Royal Wessanen

press release

Q2 2014 results and
semi-annual financial report Wessanen |

Core brands grow 4.8% in Q2

Divestment Natudis and IZICO completed; profit on disposal €31.5 million

Q2/H1 2014 highlights

- Branded segment
  - Q2 reported autonomous revenue growth (0.2)%, underlying autonomous revenue growth 4.0%
  - Core brands grow 4.8% in Q2, driven by Bjorg, Zonnatura, Clipper and Kallø
  - Vegetarian products represent 97% of revenue, organic products 66%
  - H1 2014 EBITE increased to €19.1 mln in seasonally strongest half of the year
- ABC realised EBITE of €4.5 million in H1; on track to be profitable for the full year
- Divestment Natudis and IZICO completed; profit on disposal amounts to €31.5 million
- Net cash position of €7.4 million at 30 June (31 March: €(56.6) million)

in € million, unless stated otherwise	Q2 2014	Q2 2013 [2]	H1 2014	H1 2013 [2]
Revenue	**142.9**	142.9	272.5	267.2
Autonomous revenue development [1]	(1.8)%		(0.3)%	
Normalised operating result (EBITE)	**13.3**	4.1	22.6	12.2
Operating result (EBIT)	12.6	2.9	21.8	10.3
Profit from continuing operations	**8.0**	(1.3)	13.6	3.4
Profit from discontinued operations	33.0	0.1	32.4	0.5
Profit for the period	**41.0**	(1.2)	46.0	3.9
Net debt / (cash)	(7.4)	74.6		
Earnings per share (in €)	**0.54**	(0.02)	0.61	0.05
Average nr. of outstanding shares (x 1,000)	75,899	75,723	75,829	75,709

[1] Including adjustments for currency effects and acquisitions/divestments; [2] Figures restated for Distribution and IZICO, which segments qualified as discontinued operations as of 31 December 2013.

CEO statement

Christophe Barnouin (CEO) comments: "Our performance in the quarter was another solid one. In our Branded business, our core brands and categories have grown. Our reported sales however were impacted by implemented strategic actions to further improve the quality of our brand portfolio. We continue to invest in our brands and are upgrading our operations, while we also have worked hard on numerous innovations which will be launched in our various markets in the second half.

At Branded, sales in the first half of the year are normally higher than those in the second half. In H2, we anticipate to report lower revenue growth versus the first half year due to our ongoing plans to improve the quality of revenue. The distribution of revenue over both half-year periods and an increase in marketing spending will result in a lower EBITE in the second half of the year than in the first half. However, compared to H2 2013, EBITE at Branded will be up in the second half of the year.

In the quarter, we made further steps to become a pure play in healthy and sustainable food by completing the divestment of both IZICO and Natudis. ABC has delivered a good quarter. Although we expect the second half of the year to be loss making, ABC is on track to be profitable in 2014.

Overall, we are making good progress on executing our strategy to jointly build a European champion in healthy and sustainable food."

Sustainability performance

Sustainability is an important part of how Wessanen operates, as reflected in our three sustainability pillars (healthier food, healthier people, healthier planet). We are also in the midst of conducting a qualitative assessment through a stakeholder dialogue to define our material sustainability topics.

In the first half of the year, 97% of our revenue consisted of vegetarian products, whereas organically certified products represented 66% of our revenue.

Financial summary

In Q2, **revenue** was stable at €142.9 million. Autonomous revenue growth was (1.8)% with volume (2.5)% and price/mix 0.7%. The acquisition of Alter Eco in Spring 2013 added 2.8%. Currency effects and lower intercompany sales had a negative impact of (0.6)% and (0.4)% respectively. Revenue at Branded increased to €109.0 million, while ABC declined 6.5% to €33.9 million.

In Q2, **operating result (EBITE)** increased markedly to €13.3 million. Both Branded and ABC contributed. At Branded, EBITE increased, driven by higher gross profit, lower warehouse, transportation and general & administrative expenses, while marketing spending was in line with last year. All countries contributed to the increase. At ABC, EBITE strongly increased as a result of reduced operating costs and planned lower marketing spending.

Exceptional items of €(0.7) million mainly comprise of provisions for severance payments, including expenses for the final integration phase of Clipper.

Net financing costs decreased to €(0.3) million**. Income tax expenses** were €(4.3) million which included a net addition of €0.5 million for uncertain tax positions. Excluding this addition, the effective income tax rate was 32%.

The **net result** of continuing operations was €8.0 million, translating in earning per share of €0.11.

