Royal Wessanen nv

press release

Q2 2012 press release and
semi-annual financial report

Grocery continues to perform as planned

ABC divestment process has started, finalisation expected Q4

Full ownership Favory obtained

Q2 2012 highlights

- Autonomous revenue[1] growth of (2.0)%; price/mix contributing 2.6% and volume (4.6)%
- Operating result impacted by lower volumes and higher marketing spending
- Grocery performing in line with expectations; profitability impacted by marketing investments
- HFS performed disappointingly; lower volumes impacting profitability
- ABC divestment process has commenced, targeting signing in Q4 2012
- Taken full ownership of Favory Convenience Food Group by acquiring non-controlling interest (35.9%)

Consolidated key figures

in € million, unless stated otherwise	Q2 2012	Q2 2011	% change	H1 2012	H1 2011
Revenue [1]	**150.8**	161.1	(6.4)%	**296.7**	317.6
Autonomous revenue development [1] [2]	(2.0)%			(0.9)%	
EBITDAE [1]	4.8	9.7		9.3	18.4
Normalised operating result (EBIT) [1]	**2.2**	7.3		**4.3**	13.6
as % of revenue	1.5%	4.5%		1.4%	4.3%
Operating result (EBIT) [1]	2.2	2.9		4.3	10.3
Result from discontinued operations, net of income tax	2.2	4.1		2.7	4.3
Net result, attributable to equity holders	**3.1**	5.4		**4.6**	9.9
Operating cash flow [1]	4.0	(1.5)		5.0	(5.6)
Net debt	62.0	39.1			
Earnings per share (in euro) (total Wessanen)	**0.04**	0.07		**0.06**	0.13
Average number of outstanding shares (x 1,000)	75,705	75,231		76,532	75,017

1) From continuing operations; 2) Including adjustments for currency effects and acquisitions/divestments

CEO Statement

Piet Hein Merckens (CEO) comments: “In the second quarter Wessanen has set further steps in executing the strategic agenda in a consistent manner. We continued to invest in the growth of our core brands and categories by driving innovation and activation in Grocery and HFS channels. Nevertheless this quarter brought mixed results. Reduced consumer confidence and the related reduction of spending impacted our businesses in both channels negatively albeit to a different extent. In view of the current subdued European economies, we have taken short term measures to lower operational costs in the second half, for example by applying restrictions on new hires.

Our performance in Grocery reconfirmed that we are on the right track to strengthen our brands and categories in this channel. Both revenue and gross profit increased, whereas EBIT was mainly impacted by increased marketing investments.

Our HFS development was disappointing. In the various businesses we have to deal with different challenges which are to be addressed. Shoppers are also economising on their food spending by trading down to supermarkets and cheaper food solutions.

ABC has continued its steep revenue growth path in the quarter which can be attributed to both the Daily's and Little Hug brands. To accelerate category and brand growth we invested significantly in marketing amongst others via in-store promotions and national TV advertising right from the start of the season in April. Although it is still early days in ABC's divestment process, we are seeing a good level of interest, reflecting the strength and growth of our brands.

Another important strategic step was obtaining full ownership of Favory Convenience Food Group, enabling us to have total strategic alignment and process integration between both Frozen Foods companies. This will enable us to capture the business improvement opportunities which we identified in our strategic review.

I am convinced that our short term measures to further increase focus on the operational costs will help us improve results in all our business areas. In light of changes to the Group's composition, we are also assessing its structure and cost base, on which we expect to have more clarity towards the end of the year."

Strategy update

Wessanen has a clear vision and strategy in place, while the 2012-14 strategic objectives provide guidance on the steps to be taken. Good progress was made in the last few years to become a more integrated organic food company. We made numerous important steps in our transformational journey to build our European organic business. We centralised sourcing, we combined our export activities, we implemented pricing discipline to the trade, we rolled out SAP in most of our businesses and we aligned and standardised our innovation processes.

Wessanen is turning into a simpler and more focused company, yet we are continuing to take additional steps in that direction. We are primarily focusing on three objectives, namely to implement short term actions to counter the European economic slowdown, to improve or exit non-performing activities and finally, to further simplify the total organisation.

Financial guidance FY 2012 (continuing operations only)

- Net financing costs expected to be €3-4 million
- Effective tax rate expected to be around 35%
- Capital expenditures expected to be €6-8 million
- Depreciation and amortisation expected to be €10-11 million
- Non-allocated expenses (including corporate expenses) expected to be €11-12 million

Financial summary Q2 2012

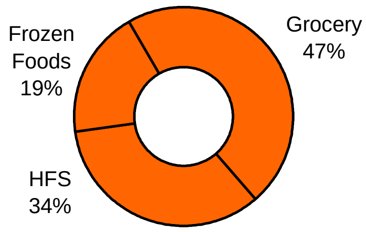
ABC is reported as a 'discontinued operation' as of this quarter. Comparative information for both the consolidated income statement and cash flow statement has been adjusted accordingly.

Revenue amounted to €150.8 million (Q2 2011: €161.1 million). Autonomous revenue growth was (2.0)% as a result of price/mix contributing 2.6% and volume (4.6)%. Acquisitions (Clipper) and divestments (Tree of Life UK, Kalisterra) had an impact of (4.3)% and an accounting adjustment (change in revenue cut-off following a change in trade terms) (0.7)% while a currency exchange effect (British pound) added 0.7%.

Central sourcing initiatives and pricing discipline could not fully compensate for rising production costs, resulting in a small decline in gross margin percentage. Margins at Grocery were up, whereas in HFS margins declined as lower volumes impacted production cost absorption.

