

PRESS RELEASE – HALF YEAR REPORT 2016

Rotterdam, 21 July 2016

Acomo reports stable net profit at € 17.2 million for H1 2016

Half year interim dividend set at € 0.40 per share, equal to H1 2015

Main financial indicators H1 2016

- Net profit: € 17.2 million (H1 2015: € 17.2 million, +0%)
- Sales: € 341.8 million (H1 2015: € 331.7 million, +3%)
- EBITDA: € 28.2 million (H1 2015: € 27.7 million, +2%)
- Earnings per share: € 0.718 (H1 2015: € 0.723, -1%)
- Interim dividend: € 0.40 per share (H1 2015: € 0.40, equal)
- Solvency: 49.6% (H1 2015: 46.7%)

Major events and developments H1 2016

- Food commodity pricing was volatile in the first six months of 2016 due to the influence of El Niño. While various spice and tea price levels rose, in some cases significantly, other commodities such as nuts went down in price and then stabilized later in the period. Prices of corn, millet and sunflower seeds stabilised at levels seen last year, with an upward trend in the latter part of the period.
- Performance remained very strong in Spices and Nuts. Catz International celebrated its 160th anniversary with yet another great performance. Food Ingredients showed a strong performance while Tea increased volumes but at lower margins. Edible Seeds stabilised both in Europe and the US, with the US recording a similar result to last year. In Europe performance improved compared with the same period in 2015.

Over the first six months of 2016, the consolidated sales recorded by **Amsterdam Commodities N.V.** (Acomo) increased by 3.1% to € 341.8 million (H1 2015: € 331.7 million). The total gross margin increased by 1.3%, keeping the gross margin as a percentage of sales close to last year's figure. The absolute increase was mainly due to a strong performance by the Spices and Nuts segment, as well as by the segment Food Ingredients. The increased tax expenses versus prior year are impacted by the higher profit before tax, and a non-taxable one-off gain in 2015. H1 2016 net profit of € 17.2 million is in line with the first half of 2015.

Currency euro/US dollar

The US dollar remained stable versus the euro in the first six months of 2016 compared with the same period in 2015. The average euro/US dollar exchange rate in the first half year of 2016 was 1.1166 (H1 2015: 1.1168). The FX rate had no meaningful impact on sales and net profit.

The euro/US dollar balance sheet exchange rate on 30 June 2016 was 1.1107, similar to the balance sheet exchange rate on 30 June 2015 (1.1147). The FX rate had no substantial impact on assets and liabilities.

Interim dividend H1 2016

The interim dividend per share is set at € 0.40 in cash, in line with H1 2015. The dividend is payable on 4 August 2016 (ex-dividend date is 25 July 2016).

Key figures H1 2016 - unaudited

	H1 2016	H1 2015	Change %
Consolidated figures (in € millions)			
Sales	341.8	331.7	3.1%
Gross profit	57.0	56.2	1.3%
EBITDA	28.2	27.7	1.6%
EBIT	25.8	25.3	2.0%
Financial result	-1.6	-1.7	-6.3%
Corporate income tax	-7.0	-6.4	9.5%
Net profit	17.2	17.2	0.1%
Impact of specific one-off items on net profit	-	0.3	-100.0%
Shareholders' equity (before interim dividend)	168.7	160.4	5.2%
Total assets	340.3	343.2	-0.8%
Ratios			
Solvency	49.6%	46.7%	2.8%
Return on Equity (ROE), annualised	19.6%	23.3%	-3.7%
Return On Net Capital Employed (RONCE), annualised	17.3%	19.5%	-2.2%
RONCE operating companies (excluding goodwill), annualised	22.1%	24.9%	-2.8%
Dividend pay-out ratio	55.7%	55.3%	0.4%
Key performance indicators (in €)			
Earnings per share	0.718	0.723	-0.7%
Interim dividend per share	0.40	0.40	0.0%
Equity per share per 30 June	7.03	6.74	4.4%
Share price per 30 June	21.99	22.70	-3.1%
Market capitalization per 30 June (in millions)	527.8	540.3	-2.3%
Number of shares outstanding (in thousands)			
Per 30 June	24,001	23,809	0.8%

'The first half of 2016 saw another strong performance, again proving the strength of our operating companies in sometimes difficult market conditions. Catz International achieved the best results in its 160th-year history by taking advantage of market opportunities. The Group achieved a net profit of € 17.2 million, a remarkable result and I would like to compliment all our staff for this', said CEO Erik Rietkerk. 'Our product segments Spices and Nuts and Food Ingredients performed very well, while Tea had a difficult six months in volatile market conditions. Edible Seeds performed slightly better versus last year, with a stable result in the US and improvements in Europe.'