In H1 2014, **cash from operations** amounted to €8.3 million. EBITDA almost doubled to €26.5 million (H1 2013: €15.1 million). Working capital increased by €12.9 million, showing the same seasonal pattern as 2013. Capex (property, plant & equipment and intangible fixed assets) decreased to €(1.9) million as a mixture of regular small capital expenditures at different operating companies and capitalised ICT costs.

Discontinued operations

We have completed the disposal of Natudis and IZICO on 24 April and 28 May respectively. The process of divesting French wholesaler Biodistrifrais is under way. In the second quarter, the profit of discontinued operations (net of tax) amounted to €33.0 million, comprising of an exceptional profit on disposals of €31.5 million and a profit of €1.5 million.

Total Wessanen

Second quarter **total net profit** increased to €41.0 million as a result of increased profitability at both Branded and ABC and the profit on disposal at Discontinued operations. Excluding exceptional items, the net addition for uncertain tax positions and the gain on disposals, the net result amounted to €10.7 million. Earnings per share were €0.54.

In H1 2014, the **net cash generated** was €62.5 million of which €6.4 million relates to continuing operations and €56.1 million to discontinued operations. €65.1 million of long-term loans have been paid down, while an additional €3.8 million was used for dividend payments.

The **net cash position** of €7.4 million resulted due to aforementioned divestments and the cash generated in the first half of the year (31 March: net debt of €56.6 million).

(Financial) guidance FY 2014 (continuing operations only)

EBIT(E)

- Branded will report a higher EBITE in H2 2014 compared to the same period last year, while it will be lower than in H1 2014
- ABC will be profitable in 2014; In the second half of the year, we expect ABC to incur a loss
- Non-allocated expenses (including corporate expenses) are expected to be €(2-3) million

Financial items

- Net financing costs expected to be €(2) million
- Effective tax rate expected to be around 30-35% (excluding additions to uncertain tax positions)
- Capital expenditures expected to be €(5-6) million
- Depreciation and amortisation expected to be €(10) million

Important dates

Friday 24 October 2014	Q3 trading update
Friday 20 February 2015	Q4 and FY results
Friday 27 February 2015	Publication Annual Report (online)
Wednesday 16 April 2015	Annual General Meeting of Shareholders

Analyst & investor meeting

At 10h00 CET, an analyst and investor meeting will be hosted by Christophe Barnouin (CEO) and Ronald Merckx (CFO) at the Wessanen office in Amsterdam. A live audio webcast can be followed via www.wessanen.com. Those unable to attend can participate using the following telephone number: +31 20 716 8257 or toll free at 0800 020 2577 (no access code). A live audio webcast of the conference call can be followed via www.wessanen.com. The press release and presentation are available for download at www.wessanen.com.

Media, investor & analyst enquiries

Carl Hoyer (VP Corporate Communications & Investor Relations)
Phone +31 20 3122 140 / +31 6 123 556 58
Carl.hoyer@wessanen.com

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 2014 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 2013.

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 2014 and of the result of our consolidated operations for the first half year of 2014 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, 24 July 2014

Executive Board
Christophe Barnouin (CEO)
Ronald Merckx (CFO)

Risks and uncertainties

Please refer to the note on forward-looking statements on page 4 of this press release and, with regard to risk management, to our Annual Report 2013 (page 39-43), in which we have described the main risks of Wessanen and which is deemed part of this report by reference. For the remainder of 2014 the risks are the same as disclosed in our Annual Report 2013.

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 2013.

Branded - operational review

in € million	**Q2 14**	Q1 14	**H1 14**	Q2 13	Q1 13	H1 13
Third party revenue	**108.9**	109.6	**218.5**	104.4	101.0	205.4
Intersegment sales	**0.1**	0.3	**0.4**	0.6	0.8	1.4
Net revenue	**109.0**	109.9	**218.9**	105.0	101.8	206.8
EBITE			**19.1**			15.5
Exceptional items			**(0.1)**			(1.5)
EBIT			**19.0**			14.0

Due to the divestment of Natudis and following IFRS guidelines, revenue from Wessanen Benelux to Natudis has been restated to third party revenue for 2013 and Q1 2014.

Demand for **healthy and sustainable food** continues to rise. More and more consumers appreciate the benefits of organic, fair trade and vegetarian products. Fewer chemicals, environmental impact, fair prices for farmers and animal welfare are important considerations for consumers to choose for healthy and sustainable food.

Driven by these strong fundamentals for further growth, the market for healthy and sustainable food continues to trend up in all of Europe. Both the grocery and health food stores channels are showing ongoing growth, driven by more shelf space and new store openings. Also for the remainder of 2014 and the years to come, we foresee these markets to grow mid-single digit.

