2011 as restated	–	–	3,466,630	(195,586)	23	–	–	–	3,271,067
Profit for the period as restated	–	–	69,630	–	–	–	–	–	69,630
Retirement benefit obligation related items	–	–	–	(52,446)	–	–	–	–	(52,446)
Foreign currency translation as restated	–	–	–	–	(31,895)	–	–	–	(31,895)
Contributions from (distributions to) Parent	–	–	308,929	–	–	–	–	–	308,929
Balance — As of 31 December 2011 as restated	–	–	3,845,189	(248,032)	(31,872)	–	–	–	3,565,285
Retirement benefit obligation related items	–	–	–	29,362	–	–	–	–	29,362
Foreign currency translation as restated	–	–	–	–	79,394	–	–	–	79,394
Profit for the period	–	–	62,561	–	–	–	–	–	62,561
Contributions from (distributions to) Parent	–	–	(237,032)	–	–	–	–	–	(237,032)
Special dividend paid by DE US, Inc	–	–	(1,419,150)	–	–	–	–	–	(1,419,150)
Impact of Separation from Sara Lee	–	–	(1,762,822)	–	–	–	–	–	(1,762,822)
Issuance of Company common stock and formation of Group	71,383	417,363	(488,746)	–	–	–	–	–	–
Balance — As of 30 June 2012	71,383	417,363	–	(218,670)	47,522	–	–	–	317,598
Profit for the period	–	–	–	–	–	–	–	91,522	91,522
Retirement benefit obligation related items	–	–	–	(117,225)	–	–	–	–	(117,225)
Foreign currency translation	–	–	–	–	(18,710)	–	–	–	(18,710)
Cross currency interest rate swaps	–	–	–	–	–	(7,955)	–	–	(7,955)
Share based payments reclassification	–	(10,218)	–	–	–	–	10,218	–	–
Settlement of share based payments	–	–	–	–	–	–	(4,993)	–	(4,993)
Share based compensation expenses	–	–	–	–	–	–	2,292	–	2,292
Balance — As of 31 December 2012	71,383	407,145	–	(335,895)	28,812	(7,955)	7,517	91,522	262,529

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months periods ended 31 December 2012 and 31 December 2011
(All amounts in thousands of Euro)

	Note	1 July 2012 to 31 December 2012	3 July 2011 to 31 December 2011 Restated*
Net cash provided by operationg activities	13	94,431	(11,371)
Cash flows from investing activities:			
Purchases of property, plant and equipment		(39,945)	(43,357)
Proceeds from the sale of property, plant and equipment		127	261
Purchases of intangibles		(8,664)	(3,227)
Acquisition of businesses, net of cash acquired		–	(22,523)
Interest received		14,928	12,135
Interest received from Sara Lee		–	36,765
Loans made		1,557	–
Loans made to Sara Lee		–	(1,716,000)
Repayments of loans made to Sara Lee		–	2,201,976
Net cash provided by/(used in) investing activities		(31,997)	466,030
Cash flows from financing activities:			
Repayments of short-term borrowings		(31,930)	(36)
Proceeds from short-term borrowings		59,598	993
Repayments of long-term debt		(3,296)	(59,246)
Proceeds from long-term debt issuance		–	100,798
Interest paid		(18,228)	(4,789)
Transfers (to)/from Parent, net		–	158,770
Net cash provided by/(used in) financing activities		6,144	196,490
Effect of exchange rate changes on cash		5,283	840
Net increase in cash and cash equivalents		73,861	651,989
Cash and cash equivalents — Beginning of the period		220,343	1,339,049
Cash and cash equivalents — End of the period		294,204	1,991,038

* see Note 1

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND BASIS OF PREPARATION

D.E MASTER BLENDERS 1753 N.V. ("D.E MASTER BLENDERS" or the "Company") is a publicly traded company incorporated under the laws of the Netherlands and listed on Euronext Amsterdam. The Company has its registered office in Joure and its headquarter in Amsterdam, the address is: Oosterdokstraat 80, 1011 DK in Amsterdam, the Netherlands.