Activity review per segment

Spices and Nuts

Catz International in Rotterdam, the Netherlands, achieved a strong result over the first six months and clearly outperformed last year's result. Sales were up significantly due to higher volumes. Catz International remained the largest contributor to the Group's net profit. Pricing for several of its traded commodities was volatile during the six months, and Catz International was well positioned to benefit with its' partners from these movements. Pepper, desiccated coconut and nuts showed significant price movements and the teams at Catz International again showed their knowledge and experience to optimize their supply chains.

Tovano in Maasdijk, the Netherlands, active in packed nuts and dried fruits, achieved a solid profit level.

King Nuts & Raaphorst in Bodegraven, the Netherlands, active in nuts and rice crackers, was able to increase its volumes by more than 10% albeit at somewhat lower margins, resulting in a net profit marginally lower than H1 2015. The price slide for several nuts started in Q4 2015 and started to recover in Q2 2016, making the first six months a challenging environment in which the company performed remarkably well. King Nuts & Raaphorst expanded its strong position on the domestic market and increased exports compared with the same period 2015.

Edible Seeds

Red River Commodities in Fargo, USA, active in sourcing, processing and distributing edible seeds (mainly sunflower), experienced a warm winter which impacted bird food sales in the market. Despite lower volumes, Red River Commodities maintained its bird seed gross margin. The strong US dollar had an impact on export sales but here Red River Commodities maintained its gross margin as well. Lower sales to the snack market were compensated by an excellent six months for SunButter with sales and margin growth well above 15%. The combination of this resulted in lower sales while Red River Commodities achieved a gross margin marginally below last year. Effective cost control resulted in a net profit similar to H1 2015.

Red River-van Eck in Zevenbergen, the Netherlands, recorded good results in the poppy seeds market and other baking seeds given the difficult market conditions. The company's sunflower seed activities in Southeast Europe concentrated on selling the 2014 and 2015 crop with an improved result versus prior year.

SIGCO Warenhandel in Hamburg, Germany, made a positive contribution to the Group net profit, albeit somewhat lower than H1 2015. Good results in bakery seeds were impacted by negative contributions from hazelnuts.

The Edible Seeds teams continue to show their experience in dealing with volatile markets.

Tea

Van Rees Group in Rotterdam, the Netherlands, had a satisfactory performance given the difficult and sometimes surprising market, with El Niño affecting crops. In Kenya record crop numbers were reported for four months in a row, whereas in South India drought caused estates to run at 50% capacity for the past six months. Prices in Kenya fell sharply in Q1 2016. In Q2 2016 however, the market turned and kept its firmer position which has surprised many, as it was different compared to the other bumper years 13/14. The additional 50,000-60,000 MT from Kenya (a 20% increase compared to H1 2015) is currently being supported by the very strong Asian markets. Van Rees Group performed well in these conditions, but the result was impacted by some trading positions which led to a lower overall net profit in the first six months. Van Rees Group is well positioned to contribute to the Group given the experience of its trading teams.

Food Ingredients

Distribution and blending activities in food ingredients delivered a very strong performance in the first six months. All categories showed strong growth, highlighting the robustness of the business model. Developed blends grew by over 10% while trading and distribution contracts continue to increase sales and margins. Sales of traded products were up double-digit and net profit grew significantly on the back of an integrated business. The management team performed very well and achieved profitable growth.

Non-recurring items

H1 2016 does not include any items of a non-recurring character which would affect the comparison with H1 2015 financials. The H1 2015 results included one-off items, mainly consisting of the release of part of a contingent purchase price consideration and costs relating to termination of employees. The total negative net impact on H1 2016 net profit as compared with H1 2015 net result was € 0.3 million.

Consolidated balance sheet and financial position

The Group's total balance sheet shortened when compared with 31 December 2015 mainly due to a reduction in inventory. Inventories decreased with € 16.5 million, partly offset by higher trade receivables (increase of € 9.0 million) and lower trade creditors (decrease of € 5.1 million).