Revenue has increased 3.8% to €109.0 million. Last year's acquisition of Alter Eco added 3.8%, while favourable currency exchange effect contributed 0.8% and lower intercompany sales of (0.6)%. Autonomous revenue growth amounted to (0.2)% as a mixture of (1.9)% volume and 1.7% price/mix.

Volumes have been impacted by various strategic actions initiated last year. When taking these effects into account, underlying autonomous revenue growth was 4.0%

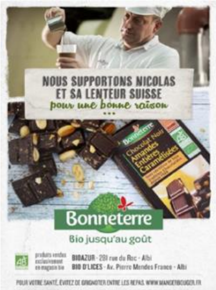
The implemented strategic actions impacting reported revenue comprise of:

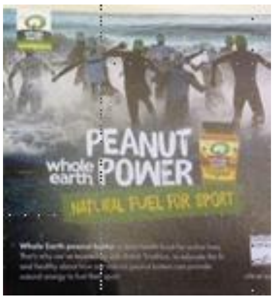
- Ceasing of fruits & vegetables distribution (France)
- Cutting the tail in grocery, health food stores, export (Benelux)
- Delisting Biorganic (Benelux)
- Downsizing grocery presence (Germany)
- Preloading due to SAP implementation (Germany)

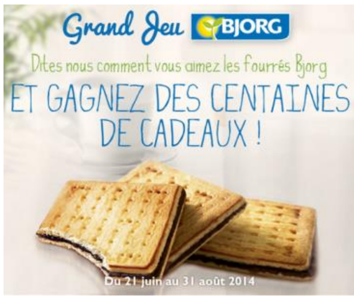
As of July 2014, the exclusive contract for distributing Dr Schär in Dutch health food stores has been ended. As of October, the contract for distributing Rice Dream in the UK will end. The negative annual effect on revenue of both decisions will be around €4 million and €7 million annually respectively.

Our **core brands** have grown 4.8%. Especially Bjorg, Kallø, Zonnatura, Clipper and Whole Earth each showed very healthy growth. Growth at Allos was impacted by aforementioned SAP go-live last year, while Gayelord Hauser showed a disappointing performance. The underlying performance of our **tactical brands** was in general good, although reported revenue was down double-digit as a result of the delisting of Biorganic and cutting the tail projects in the Benelux.

Our six main **categories** showed on average healthy growth. We recorded strongest growth in our two largest categories, Dairy Alternatives and Sweets in Between. Hot Drinks was impacted by a narrowing down of the assortment of Alter Eco and last year’s strong promotional activity for Clipper in the UK. Almost all wholesale activities have been phased out last year, while private label sales represented less than 5% of total revenue.







In H1 2014, **operating result (EBITE)** showed very healthy growth to €19.1 million, driven by higher gross profit and especially lower warehouse, transportation and general & administrative expenses. The main contributors are ‘Wessanen 2015’ savings, the integration of Alter Eco and completing the SAP implementation last year. All operating companies contributed to the growth.

Year-to-date **marketing spending** was in line with last year. In France, due to phasing from Q2 to Q3, investments were lower, while the UK, Germany and Benelux increased their spending. H2 2014 spending will be higher year-on-year, including TV commercials for Bjorg and Alter Eco and to support the launch of a new health shelf at various Dutch grocery chains.

In **France**, good growth was realised in both grocery and health food stores. Bjorg, Evernat and Dr Schär all showed good growth as well as other brands such as Tanoshi and Tartex. The roll-out of Clipper continues to progress well. The integration of Alter Eco has been finalised, delivering the expected synergy effects and cost savings. In June, a new managing director has started, as successor of Christophe Barnouin. He has a wealth of marketing, sales and supply chain experience.

The UK realised good growth in its various categories such as Dairy Alternatives, Bread Replacers and Sweet Spreads. We are investing in our Beaminster tea factory to bring more production in-house.

Despite revenue being lower than last year in the **Benelux**, growth in grocery as well as health food stores has come in above our plans. Clear double-digit increases of Zonnatura and Dr Schär have been the driver, while Clipper (launched in Autumn 2013) gained further traction, driven by additional listings and increasing rotation.

Germany posted lower revenue, in part due to a very strong first quarter. Furthermore, last year’s SAP go-live in Germany in July resulted in preloading by customers of €0.7 million in the second quarter last year (the reverse effect will be visible in Q3 2014).

New innovations such as Allos ‘Hofgemüse’, ‘Frucht Pur’ and amaranth corn cakes, De Rit biscuits and Tartex spreads will be available in stores as of September.

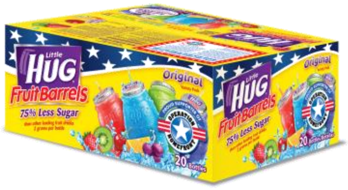
In **Italy**, revenue has grown as a result of good growth of soy and almond drinks in the Italian market and increased intra-company deliveries. Our dairy alternatives factory has increased its volumes, driven by its range expansion into almond, rice and oat based products.