The unaudited condensed consolidated interim financial statements for the six months period ended 31 December 2012 include the financial statements of the Company and its subsidiaries (the "Group").

These financial statements were authorised for issuance on 26 February 2013 by the board of directors of the Company.

Nature of Business—The Group consists of global operations with headquarters in the Netherlands. It offers innovative coffee and tea products that are well-known in retail and out of home markets across Europe, Brazil, Australia and Thailand. The Group is currently organised into three operating segments: Retail—Western Europe, Retail—Rest of World and Out of Home.

Within the Retail—Western Europe and Retail—Rest of World segments, the Group's principal products are roast and ground multi-serve coffee, roast and ground single-serve coffee pads and capsules, instant coffee and tea. The Group sells its products predominantly to supermarkets, hypermarkets and through international buying groups.

In the Out of Home segment, the Group offers a full range of hot beverage products but focuses on its liquid roast products and related coffee machines. The Group's products are sold either directly to businesses, hotels, hospitals and restaurants or to foodservice distributors for distribution to the customer. The Out of Home segment strives to offer a total coffee solution, depending on its customers' needs.

Historically, the Group has not experienced significant seasonal variations in its operating results.

Fiscal year 2013 consists of 18 months, representing the period 1 July 2012 through 31 December 2013. Fiscal year 2012 consisted of 12 months representing the period 3 July 2011 through 30 June 2012. The period 1 July 2012 through 31 December 2012 represents the first six months of fiscal year 2013 and the period 3 July 2011 through 31 December 2011 represents the first half of fiscal year 2012.

The condensed consolidated interim financial statements have not been audited and reviewed.

Basis of Preparation

The Group has prepared these unaudited condensed consolidated interim financial statements in accordance with IAS 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and in conformity with IFRS as adopted by the European Union.

The basis of preparation and the accounting policies used to prepare the unaudited condensed consolidated interim financial statements are the same as those described in the consolidated financial statements as of and for the fiscal year ended 30 June 2012, except for taxes on income in the interim periods which are accrued using the tax rate that would be applicable to expected total annual earnings in each tax jurisdiction.

The financial statements for all periods have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities.

Combined group – Prior to Separation

On 28 June 2012, the international coffee and tea business of then Sara Lee Corporation ("Sara Lee" or "Parent") was spun-off (the "Separation") into the Company. The Company was formed on 27 February 2012 for the purpose of becoming the parent company of the international coffee and tea business of Sara Lee.

The financial information with respect to the international coffee and tea business prior to Separation is reflected in the individual legal entities that comprise the Group. The financial statements prior to Separation have been prepared from the accounting records of Sara Lee and reflect the cash flows, revenues, expenses, assets, and liabilities of these individual legal entities. Because the separate legal entities that comprise the Group were not held by a single legal entity prior to Separation, Parent's net investment was shown in lieu of equity in these financial statements. Parent's net investment represents the cumulative net investment by Sara Lee in the Group through that date. The impact of transactions between the Group and Sara Lee that were not historically settled in cash are also included in Parent's net investment.

During the periods prior to Separation, the Group functioned as part of the larger group of companies controlled by Sara Lee, and accordingly, Sara Lee performed certain corporate overhead functions for the Group. These functions include, but are not limited to, executive oversight, legal, finance, human resources, internal audit, financial reporting, tax planning and investor relations. The costs of such services were allocated to the Group based on the most relevant allocation method to the service provided, primarily based on percentage of revenue or headcount. Management believes such allocations were reasonable; however, they might not be indicative of the actual expense that would have been incurred had the Group been operating as a separate entity apart from Sara Lee. The cost allocated for these functions was included in selling, general and administrative expenses in the income statements for the periods presented prior to Separation.

Consolidated group – after Separation

The contribution of Sara Lee's international coffee and tea business into the Company was accounted for based on the Group's accounting policy for common control transactions. Accordingly, the assets, liabilities and results of operations of the international coffee and tea business were presented for all periods based on the carrying values recognised in the financial statements of the Group immediately prior to the Separation. Following the Separation, the Group's equity represents the Company's issued and outstanding share capital, additional paid in capital and reserves.