Operating profit amounted to €2.2 million. Exceptional items of €(0.9) million at Grocery were offset by an exceptional gain of €0.9 million at non-allocated.

Third party revenue (per segment)



EBITE declined to €2.2 million versus €7.3 million last year. A weak HFS performance was the largest contributor to this decline. The lower profitability is attributable to a lower absolute gross contribution as a result of lower total sales. Additionally, marketing investments were up year-on-year, partly due to phasing. In the second half of the year we expect marketing investments to be somewhat lower year-on-year to reflect lower market growth and some phasing effects. Lastly, the increased ICT costs have a structural basis as these relate to the implementation of SAP.

Net financing costs were €(0.9) million, in line with the previous quarter as well as the second quarter last year. Income tax expenses were €(0.5) million, in line with last year.

The net result from continuing operations amounted to €0.8 million (Q2 2011: €1.4 million). The profit from discontinued operations (ABC), net of taxes, was €2.2 million compared to €4.1 million last year. In the first half of 2012, profits of ABC were fully taxed as a result of the recognition of unrecognised tax carry forward losses (resulting in a deferred tax asset) in the second half of last year, whereas last year's profits could be offset by unrecognised tax carry forward losses.

The net result, attributable to Wessanen equity holders, amounted to €3.1 million, including a loss of €0.1 million, reported as non-controlling interest. Earnings per share were €0.04 (Q2 2011: €0.07).

in € million, unless stated otherwise	Q2 12	Q2 11	H1 12	H1 11
Profit (after income taxes) from continuing operations	**0.8**	1.4	1.6	5.7
Profit/(loss) from discontinued operations, net of income tax	**2.2**	4.1	2.7	4.3
Profit/(loss) for the period	**3.0**	**5.5**	**4.3**	**10.0**
Attributable to:				
Equity holders of Wessanen	**3.1**	**5.4**	**4.6**	**9.9**
Non-controlling interests	**(0.1)**	0.1	(0.3)	0.1

The operating cash flow (from continuing operations) of €4.0 million improved versus last year's outflow of €(1.5) million. Compared to last year's second quarter, inventories and trade receivables were somewhat up, partly compensated by increased accounts payable. Capital expenditures were €(1.6) million (Q2 2011: €(2.2) million) mainly relating to various smaller production enhancement projects and replacements.

Net debt increased to €62.0 million per the end of the second quarter versus €57.3 million as at 31 March. The Net debt / EBITDAE ratio moved up to 2.1x as per 30 June (per 31 March: 1.6x).

Segment overview

in € million, unless stated otherwise	Grocery		HFS		Frozen Foods		Non-allocated		Wessanen nv	
	Q2 12	Q2 11	**Q2 12**	Q2 11	**Q2 12**	Q2 11	**Q2 12**	Q2 11	**Q2 12**	Q2 11
Revenue	**71.7**	65.9	**52.0**	68.9	**29.1**	29.7	**(2.0)**	(3.4)	**150.8**	161.1
Normalised EBIT	**5.2**	6.5	**(1.1)**	2.0	**0.6**	1.1	**(2.5)**	(2.3)	**2.2**	7.3
As % of revenue	**7.3%**	9.9%	**(2.1)%**	2.9%	**2.1%**	3.7%	**-**	-	**1.5%**	4.5%
Exceptionals	**(0.9)**	0.3	**-**	(1.4)	**-**	-	**0.9**	-	**-**	(1.1)
Impairments	**-**	-	**-**	(3.3)	**-**	-	**-**	-	**-**	(3.3)
EBIT	**4.3**	6.8	**(1.1)**	(2.7)	**0.6**	1.1	**(1.6)**	(2.3)	**2.2**	2.9

in € million, unless stated otherwise	Grocery		HFS		Frozen Foods		Non-allocated		Wessanen nv	
	H1 12	H1 11	**H1 12**	H1 11	**H1 12**	H1 11	**H1 12**	H1 11	**H1 12**	H1 11
Revenue	**138.1**	127.7	**105.9**	139.5	**56.9**	56.7	**(4.2)**	(6.3)	**296.7**	317.6
Normalised EBIT	**10.0**	12.4	**(0.5)**	4.3	**0.7**	1.9	**(5.9)**	(5.0)	**4.3**	13.6
As % of revenue	**7.2%**	9.7%	**(0.5)%**	3.1%	**1.2%**	3.4%	**-**	-	**1.4%**	4.3%
Exceptionals	**(0.9)**	0.8	**-**	(0.8)	**-**	-	**0.9**	-	**-**	-
Impairments	**-**	-	**-**	(3.3)	**-**	-	**-**	-	**-**	(3.3)
EBIT	**9.1**	13.2	**(0.5)**	0.2	**0.7**	1.9	**(5.0)**	(5.0)	**4.3**	10.3

Quarterly historic overview (reflecting ABC as 'discontinued operation')

in € million, unless stated otherwise	Q2 12	Q1 12	Q4 11	Q3 11	Q2 11	Q1 11	FY 11
Revenue	150.8	145.9	139.2	136.6	161.1	156.5	593.4
EBITDAE	4.8	4.5	0.2	1.7	8.6	9.8	20.3
Depreciation & Amortisation	(2.6)	(2.4)	(1.0)	(0.7)	(1.3)	(3.5)	(6.5)
Normalised EBIT	2.2	2.1	(0.8)	1.0	7.3	6.3	13.8
Exceptionals	-	-	(1.7)	(1.8)	(1.1)	1.1	(3.5)
Impairments	-	-	(37.1)	-	(3.3)	-	(40.4)
EBIT	2.2	2.1	(39.6)	(0.8)	2.9	7.4	(30.1)

Important dates

2012	
Thursday 25 October	Q3 2012 results (7h15)
2013	
Friday 22 February 2013	Q4 2012 results (7h15)
Tuesday 16 April 2013	Annual Shareholders Meeting (14h00)
Friday 26 April 2013	Q1 2013 results (7h15)
Thursday 25 July	Q2 2013 results (7h15)
Friday 25 October 2013	Q3 2013 results (7h15)

Analyst, investor & media conference call

A press conference will be hosted by Piet Hein Merckens (CEO) and Ronald Merckx (CFO) at 9h30 CET and an analyst & investor meeting at 11h30 CET at the Double Tree Hotel (Amsterdam). The analyst & investor meeting will be live audio webcasted, to be followed via www.wessanen.com. The presentation can be downloaded from our website. Those analysts and investors unable to attend can participate using the following number: +31 45 631 6902 (conference ID 4548959).