Shareholders' equity had increased by € 0.4 million to € 168.7 million on 30 June 2016 (year-end 2015: € 168.3 million). In May 2016, the 2015 final dividend of € 14.4 million was paid (€ 0.60 per share). Long-term bank borrowings remained stable and short-term borrowing was reduced by € 1.3 million.

Outlook 2016

2016 started in line with the first half of 2015. Given the nature of the Group's activities, it is impossible to forecast market developments or likely Group results. However, the company is confident that its teams will continue to generate good results for shareholders.

Responsibility Statement Executive Board as per section 5:25c (2) (c) of the Dutch Financial Supervision Act ("Wft")

The Company's executive directors hereby declare that, to the best of their knowledge:

1. The half year report for the first six months of 2016 gives a true and fair view of the assets, liabilities, financial position and the profit of the Company and its consolidated entities;
2. The Management Board's report for the first six months of 2016 gives a true and fair view of the financial position of the company at the balance sheet date and of their state of affairs during the first H1 2016 of the Company and its related entities whose financial information has been consolidated in the half year report.

Rotterdam, 21 July 2016

Erik Rietkerk
CEO

Allard Goldschmeding
CFO

Appendices

Page	7	Consolidated balance sheet as at 30 June 2016
Page	8	Consolidated income statement H1 2016
Page	8	Consolidated cash flow statement H1 2016
Page	9	Statement of changes in shareholders' equity H1 2016
Page	9	Consolidated statement of comprehensive income H1 2016
Page	10	Segment information H1 2016
Page	11	Notes to the H1 2016 consolidated interim financial statements
Page	12	Financial calendar 2017

This report in the English language has also been translated into the Dutch language. In case of any differences between the two versions, the English version will prevail.

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**About Amsterdam Commodities N.V.**

Amsterdam Commodities N.V. (Acom) is an international group with as its principal business the trade and distribution of natural food products and ingredients. Our main trading subsidiaries are Catz International B.V. in Rotterdam, the Netherlands, (spices and food raw materials), Van Rees Group B.V. in Rotterdam, the Netherlands, (tea), Red River Commodities Inc. in Fargo, USA, (confectionary sunflower seeds), Red River-van Eck B.V. in Zevenbergen, the Netherlands, and SIGCO Warenhandelsgesellschaft mbH in Hamburg, Germany, (edible seeds), King Nuts B.V. in Bodegraven, the Netherlands, (nuts), and Snick EuroIngredients N.V. in Ruddervoorde, Belgium, and Tefco EuroIngredients B.V. in Bodegraven, the Netherlands, (food ingredients). Acom shares have been traded on Euronext Amsterdam since 1908.

Amsterdam Commodities N.V.

Consolidated balance sheet as at 30 June 2016

before interim dividend

<i>(in € thousands)</i>	30 June 2016	31 December 2015	30 June 2015
ASSETS			
Non-current assets			
Intangible assets	60 941	60 436	59 604
Property, plant and equipment	40 465	42 091	40 234
Other non-current assets	1 266	-	-
Deferred tax assets	425	470	202
Total non-current assets	103 097	102 997	100 040
Current assets			
Inventories	146 676	163 147	156 904
Trade receivables	84 190	75 150	78 160
Other receivables	3 809	4 627	3 802
Derivative financial instruments	947	1 613	3 113
Cash and cash equivalents	1 624	1 384	1 162
Total current assets	237 246	245 921	243 141
Total assets	340 343	348 918	343 181
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	10 800	10 796	10 714
Share premium reserve	50 649	50 571	49 267
Other reserves	10 779	13 268	12 249
Retained earnings	79 284	61 434	70 957
Net profit for the period	17 229	32 251	17 209
Total shareholders' equity	168 741	168 320	160 396
Non-current liabilities and provisions			
Bank borrowings	7 850	7 868	8 518
Deferred tax liabilities	10 681	11 060	8 029
Retirement benefit obligations	1 849	1 908	2 099
Other provisions	754	1 213	2 800
Total non-current liabilities	21 134	22 049	21 446
Current liabilities			
Bank borrowings	99 379	100 476	107 576
Trade creditors	32 447	37 538	31 063
Tax liabilities	3 480	1 137	5 737
Derivative financial instruments	408	1 150	1 433
Other current liabilities and accrued expenses	14 754	18 248	15 530
Total current liabilities	150 468	158 549	161 339
Total equity and liabilities	340 343	348 918	343 181

The interim financial statements have not been subject to an audit.