• *Share capital*: share capital was established based on the par value of €0.12 per share for the 594,859,274 shares issued in connection with the Separation;
• *Additional paid in capital*: the remaining parent's net investment, after recording share capital.

RESTATEMENT OF PRIOR UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On 1 August 2012, the Group announced it had identified accounting irregularities involving previously issued financial results for its Brazilian operations, which would require the restatement of their previously issued financial statements. The accounting irregularities and certain other adjustments identified in the Brazil operations included the overstatement of accounts receivable due to the failure to write-off uncollectible customer discounts, improper recognition of sales revenues prior to shipments to customers, the understatement of accruals for various litigation issues, and the failure to write-off obsolete inventory and other inventory valuation issues. These accounting irregularities and certain other adjustments resulted from an ineffective control environment maintained by management in Brazil, including intentional overrides of internal controls, and extensive cross-functional collusion by company personnel and third parties in Brazil. These actions were designed to meet earnings targets.

The Group has restated its previously issued unaudited condensed consolidated financial statements for the six months period ended 31 December 2011 to reflect the correction of the accounting errors. The impact of the restatement is as follows (amounts in thousands of euro, except for per share data):

UNAUDITED CONSOLIDATED INCOME STATEMENT
For the six months period ended 31 December 2011:

	Previously reported	Adjustment	Restated
Sales	1,387,205	1,396	1,388,601
Cost of sales	(878,310)	(2,203)	(880,513)
Gross profit	508,895	(807)	508,088
Selling, general and administrative expenses	(402,746)	(131)	(402,877)
Operating profit	106,149	(938)	105,211
Finance income, net	66,040	–	66,040
Finance costs, net	(1,276)	–	(1,276)
Share of profit from associate	707	–	707
Profit before income taxes	171,620	(938)	170,682
Income tax expense	(101,077)	25	(101,052)
Profit for the period	70,543	(913)	69,630
Earnings per share	0.12	(0)	0.12

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
For the six months period ended 31 December 2011:

	Previously reported	Adjustment	Restated
Profit for the period	70,543	(913)	69,630
Other comprehensive income (loss):			
Retirement benefit obligation related items – net of tax	(52,446)	–	(52,446)
Foreign currency translation – tax not applicable	(35,374)	3,479	(31,895)
Total other comprehensive loss – net of tax	(87,820)	3,479	(84,341)
Total comprehensive loss for the period	(17,277)	2,566	(14,711)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months period ended 31 December 2011:

	Previously reported	Adjustment	Restated
Parent's net investment	3,604,204	(38,919)	3,565,285

The statement of cash flow for the six months period ended 31 December 2011 was restated for the decrease in the profit for the year amounting to € 913,000. This decrease was offset by movements in other items within net cash provided by operating activities.

All adjustments relate to the Retail—Rest of World segment.

2. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Group's consolidated financial statements as of and for the fiscal year ended 30 June 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in conformity with IFRS as adopted by the European Union.

IAS 19, *Employee Benefits*, was amended in June 2011 for annual reporting periods beginning on or after 1 January 2013, with early adoption permitted. The amendments require the calculation of finance costs on a net funding basis and replacement of the expected return on plan assets by the discount rate. The Group performed an initial calculation of the impact of adopting the amendment to IAS 19. The Group estimates that if the amendment had been applied during the six months period ended 31 December 2012, the finance income would be reduced with approximately €19 million. The Group will adopt the amended IAS 19 as from the next fiscal year, starting 1 January 2014.

3. FINANCIAL RISKS

Cross currency interest rate swap

In line with the group's risk management policy, in September 2012 the Group entered into cross currency interest rate swaps to hedge the full amount of fixed interest rate US Dollar denominated senior notes ($650 million) into fixed interest rate Euro debt. The payment terms of the cross currency interest rate swaps exactly mirror the interest and principal payment conditions of the underlying US Dollar denominated senior notes.

The cross currency interest rate swaps have been designated for hedge accounting as cash flow hedges. Fair value movements are recognised directly in the Cash Flow Hedge Reserve, a separate component within Equity, net of the foreign exchange and interest effective to the period.