Press, investor and analyst enquiries

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Company profile

Royal Wessanen is a leading company in the European organic food market. In 2011, Wessanen generated revenue of €594[1] million employing about 1,600[1] at year-end. Operating mainly in France, the Benelux, UK, Germany and Italy, we manage and develop our brands and products in the grocery and health food channels. Our vision is to make our organic brands most desired in Europe. Our brands, such as Bjorg, Whole Earth, Zonnatura, Kallo, Clipper, Bonneterre, Ekoland, Allos and Tartex, are pioneering brands in the organic food markets. Next to our leading position in organic food businesses, we also produce and market branded (Beckers, Bicky) and private label frozen snack products in the Benelux (Frozen Foods).

[1] Revenue and number of employees reflect ABC being reported as 'discontinued operations'

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 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 on page 17.

The semi-annual financial report for the six-month period ended 30 June 2012 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 2011.

The Executive Board of Royal Wessanen nv 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 2012 and of the result of our consolidated operations for the first half year of 2012 and the undertakings included in the consolidation taken as a whole; and

- The semi-annual report of the Executive Board 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 2012

Executive Board
Piet Hein Merckens (CEO)
Ronald Merckx (CFO)

Segment overview

Grocery

in € million, unless stated otherwise	Q2 2012	Q2 2011	% change	H1 2012	H1 2011
Revenue	**71.7**	65.9	8.8%	138.1	127.7
Autonomous revenue growth [1]	*2.0%*			*3.5%*	
EBITDAE	**5.6**	6.7		10.7	12.9
Normalised EBIT	**5.2**	6.5		10.0	12.4
Operating result (EBIT)	**4.3**	6.8		9.1	13.2

[1)] Autonomous growth of third party revenue

Total revenue grew 8.8% to €71.7 million. Autonomous third party revenue growth was 2.0% with a price/mix effect of 4.1% being offset by a volume effect of (2.1)%. The net effect of acquisitions added 7.3%, other adjustments (cut-off) added (1.1)% and a currency exchange effect contributed 1.6%. Normalised EBIT came in lower than last year at €5.2 million as a consequence of substantially increased marketing investments and higher other operating costs, partly offset by lower logistic costs. The operating result amounted to €4.3 million. Exceptional costs of €0.9 million were included in the quarter versus an exceptional income of €0.3 million last year.

Our European Category Brand Teams (CBTs) and country Innovation Boards continue to work on filling the innovation pipeline. The preparations for the European roll-out of Clipper in early 2013 are progressing well.

Despite the French market slowing down to low-to-mid-single digits, Bjorg continued to grow its market share driven by strong performances of sweets-in-between, bread replacers and dairy alternatives. The French dietetic market continues to modestly grow with Gayelord Hauser trending in line. Marketing investments were up, mostly on Bjorg. This included an advertorial TV programme into early Q2 and a TV campaign aired in May and June.

In the Netherlands, market share was gained. Zonnatura continued to grow, driven by tea. New products such as in-between bars and 100% pure fruit juices have been launched. Merza and Biorganic also performed well. We further grew the number of Biobest shelves, our dedicated organic shelf based on a modular system.

Our UK business Kallo was impacted by a weak dairy alternatives performance which could not be fully offset by growth in savoury biscuits and spreads. The distribution for Almond Breeze got off to a good start, further complementing the range of Blue Diamond milk alternatives in the UK.

Clipper performed well benefiting from strong distribution gains over the last 12 months which strengthened the brands' on-shelf presence. Targeted promotions have helped to create trial. This has been supported by TV advertising throughout May on everyday tea. As a consequence of these planned marketing spending, which are skewed to the first half of the year, Clipper showed a negative operating result of €(0.8) million before exceptional items in the quarter. We are growing in all trading channels. The creation of becoming one integrated company continues to be on track with the integration of sales and marketing planned for the summer.

In Germany, our sales were stable in a modestly growing market. Given that building a more sizeable and profitable business in grocery is progressing slower than expected, we have recently restructured our sales organisation. Furthermore we are assessing our go-to-market approach.

New Clipper TV commercial 'Conga'

Bjorg's 'Atelier bio' in numerous French stores in Spring

Royal Wessanen nv

Health Food Stores (HFS)

in € million, unless stated otherwise	Q2 2012	Q2 2011	% change	H1 2012	H1 2011
Revenue	**52.0**	68.9	(24.5)%	105.9	139.5
Autonomous revenue growth[1]	*(5.9)%*			*(5.5)%*	
EBITDAE	**(0.7)**	2.5		0.4	5.4
Normalised EBIT	**(1.1)**	2.0		(0.5)	4.3
Operating result (EBIT)	**(1.1)**	(2.7)		(0.5)	0.2

[1)] Autonomous growth of third party revenue

Revenue declined to €52.0 million impacted by last year's divestments, contributing (17.8)%. In addition, autonomous third party revenue declined (5.9)% with a positive price/mix effect of 0.7% being offset by a volume decline of (6.6)% and other adjustments of (0.7)%. Consumers economising on their food spending was mostly felt in this channel. EBIT of €(1.1) million reflects a weak performance in all businesses. The effect of lower volumes and a decline in gross margins could not be offset by lower operating costs, resulting in a further deterioration of the segment's profitability. Marketing spending was in line with last year.