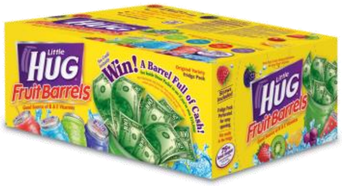
ABC - operational review

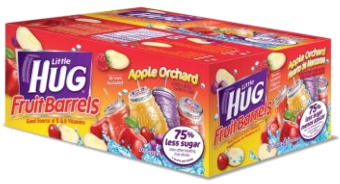
in € million	**Q2 14**	Q1 14	**H1 14**	Q2 13	Q1 13	H1 13
Revenue	**33.9**	19.7	**53.6**	37.9	22.5	60.4
EBITE			**4.5**			(1.9)
Exceptional items			**0.0**			(0.4)
EBIT			**4.5**			(2.3)

Revenue declined to €33.9 million (US$46.4 million). Autonomous revenue growth was (6.5)% due to volumes being down (8.2)% and price/mix 1.7%. A weakening of the US dollar contributed (4.1)%.

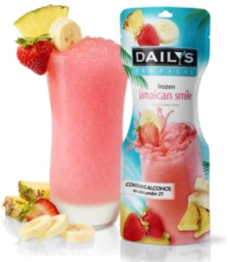
Little Hug brought in another quarter of growth even though the single serve fruit drinks category continued to trend weakly. ABC is executing two promotional 20-count packs. The ‘Patriotic pack’ - a tie with a charitable organisation dedicated to help military families - is on shelf since early July. The promotional sweepstakes ‘Barrel full of cash’ will be on shelf at the back-to-school period in August as will Little Hug’s seasonal Apple orchard flavour. New **Hug Water** will be available in three flavours at a large retailer at the beginning of September.

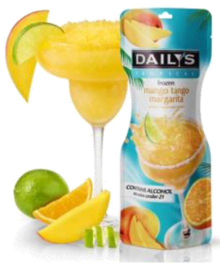


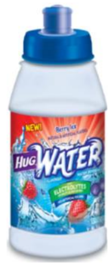




Despite lower sales, **Daily’s** gained substantial market share in ready-to-drink frozen pouches, with a current share of 61%. While the progressive adult beverages category continues to grow, the frozen pouch segment remained under severe pressure losing further share to malt-based cocktails and hard cider. Competitive frozen pouch brands continue to lose distribution and market share. Daily’s Bahama Mama and Jamaican Smile (new flavours introduced in 2014) are the #1 and #2 best-selling pouches.







In the first half, Little Hug represents 50% of ABC’s sales, while other single serve fruit drinks (e.g. Big Burst) contributed 12%. Daily’s RTD frozen pouches represented 26% and non-alcoholic mixers 12%.

In H1 2014, EBITE was strongly up to €4.5 million (8.4% operating margin) due to lower operating costs and a planned reduction of marketing spending. Based on ABC’s first half year performance and plans in place, we reconfirm our expectation of ABC being profitable in 2014.

In the course of second half of the year, we are to review the potential divestment of ABC.

Non-allocated

Non-allocated costs amounted to €(1.7) million in the first half year (H1 2013: €(1.4) million). These include exceptional items of €(0.7) million (H1 2013: none).

Unaudited condensed consolidated income statement

In € millions, unless stated otherwise

Q2 2014 (unaudited)	Q2 2013 Restated[1] (unaudited)		H1 2014 (unaudited)	H1 2013 Restated[1] (unaudited)
		Continuing operations		
142.9	142.9	**Revenue**	**272.5**	267.2
		Raw materials and supplies	**(164.9)**	(166.8)
		Personnel expenses	**(39.3)**	(39.1)
		Depreciation, amortisation and impairments	**(4.7)**	(4.8)
		Other operating expenses	**(41.8)**	(46.2)
(130.3)	(140.0)	**Operating expenses**	**(250.7)**	(256.9)
12.6	2.9	**Operating result**	**21.8**	10.3
(0.3)	(0.5)	Net financing costs	**(1.2)**	(0.9)
12.3	2.4	**Profit/(loss) before income tax**	**20.6**	9.4
(4.3)	(3.7)	Income tax expense	**(7.0)**	(6.0)
8.0	(1.3)	**Profit/(loss) after income tax from continuing operations**	**13.6**	3.4
		Discontinued operations		
33.0	0.1	Profit/(loss) from discontinued operations, net of income tax	**32.4**	0.5
41.0	(1.2)	**Profit/(loss) for the period**	**46.0**	3.9
41.0	(1.2)	**Attributable to equity holders of Wessanen**	**46.0**	3.9
		Earnings per share attributable to equity holders of Wessanen (in EUR)		
0.54	(0.02)	Basic	**0.61**	0.05
0.54	(0.02)	Diluted	**0.61**	0.05
		Earnings per share from continuing operations (in EUR)		
0.11	(0.02)	Basic	**0.18**	0.04
0.11	(0.02)	Diluted	**0.18**	0.04
		Earnings per share from discontinued operations (in EUR)		
0.43	-	Basic	**0.43**	0.01
0.43	-	Diluted	**0.43**	0.01
		Average number of shares (in thousands)		
75,899	75,723	Basic	**75,829**	75,709
76,298	76,015	Diluted	**76,228**	76,001
1.3704	1.3075	Average USD exchange rate (USD per Euro)	**1.3705**	1.3107
0.8129	0.8518	Average GBP exchange rate (GBP per Euro)	**0.8189**	0.8535