4. SEGMENT INFORMATION

The segment information for the six months period ended 31 December 2012 is as follows (all amounts in thousands of Euro):

	Retail – Western Europe	Retail – Rest of World	Out of Home	Unallocated	Total
Sales	624,368	402,398	316,979	19,100	1,362,845
Adjusted EBIT	127,974	25,540	47,249	(19,174)	181,589
Restructuring charges (Note 10)					(14,505)
Restructuring—related expenses					(6,133)
Impairment charges					(10,208)
Legacy items					(1,660)
Non-recurring expenses					(15,155)
Other					(7,329)
Operating profit					126,599
Finance income, net					36,114
Finance costs, net					(34,487)
Share of profit (loss) from associate					2,558
Profit before tax					130,784
Depreciation and amortisation expense					42,742

The segment information for the six months period ended 31 December 2011 is as follows (all amounts in thousands of Euro):

	Retail – Western Europe	Retail – Rest of World [a]	Out of Home [a), b]	Unallocated	Total
Sales	625,581	378,189	309,629	75,202	1,388,601
Adjusted EBIT	100,937	24,259	51,601	(9,143)	167,654
Restructuring charges (Note 10)					(35,448)
Restructuring—related expenses					(20,133)
Impairment charges					(6,463)
Branded Apparel costs					(536)
Other					137
Operating profit					105,211
Finance income, net					66,040
Finance costs, net					(1,276)
Share of profit (loss) from associate					707
Profit before tax					170,682
Depreciation and amortisation expense					39,873

[a)] restated, see Note 1
[b)] a scope change to align with how the segments are controlled, has lead to the transfer of certain Out of Home activities to the segment Retail Rest of World

5. INVENTORIES

The composition of inventories is as follows (all amounts in thousands of Euro):

	31 December 2012	30 June 2012
Raw materials (including packaging)	196,016	201,027
Work in progress	13,394	13,607
Finished goods (including Out of Home machines)	144,860	201,279
	354,270	415,913
Provision for write downs	(10,461)	(11,050)
Total	343,809	404,863

6. SHARE-BASED PAYMENTS

The Group recognised total share based compensation expense of €2.3 million in the six months period ended 31 December 2012 (six months period ended 31 December 2011: €0.9 million).

7. BORROWINGS

The Group's borrowings are summarised in the following table (all amounts in thousands of Euro):

			31 December 2012		30 June 2012	
	Maturity date	Currency denomination	Current	Noncurrent	Current	Noncurrent
3.60% Series A Senior Notes	May 2019	US Dollars	–	175,292	–	186,615
3.81% Series B Senior Notes	May 2020	US Dollars	–	90,668	–	96,525
4.03% Series C Senior Notes	May 2021	US Dollars	–	93,691	–	99,743
4.20% Series D Senior Notes	May 2022	US Dollars	–	131,469	–	139,961
Debt issuance costs	Various	US Dollars	–	(1,035)	–	(1,206)
Brazilian real borrowings	Various	Brazilian Real	49,004	–	25,136	–
Acquisition financing	Various	Brazilian Real	3,868	4,629	3,320	7,158
Other financing	Various	Various	4,852	155	–	162
Total borrowings			57,724	494,869	28,456	528,958

8. INCOME TAXES

	31 December 2012	31 December 2011
Interim tax rate	29.9%	39.0%
Discrete items	0.0%	19.9%
Effective tax rate	29.9%	58.9%

The interim tax rate is estimated using the effective tax rate per country for the fiscal year, where the current fiscal year consists of 18 months whereas last fiscal year consisted of 12 months. The interim tax rate of the Group in the six months period ended 31 December 2012 has significantly reduced compared to the six months period ended 31 December 2011. This reduction is primarily a result of structurally lower US repatriation taxes combined with additional restructurings and other initiatives that are or will be implemented this fiscal year.

Last year’s discrete items primarily related to the recognition of a tax liability for profits that were no longer assumed to be reinvested in anticipation of the separation from Sara Lee combined with changes in estimates of uncertain tax positions.