The various businesses face different challenges. We have to change our French operating model by expanding our branded business to be better capable of serving the larger nationwide chains. In Germany, we started to revitalise our brands, including more focus on consumer-led innovations and product portfolio rationalisation. In the Netherlands, competitive pressure remained strong, requiring more focus and best-in-class execution.

The French HFS market was slightly up with independent stores continuing to suffer, while chains continue to grow. Additionally, several grocery chains opened (Auchan) or plan to open (Carrefour) specialised organic focussed stores in this channel. Bonneterre showed a decline in both the wholesale and branded business, while our fresh distribution business reported stable sales.

The Dutch market continued to grow modestly. Our existing formula stores (GooodyFooods and Natuurwinkel) continue to increase, on average, their like-for-like revenue. While we still see the effect of previous new store openings (including a new Natuurwinkel in Ermelo), we also continued to feel the impact of previously lost customers who are further deconcentrating their assortment. Our Belgian operations continue to grow steadily, gaining some market share.

The German market continues to slow down. General HFS stores were slightly up, while specialised stores ('Reformhaus') declined. Tartex sales in the specialty channel moved in line with the declining market, while grew in the general HFS channel. The Allos brand and export both declined.

3 week promotion for free magnetic animals

Tartex 50-year Jubilee Yeast Pastry / point of sale promotion pasta sauces

Frozen Foods

in € million, unless stated otherwise	Q2 2012	Q2 2011	% change	H1 2012	H1 2011
Revenue	**29.1**	29.7	(2.0)%	56.9	56.7
Autonomous revenue growth¹	*(2.4)%*			*0.2%*	
EBITDAE	**1.8**	2.2		2.9	4.3
Normalised EBIT	**0.6**	1.1		0.7	1.9
Operating result (EBIT)	**0.6**	1.1		0.7	1.9

1) Autonomous growth of third party revenue

Wessanen obtained full ownership of Favory Convenience Food Group by acquiring the non-controlling interest (35.9%) held by Rabo Capital for a partly deferred consideration of €5 million. A strategic review has led to the conclusion that further strategic alignment and process integration between Favory and Beckers need to be achieved in order to improve results. Wessanen and Rabo Capital have explored a number of potential routes and ownership structures to achieve this. The outcome of this process is that Wessanen has taken full ownership of the Frozen Foods entities with a view to execute the strategy and maximise shareholder value.

In the second quarter, autonomous revenue decreased (2.4)%; volume contributed (5.8)% and price/mix 3.4%. The Dutch retail and out-of-home food markets are characterised by ongoing focus on price, resulting in a competitive environment with more promotions and difficulties in passing on commodity cost prices, especially for private label. Volume growth at private label and Belgian out-of-home could not fully offset lower sales at Dutch retail and out-of-home and export.

While operating expenses including marketing were in line with last year, implemented price increases could not fully compensate the increased purchase price of raw materials. This resulted, in combination with lower sales, in EBIT decreasing to €0.6 million.

Beckers focused on brand activation in the out-of-home and retail channels via activities such as attending the Libelle Summer Week and the annual Four Day Marches in Nijmegen. Recently, another Bicky innovation - the Bicky Crunchy Chicken - has been launched in the Belgian out-of-home channel, further complementing the Bicky range. We continue to support and grow both Beckers and Bicky brands via marketing and launching new innovations.

Bicky Crunchy Chicken

Broketje, an innovation for the out-of-home channel

Non-allocated and eliminations (including corporate expenses)

in €million, unless stated otherwise	Q2 2012	Q2 2011	H1 2012	H1 2011
Revenue	**(2.0)**	(3.4)	(4.2)	(6.3)
EBITDAE	**(1.9)**	(1.7)	(4.7)	(4.2)
Normalised EBIT	**(2.5)**	(2.3)	(5.9)	(5.0)
Operating result (EBIT)	**(1.6)**	(2.3)	(5.0)	(5.0)

Inter-segment revenue between Grocery and HFS amounted to €(2.0) million. Non-allocated expenses, reflecting corporate costs not charged to operating segments, were €(1.6) million (Q2 2011: €(2.3) million) which includes an exceptional gain of €0.9 million related to the settlement of an insurance claim.

Discontinued operation (ABC) (in US$)

in US$ million, unless stated otherwise	Q2 20 12	Q2 2011	H1 2012	H1 2011
Revenue	**64.7**	49.9	**97.6**	80.8
Autonomous revenue growth	*30.1%*		*20.8%*	
Operating result (EBIT)	**4.9**	6.5	6.2	7.5

The divestment process of ABC, as announced in June, is progressing as planned with signing targeted for the fourth quarter.

ABC had another strong quarter growing sales to US$64.7 million. Autonomous growth was 30.1% (volume 18.8% and price/mix 11.3%). Daily's and Little Hug both grew volumes strongly. The Ready-to-Drink (RTD) cocktail market continued to rapidly grow driven by the frozen pouches segment. Little Hug is clearly gaining market share in the single-serve fruit drinks market, which itself is growing modestly.