[1] Figures restated for Distribution and IZICO qualifying as discontinued operations as from 31 December 2013

Unaudited condensed consolidated statement of comprehensive income

In € millions

Q2 2014 (unaudited)	Q2 2013 Restated[1] (unaudited)		H1 2014 (unaudited)	H1 2013 Restated[1] (unaudited)
41.0	(1.2)	**Profit/(loss) for the period**	**46.0**	3.9
		Other comprehensive income		
(0.3)	2.8	Remeasurements of post employment benefit obligations, net of income tax	**(0.3)**	2.8
(0.3)	2.8	**Other comprehensive income that will not be reclassified to profit or loss**	**(0.3)**	2.8
1.4	(1.4)	Foreign currency translation differences, net of income tax	**1.9**	(1.4)
(0.1)	0.1	Effective portion of changes in fair value of cash flow hedges, net of income tax	**-**	-
1.3	(1.3)	**Other comprehensive income that may be reclassified to profit or loss**	**1.9**	(1.4)
1.0	1.5	**Total other comprehensive income/(loss)**	**1.6**	1.4
42.0	0.3	**Total comprehensive income/(loss)**	**47.6**	5.3
42.0	0.3	**Attributable to equity holders of Wessanen**	**47.6**	5.3

[1] Figures restated for Distribution and IZICO qualifying as discontinued operations as from 31 December 2013

Unaudited condensed consolidated statement of changes in equity

In € millions

	30 June 2014		31 December 2013	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Assets carried at fair value				
Foreign exchange swap contacts used for hedging	-	-	-	-
Total	**-**	**-**	**-**	**-**
Assets carried at amortised cost				
Loans and receivables:				
Long-term receivables	1.2	1.2	0.5	0.5
Trade receivables	86.6	86.6	65.4	65.4
Other receivables and prepayments[1]	14.0	14.0	14.2	14.2
Cash and cash equivalents	15.1	15.1	23.3	23.3
Total	116.9	116.9	103.4	103.4
Liabilities carried at fair value				
Forward exchange contracts used for hedging	0.2	0.2	0.2	0.2
Total	0.2	0.2	0.2	0.2
Liabilities carried at amortised cost				
Syndicated loans	-	-	64.1	64.1
Other long-term loans	0.5	0.5	0.5	0.5
Trade payables	61.8	61.8	51.9	51.9
Non-trade payables and accrued expenses[1]	46.8	46.8	45.8	45.8
Bank overdrafts	7.2	7.2	9.4	9.4
Total	116.3	116.3	171.7	171.7

[1] excluding derivatives, which are shown separately

Unaudited condensed consolidated statement of financial position

In € millions

	30 June 2014 (unaudited)	31 December 2013 (audited)
Assets		
Property, plant and equipment	**46.1**	47.4
Intangible assets	**65.6**	65.6
Other investments	**1.2**	0.5
Deferred tax assets	**3.7**	4.5
Total non-current assets	**116.6**	118.0
Inventories	**55.4**	51.9
Income tax receivables	**0.3**	0.3
Trade receivables	**86.6**	65.4
Other receivables and prepayments	**14.0**	14.2
Cash and cash equivalents	**15.1**	23.3
Assets classified as held for sale	**3.2**	64.6
Total current assets	**174.6**	219.7
Total assets	**291.2**	337.7
Equity		
Share capital	**76.0**	76.0
Share premium	**102.9**	102.9
Reserves and retained earnings	**(29.3)**	(73.5)
Total equity	**149.6**	105.4
Liabilities		
Interest-bearing loans and borrowings	**-**	64.1
Employee benefits	**6.1**	4.5
Provisions	**1.4**	1.2
Deferred tax liabilities	**4.3**	2.7
Total non-current liabilities	**11.8**	72.5
Bank overdrafts	**7.2**	9.4
Interest-bearing loans and borrowings	**0.5**	0.5
Provisions	**4.1**	6.1
Income tax payables	**6.4**	4.9
Trade payables	**61.8**	51.9
Non-trade payables and accrued expenses	**47.0**	46.0
Liabilities classified as held for sale	**2.8**	41.0
Total current liabilities	**129.8**	159.8
Total liabilities	**141.6**	232.3
Total equity and liabilities	**291.2**	337.7
End of period USD exchange rate (USD per Euro)	**1.3658**	1.3791
End of period GBP exchange rate (GBP per Euro)	**0.8015**	0.8337