9. RETIREMENT BENEFIT OBLIGATIONS

During the period from 30 June 2012 to 31 December 2012 the Group made contribution payments the pension plans of €29 million of which €25 million to the UK Plans and €4 million to the plans in the Netherlands and in other countries.

The average discount rate used to determine the benefit obligation decreased from 4.40% to 3.82% during the period. As a result the pension obligation increased by €237 million and the asset ceiling restriction was no longer valid (30 June 2012: €65 million).

Together with a gain on plan assets (€45 million) a total loss of comprehensive income was recognised of €127 million.

10. PROVISIONS

The change in provisions was as follows (all amounts in thousands of Euro):

	Restructuring	Legal and Other	Total
Noncurrent	10,300	23,605	33,905
Current	28,559	11,320	39,879
Carrying amount as of 3 July 2011	38,859	34,925	73,784
Additions charged to income statement	37,890	–	37,890
Payments	(23,749)	(3,326)	(27,075)
Change in estimate	(2,442)	(5,155)	(7,597)
Unwinding of discount and effect of changes in the discount rate	148	180	328
Other	3,870	–	3,870
Currency translation differences	(51)	(502)	(553)
Carrying amount as of 31 December 2011	54,525	26,122	80,647
Noncurrent	1,396	20,974	22,370
Current	53,129	5,148	58,277
Carrying amount as of 31 December 2011	54,525	26,122	80,647

	Restructuring	Legal and Other	Total
Noncurrent	767	51,310	52,077
Current	40,427	25,578	66,005
Carrying as of fiscal year 30 June 2012	41,194	76,888	118,082
Additions charged to income statement	14,505	(2,516)	11,989
Payments	(23,582)	(3,854)	(27,436)
Change in estimate	81	(544)	(463)
Unwinding of discount and effect of changes in the discount rate	10	468	478
Other	(309)	(1,680)	(1,989)
Currency translation differences	(21)	(1,246)	(1,267)
Carrying amount as of 31 December 2012	31,878	67,516	99,394
Noncurrent	767	54,998	55,765
Current	31,111	12,518	43,629
Carrying amount as of 31 December 2012	31,878	67,516	99,394

Restructuring—During the periods presented, the Group took a number of actions to maximise the efficiency of its operations, which resulted in a decreased headcount.

In connection with these actions, the Group recognised expenses of €14.5 million and €12.7 million during the six months periods 31 December 2012 and 31 December 2011, respectively. The Group expects that the majority of the remaining provision will be paid out within the next 12 months with certain payments extending out five years.

The Group also took a charge of €25.2 million in the six months period ended 31 December 2011 to recognise certain contractual termination fees for IT contracts that were renegotiated to align with our current organisational structure.

11. FINANCE INCOME AND COSTS

Finance income consists of the following (all amounts in thousands of Euro):

	1 July 2012 to 31 December 2012	3 July 2011 to 31 December 2011
Pension finance income:		
Expected return on assets	76,730	74,748
Interest expense	(56,165)	(56,590)
Total pension finance income	20,565	18,158
Interest income on loans to Sara Lee	–	35,008
Other interest income	15,549	12,874
Total	36,114	66,040

Finance costs consist of the following (all amounts in thousands of Euro):

	1 July 2012 to 31 December 2012	3 July 2011 to 31 December 2011
Interest expense	23,164	10,709
Net foreign exchange (gain) loss	11,323	(9,682)
Other	–	249
Total	34,487	1,276

12. RELATED-PARTY TRANSACTIONS

The Group had historically been part of the Sara Lee and as a result had entered into a number of transactions with other Sara Lee entities. The Group shared many functions and services that were performed by various members of Sara Lee and costs were allocated across the relevant entities which had benefited prior to the Separation. The costs were allocated on the basis that Sara Lee believed was a reasonable reflection of the utilisation of each service provided or the benefit received by each Sara Lee entity. The allocated costs, while reasonable, may not necessarily be indicative of the costs that would have been incurred by the Group if it had performed these functions or received these services as a stand-alone group. Balances and transactions between entities within the Group, which are related parties, have been eliminated and are not disclosed in this note.