Despite the strong revenue growth, EBIT was lower at US$4.9 million, reflecting an increased gross contribution percentage, slightly higher operating expenses (due to volume related transportation expenses and commissions) and a strong increase of marketing investments supporting two key seasonal holidays (Memorial Day and the 4th of July). Several Daily's TV commercials have been aired as part of a first-ever national TV advertising campaign. In addition, Daily's is benefiting from support across a broad range of other traditional and digital media such as print ads, coupons, in-store promotions, a new website and a Facebook campaign.

ABC continues to drive innovation at both Daily's and Little Hug. The Strawberry Margarita Light is the first light version in the RTD pouches market, while Daily's Spiced Sangria and Daily's Hard Cider are two new season extending RTD pouches set to launch in autumn. These can be enjoyed frozen, chilled or warm. Other innovations year-to-date include a 1 litre RTD cocktail line in three flavours and Pina Colada was added as a new flavour to our RTD pouches offering.

Light & Hard Cider RTD pouches Magazine advertising TV advertising

The multi-year revitalisation plan of Little Hug is progressing well, being in its third year. After redesigning the package graphics, enhancing flavours, adding vitamins and launching new varieties (e.g. Kiwi Strawberry), straws have now also been added for more convenience. Additional new flavours and products are under development.

Magazine advertising Coupons Online sweepstakes

Risks and uncertainties

Please refer to the note on forward-looking statements on page 6 of this press release and, with regard to risk management, to our Annual Report 2011 (page 32-36), in which we have described the main risks of Wessanen and which is deemed part of this report by reference. For the remainder of 2012 the risks are the same as disclosed in our Annual Report 2011.

However, two of specific risk factors are worthwhile mentioning, namely:
i) Acquisition and divestiture risk: Uncertainties around the sale of ABC are being managed through our prudent phased approach and using internal and external expertise.
ii) Difficult economic environment: Further deepening of the Euro crisis is an important external risk which could affect our, mostly European based, business. It remains difficult to assess the developments and manage implications. However, we continue to closely monitor our economic environment.

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 2011.

Unaudited condensed consolidated income statement

In € millions, unless stated otherwise

Q2 2012 (unaudited)	Q2 2011 (unaudited)		HY 2012 (unaudited)	HY 2011 (reviewed)
		Continuing operations		
150.8	161.1	**Revenue**	**296.7**	317.6
(90.9)	(98.6)	Raw materials and supplies	**(178.5)**	(195.3)
(24.5)	(24.1)	Personnel expenses	**(48.4)**	(49.1)
(2.6)	(5.7)	Depreciation, amortisation and impairments	**(5.0)**	(8.1)
(30.6)	(29.8)	Other operating expenses	**(60.5)**	(54.8)
(148.6)	(158.2)	**Operating expenses**	**(292.4)**	(307.3)
2.2	2.9	**Operating result**	**4.3**	10.3
(0.9)	(1.0)	Net financing costs	(1.8)	(1.5)
-	-	Share in results of associates	-	-
1.3	1.9	**Profit/(loss) before income tax**	**2.5**	8.8
(0.5)	(0.5)	Income tax expense	**(0.9)**	(3.1)
0.8	1.4	**Profit/(loss) after income tax from continuing operations**	**1.6**	5.7
		Discontinued operations		
2.2	4.1	Profit/(loss) from discontinued operations, net of income tax	**2.7**	4.3
3.0	5.5	**Profit/(loss) for the period**	**4.3**	10.0
		Attributable to:		
0.9	*0.8*	*Total attributable from continuing operations*	***1.9***	*4.7*
2.2	4.6	*Total attributable from discontinued operations*	**2.7**	5.2
3.1	5.4	Equity holders of Wessanen	**4.6**	9.9
(0.1)	0.1	Non-controlling interests	**(0.3)**	0.1
3.0	5.5	**Profit/(loss) for the period**	**4.3**	10.0
		Earnings per share attributable to equity holders of Wessanen (in EUR)		
0.04	0.07	Basic	**0.06**	0.13
0.04	0.07	Diluted	**0.06**	0.13
		Earnings per share from continuing operations (in EUR)		
0.01	0.01	Basic	**0.02**	0.06
0.01	0.01	Diluted	**0.02**	0.06
		Earnings per share from discontinued operations (in EUR)		
0.03	0.06	Basic	**0.04**	0.07
0.03	0.06	Diluted	**0.04**	0.07
		Average number of shares (in thousands)		
75,705	75,231	Basic	**76,532**	75,017
0.7761	0.6928	Average USD exchange rate (Euro per USD)	**0.7674**	0.7039
1.2375	1.1266	Average GBP exchange rate (Euro per GBP)	**1.2164**	1.1413

Unaudited condensed consolidated statement of comprehensive income

In € millions

Q2 2012 (unaudited)	Q2 2011 (unaudited)		HY 2012 (unaudited)	HY 2011 (reviewed)
3.0	5.5	Profit/(loss) for the period	4.3	10.0
		Other comprehensive income		
3.7	(1.8)	Foreign currency translation differences, net of income tax	2.4	(5.2)
(0.1)	-	Effective portion of changes in fair value of cash flow hedges, net of income tax	-	0.2
3.6	(1.8)	Other comprehensive income/(loss)	2.4	(5.0)
6.6	3.7	Total comprehensive income/(loss)	6.7	5.0
		Attributable to:		
6.7	3.6	Equity holders of Wessanen	7.0	4.9
(0.1)	0.1	Non-controlling interests	(0.3)	0.1
6.6	3.7	Total comprehensive income/(loss)	6.7	5.0