Amsterdam Commodities N.V.

Consolidated income statement H1 2016

<i>(in € thousands)</i>	H1 2016	H1 2015
Sales	341 826	331 693
Cost of goods sold	(284 865)	(275 457)
Gross profit	56 961	56 236
Personnel costs	(19 185)	(19 025)
General costs	(9 619)	(9 484)
Depreciation and impairment charges	(2 331)	(2 419)
Total cost	(31 135)	(30 928)
Operating income	25 826	25 308
Interest income	28	5
Interest expense	(1 628)	(1 364)
Other financial income and expenses	(9)	(360)
Profit before income tax	24 217	23 589
Corporate income tax	(6 988)	(6 380)
Net profit	17 229	17 209
Total basic EPS (in €)	0.718	0.723
Total diluted EPS (in €)	0.714	0.716

Consolidated cash flow statement H1 2016

<i>(in € thousands)</i>	H1 2016	H1 2015
Cash flow from operating activities	27 887	24 908
Net changes in working capital	(3 254)	(19 945)
Net changes in bank financing of working capital	(181)	21 908
Paid interest and taxes	(5 960)	(7 512)
Total cash flow from operating activities	18 492	19 359
Cash flow from investing activities	(2 839)	(1 983)
Cash flow from financing activities		
Dividend paid	(14 401)	(16 666)
Proceeds from new shares	82	337
Net changes in long term bank borrowings	(1 078)	(1 473)
Cash flow from financing activities	(15 397)	(17 802)
Net increase/(decrease) in cash and cash equivalents	256	(426)
Cash and cash equivalents at the beginning of the year	1 384	1 558
Exchange gains/(losses) on cash and cash equivalents	(16)	30
Cash and cash equivalents at the end of half year	1 624	1 162

The interim financial statements have not been subject to an audit.

Amsterdam Commodities N.V.

Statement of changes in shareholders' equity H1 2016

<i>(in € thousands)</i>	Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the period	Total equity
Balance at 1 January 2015	10 695	48 949	4 653	54 559	33 064	151 920
Net profit for the period	-	-	-	-	17 209	17 209
Other comprehensive income	-	-	7 559	-	-	7 559
Appropriation of net profit	-	-	-	33 064	(33 064)	-
Issue of ordinary shares	19	318	-	-	-	337
Employee share option plan	-	-	37	-	-	37
Dividend relating to 2014, final	-	-	-	(16 666)	-	(16 666)
Balance at 30 June 2015	10 714	49 267	12 249	70 957	17 209	160 396
Balance at 1 January 2016	10 796	50 571	13 268	61 434	32 251	168 320
Net profit for the period	-	-	-	-	17 229	17 229
Other comprehensive income	-	-	(2 523)	-	-	(2 523)
Appropriation of net profit	-	-	-	32 251	(32 251)	-
Issue of ordinary shares	4	78	-	-	-	82
Employee share option plan	-	-	34	-	-	34
Dividend relating to 2015, final	-	-	-	(14 401)	-	(14 401)
Balance at 30 June 2016	10 800	50 649	10 779	79 284	17 229	168 741

Consolidated statement of comprehensive income H1 2016

<i>(in € thousands)</i>	H1 2016	H1 2015
Net profit	17 229	17 209
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves on equity, net	(1 421)	4 576
Movement currency translation differences on goodwill	(758)	2 637
Movement on cash flow hedge	(344)	346
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(2 523)	7 559
Total other comprehensive income	(2 523)	7 559
Total comprehensive income	14 706	24 768
Total comprehensive income attributable to shareholders of the parent	14 706	24 768

The interim financial statements have not been subject to an audit.

Amsterdam Commodities N.V.