The Group's transactions with Sara Lee prior to the Separation, were as follows (all amounts in thousands of Euro):

	1 July 2012 to 31 December 2012	3 July 2011 to 31 December 2011
Sales to Sara Lee	–	6,105
Management fee earned from Sara Lee for research and development	–	2,539
Corporate overhead allocations from Sara Lee	–	17,587
Share-based payments	–	969
Interest income on loans receivable from Sara Lee	–	35,010

In December 2012, the Company announced that CEO Mr. M. Herkemij would leave at the end of the calendar year, and that Mr. J. Bennink will assume these responsibilities until a new CEO will be appointed.

The Board and Mr. M. Herkemij have reached a mutual agreement that includes the following remuneration components:

- Six months' salary, pension contributions, vacation days, insurances and benefits in lieu of notice in the amount of €675,647 plus the short term variable compensation conditional upon achievement of actual business performance over the period 1 July 2012 through 30 June 2013. The at-target bonus amount would be €900,000 providing at-target achievement, payable in September 2013;
- Severance payment of one base salary in the amount of €900,000;
- Long term incentive for which the performance condition has been settled will be pro-rated at 50%, equalling 25,088 DEMB units pre-tax. These have vested in DEMB shares as per 31 December 2012;
- Long term incentive conditional upon achievement against the relative Total Shareholder Return performance condition. These have been pro-rated at 25% of the total grant awards, equalling 26,520 for the 2/3rd fiscal year 2012 grant (grant value €250,000) plus 40,463 for the September 2012 grant (grant value €375,000). The final value upon vesting at 30 June 2013 will be determined by the performance condition achievement at that point.
- All remaining long term incentives have been cancelled.

13. CASH FLOW FROM OPERATING ACTIVITIES

The Group's cash flow from operating activities consists of the following (all amounts in thousands of Euro):

	1 July 2012 to 31 December 2012	3 July 2011 to 31 December 2011 Restated*
Profit for the period	91,522	69,630
Adjustments for:		
Depreciation, amortisation and impairments	49,605	46,336
Loss on sale of assets	2,403	4,575
Share of profit from associate	(2,558)	(707)
Income tax expense	39,262	101,055
Interest income	(15,549)	(47,885)
Interest expense	23,164	11,308
Pension expense	(8,417)	(10,353)
Provision charges	11,989	30,293
Changes in operating assets and liabilities:		
Inventories	55,377	(76,459)
Provision for inventory write-downs	(505)	3,624
Trade and other receivables	(3,509)	5,698
Provision for doubtful accounts	1,787	1,236
Trade and other payables	(10,580)	(1,721)
Derivative financial instruments	21,156	(34,378)
Other	788	(5,697)
Pension payments	(28,542)	(80,852)
Payments of provisions	(26,154)	(27,075)
Income tax payments	(106,808)	–
Net cash provided by operating activities	94,431	(11,371)

** See Note 1*

OTHER INFORMATION

Financial Risk Factors

D.E MASTER BLENDERS 1753 N.V. risk categories and risk factors which could have a material impact on it financial position and results are extensively described in the 2012 Annual Report. Those risk categories and risk factors are deemed incorporated and repeated in this report by reference and D.E MASTER BLENDERS 1753 N.V. beliefs that these risks similarly apply for the next 12 months of 2013.

With respect to related parties reference is made to note 12 of these interim financial statements.

Responsibilities of the Directors

The Directors declare that, to the best of their knowledge:

- This condensed set of interim financial statements, which have been prepared in accordance with IAS 34 'Interim Financial Reporting', gives a true and fair view of the assets, liabilities, financial position and profit of D.E MASTER BLENDERS 1753 N.V.
- The interim management report gives a true and fair view of the information required in accordance with Article 5:25 d (8) of the Financial Supervision Act.

/s/ Jan Bennink	/s/ Michel M.G. Cup
Jan Bennink Chief Executive Officer	Michel M.G. Cup Chief Financial Officer

26 February 2013