Unaudited condensed consolidated statement of changes in equity

In € millions

	Issued and paid up share capital	Share premium	Treasury shares	Translation reserve (Reserves)	Hedging reserve (Reserves)	Other legal reserves (Reserves)	Retained earnings	Total equity attributable to equity holders of Wessanen	Non-controlling interests	Total equity
2011										
Balance at beginning of year	75.2	105.0	(3.0)	(24.0)	0.2	1.1	22.5	177.0	6.8	183.8
Total comprehensive income and expense for the period										
Profit/(loss) for the period	-	-	-	-	-	-	9.9	9.9	0.1	10.0
Foreign currency translation differences	-	-	-	(5.2)	-	-	-	(5.2)	-	(5.2)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	0.2	-	-	0.2	-	0.2
Total comprehensive income and expense for the period	-	-	-	(5.2)	0.2	-	9.9	4.9	0.1	5.0
Contributions by and distributions to owners										
Share options exercised/shares delivered	-	-	0.3	-	-	-	(0.3)	-	-	-
Dividends	0.8	(2.1)	-	-	-	-	-	(1.3)	-	(1.3)
Share-based payments	-	-	-	-	-	-	0.2	0.2	-	0.2
Transfer to other legal reserves	-	-	-	-	-	0.3	(0.3)	-	-	-
Total contributions by and distributions to owners	0.8	(2.1)	0.3	-	-	0.3	(0.4)	(1.1)	-	(1.1)
Balance at 30 June 2011	76.0	102.9	(2.7)	(29.2)	0.4	1.4	32.0	180.8	6.9	187.7
2012										
Balance at beginning of year	76.0	102.9	(2.6)	(19.4)	(0.2)	1.5	5.0	163.2	2.9	166.1
Total comprehensive income and expense for the period										
Profit/(loss) for the period	-	-	-	-	-	-	4.6	4.6	(0.3)	4.3
Foreign currency translation differences	-	-	-	2.4	-	-	-	2.4	-	2.4
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	-	-	-	-
Total comprehensive income and expense for the period	-	-	-	2.4	-	-	4.6	7.0	(0.3)	6.7
Contributions by and distributions to owners										
Share options exercised/shares delivered	-	-	0.4	-	-	-	(0.4)	-	-	-
Dividends	-	-	-	-	-	-	(6.1)	(6.1)	-	(6.1)
Share-based payments	-	-	-	-	-	-	0.2	0.2	-	0.2
Total contributions by and distributions to owners	-	-	0.4	-	-	-	(6.3)	(5.9)	-	(5.9)
Balance at 30 June 2012	76.0	102.9	(2.2)	(17.0)	(0.2)	1.5	3.3	164.3	2.6	166.9

Unaudited condensed consolidated statement of financial position

In € millions

	30 June 2012 (unaudited)	31 December 2011 (audited)
Assets		
Property, plant and equipment	56.2	86.4
Intangible assets	105.6	90.6
Investments in associates and other investments	0.5	1.0
Deferred tax assets	5.8	8.8
Total non-current assets	168.1	186.8
Inventories	59.6	67.5
Income tax receivables	0.7	2.2
Trade receivables	77.8	78.9
Other receivables and prepayments	19.8	24.4
Cash and cash equivalents	12.9	8.2
Assets classified as held for sale	78.0	-
Total current assets	248.8	181.2
Total assets	416.9	368.0
Equity		
Share capital	76.0	76.0
Share premium	102.9	102.9
Reserves and retained earnings	(14.6)	(15.7)
Total equity attributable to equityholders of Wessanen	164.3	163.2
Non-controlling interests	2.6	2.9
Total equity	166.9	166.1
Liabilities		
Interest-bearing loans and borrowings	74.3	37.4
Employee benefits	23.1	24.0
Provisions	2.6	2.5
Deferred tax liabilities	3.8	1.4
Total non-current liabilities	103.8	65.3
Bank overdrafts	2.4	2.9
Interest-bearing loans and borrowings	0.1	0.1
Provisions	2.1	3.3
Income tax payables	1.3	0.5
Trade payables	75.0	70.5
Non-trade payables and accrued expenses	48.8	59.3
Liabilities classified as held for sale	16.5	-
Total current liabilities	146.2	136.6
Total liabilities	250.0	201.9
Total equity and liabilities	416.9	368.0
End of period USD exchange rate (Euro per USD)	0.7943	0.7729
End of period GBP exchange rate (Euro per GBP)	1.2395	1.1972