Unaudited condensed consolidated statement of cash flows

In € millions

	H1 2014	H1 2013 Restated[1]
	(unaudited)	(unaudited)
Cash flows from operating activities		
Operating result	**21.8**	10.3
Adjustments for:		
Depreciation, amortisation and impairments	**4.7**	4.8
Other non-cash and non-operating items	**2.0**	2.0
Cash generated from operations before changes in working capital and provisions	**28.5**	17.1
Changes in working capital	**(12.9)**	(10.7)
Payments from provisions and changes in employee benefits	**(3.2)**	(3.5)
Cash generated from operations	**12.4**	2.9
Interest paid	**(1.1)**	(0.8)
Income tax paid	**(3.0)**	(2.7)
Operating cash flow from continuing operations	**8.3**	(0.6)
Operating cash flow from discontinued operations	**2.0**	(6.4)
Net cash from operating activities	**10.3**	(7.0)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(1.3)**	(2.0)
Acquisition of intangible assets	**(0.6)**	(0.9)
Acquisition of subsidiaries, net of cash acquired	**-**	(3.9)
Investing cash flow from continuing operations	**(1.9)**	(6.8)
Investing cash flow from discontinued operations	**54.1**	(0.8)
Net cash from investing activities	**52.2**	(7.6)
Cash flows from financing activities		
Net proceeds from/(repayments of) interest bearing loans and borrowings	**(65.1)**	11.0
Cash receipts/(payments) derivatives	**0.1**	-
Dividends paid	**(3.8)**	(3.8)
Financing cash flow from continuing operations	**(68.8)**	7.2
Financing cash flow from discontinued operations	**-**	-
Net cash from financing activities	**(68.8)**	7.2
Net cash flow	**(6.3)**	(7.4)
Cash and cash equivalents at beginning of period	**14.1**	8.3
Net cash from operating, investing and financing activities	**(6.3)**	(7.4)
Effect of exchange rate differences on cash and cash equivalents	**0.1**	(0.1)
Cash and cash equivalents at end of period	**7.9**	0.8

[1] Figures restated for Distribution and IZICO qualifying as discontinued operations as from 31 December 2013

Notes to unaudited 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 2014 comprise the Company and its subsidiaries (together referred to as ‘the Group’).

The information in these condensed consolidated interim financial statements is unaudited. The quarterly figures in these condensed consolidated interim financial statements are neither audited nor reviewed.

Wessanen is a leading company in the European market for healthy and sustainable food. We realised revenue from continuing operations of €509 million in 2013 with on average 1,225 employees. Our focus is on organic, vegetarian and natural ingredients as these are healthier and more sustainable. Where appropriate, we also focus on fair trade sourced food and specific dietary solutions. Our aspiration is to build an European champion in healthy and sustainable food. Operating mainly in the Benelux, France, Germany, Italy and the UK, we manage and develop well-known local brands such as Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Kallø, Tartex, Whole Earth and Zonnatura.

Next to our healthier and sustainable food businesses, we have one non-core business. US-based ABC is one of the leading producers of single-serve bottled fruit drinks (Little Hug) and ready-to-drink cocktail pouches and non-alcoholic cocktail mixers (Daily’s).

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 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 2013.

These condensed consolidated interim financial statements were approved by the Executive Board and by the Supervisory Board on 24 July 2014.

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 2013 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 2013. Reference is made to the 2013 Annual Report, Note 2.

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 2013. In addition, reference is made to the 'risks and uncertainties' section as included on page 5 of this report.

6 Seasonality of operations

Revenue of our Branded segment is in general modestly higher in the first half of the year, while operating profit is also impacted by the phasing of marketing spending throughout the year. Consequently, the first half of the year generally generates the larger part of the operation profit.

Revenues and operating profit from ABC are also impacted by seasonal fluctuations; the summer season generally results in highest revenue and operating profit for ABC in the second and third quarter.