Unaudited condensed consolidated statement of cash flows

In € millions, unless stated otherwise

Q2 2012 (unaudited)	Q2 2011 (unaudited)		HY 2012 (unaudited)	HY 2011 (reviewed)
		Cash flows from operating activities		
2.2	2.9	Operating result	4.3	10.3
		Adjustments for:		
2.6	5.7	Depreciation, amortisation and impairments	5.0	8.1
0.6	0.7	Other non-cash and non-operating items	1.4	-
5.4	9.3	**Cash generated from operations before changes in working capital and provisions**	10.7	18.4
(0.4)	(4.6)	Changes in working capital	-	(14.3)
(1.5)	(1.7)	Payments from provisions and changes in employee benefits	(4.1)	(4.8)
3.5	3.0	**Cash generated from operations**	6.6	(0.5)
(0.5)	(0.2)	Interest paid	(1.1)	(0.4)
1.0	(4.3)	Income tax received/(paid)	(0.5)	(4.7)
4.0	(1.5)	**Operating cash flow from continuing operations**	5.0	(5.6)
-	3.4	Operating cash flow from discontinued operations	(6.8)	2.3
4.0	1.9	**Net cash from operating activities**	(1.8)	(3.3)
		Cash flows from investing activities		
(1.6)	(2.2)	Acquisition of property, plant and equipment	(2.3)	(3.8)
-	-	Proceeds from sale of property, plant and equipment	0.1	-
-	(0.5)	Acquisition of intangible assets	(0.4)	(1.0)
(0.1)	0.4	Proceeds from investments	(0.1)	0.6
-	-	Proceeds from sale of business	3.9	-
1.0	-	Acquisition of subsidiaries and businesses, net of cash acquired	(20.4)	-
(0.7)	(2.3)	**Investing cash flow from continuing operations**	(19.2)	(4.2)
(0.3)	(0.2)	Investing cash flow from discontinued operations	(1.1)	(0.5)
(1.0)	(2.5)	**Net cash from investing activities**	(20.3)	(4.7)
3.0	(0.6)	**Net cash flow before financing activities**	(22.1)	(8.0)
		Cash flows from financing activities		
11.1	-	Proceeds from interest bearing loans and borrowings	36.8	9.8
-	-	Net payments of finance lease liabilities	-	(0.1)
(1.5)	(0.3)	Cash payments derivatives	(1.7)	(0.7)
(6.1)	(1.3)	Dividends paid	(6.1)	(1.3)
3.5	(1.6)	**Financing cash flow from continuing operations**	29.0	7.7
-	(0.1)	Financing cash flow from discontinued operations	-	(0.1)
3.5	(1.7)	**Net cash from financing activities**	29.0	7.6
6.5	(2.3)	**Net cash flow**	6.9	(0.4)
5.9	9.5	**Cash and cash equivalents at beginning of period**	5.3	7.7
6.5	(2.3)	Net cash from operating, investing and financing activities	6.9	(0.4)
-	(0.2)	Effect of exchange rate differences on cash and cash equivalents	0.2	(0.3)
(1.9)	0.3	Cash and cash equivalents related to discontinued operations at end of period	(1.9)	0.3
10.5	7.3	**Cash and cash equivalents of continuing operations at end of period**	10.5	7.3

Notes to the unaudited condensed consolidated interim financial statements

In EUR millions, 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 2012 comprise 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.

Wessanen is a leading company in the European organic food market. Operating mainly in France, the Benelux, UK, Germany and Italy, we manage and develop our brands and products in the grocery and health food channels. Our vision is to make our organic brands most desired in Europe. Our brands, such as Bjorg, Whole Earth, Zonnatura, Kallo, Clipper, Bonneterre, Ekoland, Allos and Tartex, are pioneering brands in the organic food markets. Next to our leading position in organic food businesses, we also produce and market branded (Beckers, Bicky) and private label frozen snack products in the Benelux (Frozen Foods).

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 2011.

These condensed consolidated interim financial statements were approved by the Executive Board and by the Supervisory Board on 24 July 2012.

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 2011 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.

IAS 19R Employee Benefits has not been applied in preparing these unaudited condensed consolidated interim financial statements. The amendments to IAS 19 are effective for annual periods on or after 1 January 2013 and require retrospective application with certain exceptions. Wessanen will adopt the amendments to IAS 19 in the Group's consolidated financial statements for the annual period beginning 1 January 2013. If the revised standard would have been applied on 31 December 2011, the unrecognized actuarial gains and losses would be recognized through equity in "Other Comprehensive Income", resulting in an increase in equity of €15.8 million before tax. The impact on the income statement for 2012 is estimated to result in €0.3 million lower pension costs (to be fully classified as additional 'net financing costs').

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 2011. Reference is made to the 2011 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 2011. In addition, reference is made to the 'risks and uncertainties' section as included on page 12 of this report.

6 Seasonality of operations

The Group's revenues and operating profit from continuing operations is about evenly spread between quarters. The Groups' revenues and operating profit from discontinued operation ('ABC') is impacted by seasonal fluctuations; the summer season results in highest revenue and operating profit for ABC in the second and third quarter.

7 Operating segment information

The activities of continuing operations are carried out by the following three separate business segments: Wessanen Europe Grocery, Wessanen Europe HFS and Frozen Foods. 'Non-allocated' includes corporate entities.

Key financial data regarding these segments are given below:

In EUR millions	Revenue Q2 2012	Q2 2011	HY 2012	HY 2011
Wessanen Europe Grocery	**71.7**	65.9	**138.1**	127.7
Wessanen Europe HFS	**52.0**	68.9	**105.9**	139.5
Frozen Foods	**29.1**	29.7	**56.9**	56.7
Inter-segment eliminations	**(2.0)**	(3.4)	**(4.2)**	(6.3)
Total Continuing operations	**150.8**	161.1	**296.7**	317.6
Total Discontinued operations	**50.2**	34.6	**74.9**	56.9
Total Royal Wessanen	**201.0**	195.7	**371.6**	374.5

In EUR millions	Operating result and operating margin[1] Q2 2012		Q2 2011		HY 2012		HY 2011	
Wessanen Europe Grocery	**4.3**	***6.0%***	6.8	*10.3%*	**9.1**	***6.6%***	13.2	*10.3%*
Wessanen Europe HFS	**(1.1)**	***-2.1%***	(2.7)	*-3.9%*	**(0.5)**	***-0.5%***	0.2	*0.1%*
Frozen Foods	**0.6**	***2.1%***	1.1	*3.7%*	**0.7**	***1.2%***	1.9	*3.4%*
Non-allocated	**(1.6)**		(2.3)		**(5.0)**		(5.0)	
Total Continuing operations	**2.2**	***1.5%***	2.9	*1.8%*	**4.3**	***1.4%***	10.3	*3.2%*
Total Discontinued operations	**3.8**	***7.6%***	4.5	*13.0%*	**4.7**	***6.3%***	5.2	*9.1%*
Total Royal Wessanen	**6.0**	***3.0%***	7.4	*3.8%*	**9.0**	***2.4%***	15.5	*4.1%*

1) Operating result as % of total revenue

In the first half of 2012, total assets increased by €48.9 million, from €368.0 million as at 31 December 2011 to €416.9 million as at 30 June 2012. The increase of assets is primarily driven by the acquisition of Clipper Teas Ltd within Wessanen Europe Grocery (see Note 9) and seasonal patterns at ABC. The assets can be specified as follows:

In EUR millions	Total assets 30 June 2012	31 December 2011
Wessanen Europe Grocery	**169.7**	140.4
Wessanen Europe HFS	**93.5**	94.5
Frozen Foods	**59.0**	59.6
ABC	**0.0**	56.2
Non-allocated	**16.7**	17.3
Total Continuing operations	**338.9**	368.0
Total Discontinued operations	**78.0**	0.0
Total Royal Wessanen	**416.9**	368.0

8 Discontinued operations and disposal groups

American Beverage Company (ABC)

On 26 June 2012, Wessanen announced that it has started the divestment process of ABC. Wessanen initiated an active programme to locate a buyer and to complete the sale in the fourth quarter of 2012. Accordingly, ABC classified as a disposal group held for sale as per 30 June 2012, which is presented as a discontinued operation, as ABC represents a separate major line of business.

The major classes of assets and liabilities of ABC are as follows:

In EUR millions	**30 June 2012**
Assets classified as held for sale	
Property, plant and equipment	33.6
Intangible assets	0.6
Financial assets	3.7
Inventory	16.7
Trade receivables	18.5
Other current assets	4.9
Total assets of the disposal group	**78.0**
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	7.6
Other current liabilities	8.9
Total liabilities of the disposal group	**16.5**
Total net assets of the disposal group	**61.5**

9 Business combinations

In March 2012, Wessanen acquired 100% of the shares of Clipper Teas Ltd, UK market leader in Organic and Fair-trade Teas, located in Dorset, UK. In the four months to 30 June 2012 Clipper Teas Ltd contributed €7.4 million to the consolidated revenue and €(1.5) million to the consolidated operating result for the period, including exceptional items of €(0.7) million. Besides exceptional items, the operating result for the period was impacted by significant investments in advertising and promotion.

The acquisition had the following total effect on Wessanen's assets and liabilities:

In EUR millions	**Acquired values**	**Fair value adjustments**	**Carrying amounts**
Property, plant and equipment	3.4	1.6	5.0
Intangible assets	0.0	8.4	8.4
Inventories	4.3	0.0	4.3
Trade and other receivables	4.3	0.0	4.3
Net cash and cash equivalents	0.1	0.0	0.1
Deferred tax liabilities	0.0	-2.4	-2.4
Accounts payable, income tax payable and other liabilities	-5.3	0.0	-5.3
Net identifiable assets and liabilities	**6.8**	**7.6**	**14.4**
Goodwill on acquisition			6.1
Considerations paid			**20.5**
Cash and cash equivalents acquired			0.1
Net cash outflow			**20.4**

The total consideration of €21.5 million (including acquisition costs of €1.0 million) was fully paid in cash.

The goodwill recognized on the acquisition of Clipper Teas Ltd is mainly attributable to the expected synergies to be achieved from integrating these businesses into Wessanen's UK business and the European roll-out opportunities. The allocation of goodwill to cash-generating units within the Wessanen Europe Grocery is still to be finalized pending full assessment of the benefits for each of the cash-generating units.

If the acquisition had occurred on 1 January 2012, the acquired business would have contributed €11.1 million to the consolidated revenue and €(1.9) million to the consolidated profit for the six-month period ended 30 June 2012.

10 Income taxes

The Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the Group's continuing operations for the year to 31 December 2012 is 35.1%, mainly impacted by the country mix and unrecognised tax losses carried forward in the United States, the Netherlands and Germany (the estimated tax rate for the six-month period ended 30 June 2011 was 35.0%).

11 Dividends

A cash dividend of €6.1 million that relates to the year 2011 was paid in May 2012.

12 Goodwill

The movement of goodwill in the first half of 2012 can be specified as follows:

In EUR millions	
Carrying value at beginning of period	68.1
Acquisitions through business combinations (Note 9)	6.1
Effect of movements in foreign exchange rates	1.0
Carrying value at 30 June 2012	**75.2**

13 Borrowings and loans

Net debt can be specified as follows:

In EUR millions, unless stated otherwise

	30 June 2012	31 December 2011
Long-term interest-bearing loans and borrowings	**74.3**	37.4
Short-term interest-bearing loans and borrowings	**0.1**	0.1
Total interest-bearing loans and borrowings	**74.4**	37.5
Net debt related to assets held for sale	**-**	-
Bank overdrafts	**2.4**	2.9
Cash and cash equivalents	**(12.9)**	(8.2)
Net debt related to continuing operations*	**63.9**	32.2
Net debt related to discontinued operations*	**(1.9)**	
Net debt Wessanen*	**62.0**	32.2

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

Net debt of Wessanen increased by €29.8 million in the six-month period ended 30 June 2012, mainly due to additional loans drawn from Wessanen's syndicated credit facility of €35.0 million.

14 Related party transactions

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

In the first half of 2012, the Company granted 138,030 restricted shares to the Executive Board members. No other significant related party transactions occurred.

15 Events occurring after the reporting period

Non-controlling interest Favory Convenience Food Group

On 23 July 2012 Wessanen announced that it has obtained full ownership of Favory Convenience Food Group by acquiring the non-controlling interest (35.9%) held by Rabo Capital for a (partly deferred) consideration of €5.0 million.

Since this acquisition represents a transaction under common control, any difference between the share of net assets in Favory Convenience Food Group (€2.6 million as per 30 June 2012) and the consideration paid will be accounted for directly against equity (retained earnings).