7 Operating segment information

The Group's activities are respectively have been carried out by the following four separate business segments: Branded and ABC (both qualified as 'continuing operations') and IZICO and Distribution (both qualified as 'discontinued operations'). 'Non-allocated' includes corporate entities.

Key financial data regarding these segments are given below:

in € millions	Revenue		Operating result and operating margin[1]			
	H1 2014	H1 2013	H1 2014		H1 2013	
Branded	218.9	206.8	19.0	8.7%	14.0	6.8%
ABC	53.6	60.4	4.5	8.4%	(2.3)	-3.8%
Non-allocated	-	-	(1.7)		(1.4)	
Continuing operations	**272.5**	**267.2**	**21.8**	**8.0%**	**10.3**	**3.9%**
Distribution	35.6	39.4	(0.5)	-1.4%	(0.2)	-0.5%
IZICO	39.1	53.2	2.0	5.1%	1.6	3.0%
Discontinued operations	**74.7**	**92.6**	**1.5**	**2.0%**	**1.4**	**1.5%**
Total Wessanen	**347.2**	**359.8**	**23.3**	**6.7%**	**11.7**	**3.3%**

[1] Operating result as % of total revenue

[2] Figures restated for Distribution and IZICO qualifying as discontinued operations as from 31 December 2013

In the first six months of 2014, total assets decreased by €46.5 million, from €337.7 million as at 31 December 2013 to €291.2 million as at 30 June 2014, mainly due to the divestment of IZICO and Distribution Benelux.

The assets can be specified as follows:

in € millions	Total assets 30 June 2014	Total assets 31 December 2013
Branded	223.1	212.3
ABC	48.0	40.4
Non-allocated	16.9	20.4
Continuing operations	**288.0**	**273.1**
Distribution	3.2	19.1
IZICO	-	45.5
Discontinued operations	**3.2**	**64.6**
Total Wessanen	**291.2**	**337.7**

8 Discontinued operations

At the end of 2013, both the Distribution segment (including Distribution Benelux and Distribution France) and IZICO segment classified as disposal groups held for sale to be presented as discontinued operations. In February 2014, the Group signed an agreement to sell Distribution Benelux to Vroegop Ruhe & Co, effectively as from 24 April 2014. In April 2014, the Group signed an agreement to sell IZICO to Egeria, effectively as from 28 May 2014.

Result from discontinued operations

The total result from discontinued operations can be specified into the operating result from discontinued operations and the result on divestment of discontinued operations as follows:

	H1 2014	H1 2013
Revenue	**74.7**	92.6
Operating result	**1.5**	1.4
Net financing costs	**(0.1)**	(0.3)
Profit/(loss) before income tax	**1.4**	1.1
Income tax expense	**(0.5)**	(0.6)
Profit/ (loss) after tax from discontinued operations	**0.9**	0.5
Pre-tax gain/ (loss) on the divestment of discontinued operations	**31.5**	-
Income tax expense	**-**	-
After tax gain/ (loss) recognised on the divestment of discontinued operations	**31.5**	-
Result for the period from discontinued operations	**32.4**	0.5

Wessanen can receive an additional amount of up to €3.5 million in respect of the divestment of IZICO as part of an earn-out related to the 2014 EBITDA.

Total cash proceeds from divestment of IZICO and Distribution Benelux, net of cash and cash equivalents divested, amounted to €57.6 million. The cash proceeds are reported as part of the investing cash flow from discontinued operations.

9 Income taxes

The income tax expense is recognised based on management’s latest estimate of the weighted average annual income tax rate expected for the full financial year. The Group’s estimated average annual tax rate for Wessanen’s continuing operations used for the year to 31 December 2014 is 32% (excluding discrete items), mainly impacted by the country mix and unrecognised tax losses carried forward in the United States and Italy (the estimated tax rate for the year 2013 applied to the results of the six-month period ended 30 June 2013 was 52%). The recognition of a net addition to the provision for uncertain tax positions in Q2 2014 of €0.5 million (HY1 2013: €1.1 million) ultimately resulted in an effective tax charge in the six month period ended 30 June 2014 of 34.1% (H1 2013: 64%).

10 Dividends

A cash dividend of €3.8 million that relates to the year 2013 was paid in April 2014.

11 Borrowings and loans

Net debt can be specified as follows:

In € millions	**30 June 2014**	31 December 2013
Long-term interest-bearing loans and borrowings[1]	**-**	64.1
Short-term interest-bearing loans and borrowings	**0.5**	0.5
Total interest-bearing loans and borrowings	**0.5**	64.6
Bank overdrafts	**7.2**	9.4
Cash and cash equivalents	**(15.1)**	(23.3)
Net debt related to continuing operations	**(7.4)**	50.7
Net debt related to discontinued operations	**-**	-
Net debt Wessanen	**(7.4)**	50.7

[1] Long-term interest-bearing loans and borrowings as per 31 December 2013 is net of capitalised finance costs. As per 30 June 2014 capitalised finance cost are included in 'other investments'.

Net debt of Wessanen decreased by €58.1 million in the six-month period ended 30 June 2014, mainly due to the cash proceeds from the divestment of IZICO and Distribution Benelux of €57.6 million.

Wessanen has extended its €100 million revolving credit facility by one year, changing the maturity of the facility to July 2017. The pricing grid of the facility has been reduced to 85-195 basis points over Euribor based on the leverage ratio (Net debt to EBITDAE). The maximum leverage ratio remains at 3.0 times. The facility, which was agreed during 2013, has a second extension option in spring 2015 to extend the maturity by one year.

12 Provisions

As per 30 June 2014 Wessanen has recognised provisions of in total €5.5 million (31 December 2013: €7.3 million). The year-to-date decrease of €1.8 million mainly includes a net decrease of the restructuring provision (€0.3 million) and other provisions (€1.1 million).

The decrease in the restructuring provision comprises additions charged against result of €1.9 million, utilisations during the period of €(1.4) million and releases to the result of €(0.7) million. The additions mainly relate to contract termination benefits granted, which qualified for recognition in the first half of 2014 (mainly Corporate and Branded France). The utilisations during the period mainly relate to Branded France (€0.9 million), following the integration of the acquired Alter Eco business.

The decrease in other provisions comprises additions charged against result of €0.7 million, utilisations during the period of €(1.4) million and releases to the result of €(0.4) million. The additions mainly relate to cash-settled share-based compensation transactions (€0.5 million). The utilisations during the period mainly relate to payment of contract termination benefits awarded.

13 Financial instruments

Fair values versus carrying amounts

Fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	30 June 2014		31 December 2013	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Assets carried at fair value				
Foreign exchange swap contacts used for hedging	-	-	-	-
Total	-	-	-	-
Assets carried at amortised cost				
Loans and receivables:				
Long term receivables	1.2	1.2	0.5	0.5
Trade receivables	86.6	86.6	65.4	65.4
Other receivables and prepayments[1]	14.0	14.0	14.2	14.2
Cash and cash equivalents	15.1	15.1	23.3	23.3
Total	116.9	116.9	103.4	103.4
Liabilities carried at fair value				
Forward exchange contracts used for hedging	0.2	0.2	0.2	0.2
Total	0.2	0.2	0.2	0.2
Liabilities carried at amortised cost				
Syndicated loans	-	-	64.1	64.1
Other long-term loans	0.5	0.5	0.5	0.5
Trade payables	61.8	61.8	51.9	51.9
Non-trade payables and accrued expenses[1]	46.8	46.8	45.8	45.8
Bank overdrafts	7.2	7.2	9.4	9.4
Total	116.3	116.3	171.7	171.7

[1] excluding derivatives, which are shown separately

Fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, trade receivables, other receivables and prepayments, trade payables, non-trade payables, accrued expenses and bank overdrafts approximate their fair values because of the short-term nature of these instruments. The carrying amounts of the amounts owed to credit institutions approximate their fair values, as the amounts are floating interest bearing.

The fair value of financial instruments has been determined by Wessanen using available market information and appropriate valuation methods (level 2 only). Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Level 2 inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Compared to 31 December 2013 there have been no changes in the classification of financial assets as a result of a change in the purpose or use of those assets.

Within the condensed consolidated financial position of the semi-annual financial report, netting arrangements rights of set-off associated with Wessanen's recognised financial assets and recognised financial liabilities, in respect of cash and cash equivalents and bank overdrafts of Branded in the amount of €15.1 million (31 December 2013: €10.6 million), are applied.

14 Commitments and contingencies

A comprehensive overview of commitments and contingencies as of 31 December 2013 was included in Note 25 to Wessanen's consolidated financial statements in our Annual Report 2013.

15 Related party transactions

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

Based on the Long-Term Incentive Plan 2014, applicable as of June 2014, the Company granted 88.854 restricted shares to the Executive Board members in the first half of 2014. In addition, 116.643 sign on shares were granted (and delivered) to Mr C.P.J. Barnouin upon appointment as member of the Executive Board on 24 January 2014.

Restricted shares granted to eligible employees as part of a long-term incentive plan 2011 (119,974 shares) were delivered in June 2014.

No other significant related party transactions occurred.

16 Events occurring after the reporting period

Subsequent to 30 June 2014 no material events occurred that require disclosure.