Segment information H1 2016

<i>(in € thousands)</i>	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Other	Total
H1 2016						
Sales	167 109	96 640	69 620	10 893	(2 436)	341 826
Costs	(153 416)	(86 274)	(66 768)	(9 061)	1 851	(313 668)
EBITDA	13 693	10 366	2 852	1 832	(585)	28 158
Depreciation	(115)	(1 778)	(243)	(174)	(21)	(2 331)
Interest income/(expense), net	(485)	(1 055)	(310)	(53)	293	(1 610)
Income tax expense	(3 296)	(2 407)	(794)	(557)	66	(6 988)
Non-recurring items, net of tax	-	-	-	-	-	-
Net result	9 797	5 126	1 505	1 048	(247)	17 229
Total assets	106 621	114 464	58 817	12 644	47 797	340 343
Total liabilities	85 985	73 800	40 155	1 332	(29 670)	171 602
H1 2015						
Sales	159 238	101 562	61 933	10 750	(1 790)	331 693
Costs	(146 876)	(90 949)	(58 438)	(9 498)	1 529	(304 232)
EBITDA	12 362	10 613	3 495	1 252	(261)	27 461
Depreciation	(116)	(1 761)	(220)	(290)	(31)	(2 418)
Financial results	(402)	(1 495)	(342)	(54)	574	(1 719)
Income tax expense	(2 961)	(2 310)	(767)	(344)	(82)	(6 464)
Non-recurring items, net of tax	-	600	-	-	(251)	349
Net result	8 883	5 647	2 166	564	(51)	17 209
Total assets	113 566	116 124	51 438	11 581	50 472	343 181
Total liabilities	92 691	75 400	31 703	672	(17 681)	182 785

The column 'Other' mainly represents holding costs and intra Group items.

Sales per geography

<i>(in € thousands)</i>	NL	EU other	US	Other	Total
H1 2016	57 359	154 803	86 308	43 356	341 826
H1 2015	49 869	156 457	96 895	28 472	331 693

Other	H1 2016	H1 2015
Number of FTE's per 30 June	591	594
Effective tax rate (%)	28.9%	27.6%

The interim financial statements have not been subject to an audit.

Notes to the H1 2016 Consolidated interim financial statements

1. General

The interim financial statements for the six months ending 30 June 2016 comprise the Company and its subsidiaries and have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 'Interim Financial Reporting'. They do not contain all the information required for annual financial statements and should be read in conjunction with the financial statements as of 31 December 2015.

The accounting policies and rules and measurement of income used for the preparation of the interim financial statements are consistent with the financial statements 2015 (published on the website of the Company) and are in accordance with IFRS as adopted by the European Union.

The H1 2016 interim financial statements are unaudited.

2. Hedge accounting

All Acomo operating companies are required to hedge foreign exchange exposure related to transactions against their functional currency. The Group applies IFRS hedge accounting in order to exclude unrealized foreign currency results from the income statement. Based on a cost/benefit analysis Acomo has decided to discontinue applying IFRS hedge accounting for a number of entities as from 2016. IFRS hedge accounting continues to be applied in the Tea segment.

The discontinuation of hedge accounting has no operational effect on the business, and only constitutes a timing difference. Unrealized foreign currency results are recognised in the income statement rather than on the balance sheet, whereas under IFRS hedge accounting these results are recognised to the income statement upon realisation.

The impact of the discontinuation on the H1 2016 net profit is not material.

3. Shareholders' equity

The movements in shareholders' equity are shown in the consolidated statement of changes in shareholders' equity on page 9. During H1 2016, Acomo issued 10,000 new shares under the existing share option plan.

On 30 June 2016, the number of shares outstanding was 24,000,826 (31 December 2015: 23,990,826).

Based on the existing share options granted, 45,000 share options are vested but not yet exercised. A total of 205,500 share options will vest on 1 September 2016. In the years 2017 until 2021, a total of 160,000 share options will vest.

4. Corporate governance, risks and risk management

The corporate governance policies of the Company, the risks related to the activities and the risk control and management systems of the Group are described in the Annual Report 2015 dated 3 March 2016 (published on the website of the Company) and are unchanged. The main risks and uncertainties remain applicable in the current financial year.

5. Seasonality

The half year reported results of Acomo are not impacted by a seasonal pattern. The sales and margins are determined by market prices and conditions, rather than seasonal fluctuations.

Financial calendar 2017

16 February 2017	Trading Update Q4 2016 – publication of the 2016 financials (unaudited) – after close
9 March 2017	Publication of the Annual Report 2016 – after close
26 April 2017	Annual General Meeting
28 April 2017	Ex-dividend date, Final dividend FY 2016
11 May 2017	Dividend payment date, Final dividend FY 2016
20 July 2017	Publication of the H1 2017 results (unaudited) – after close
25 July 2017	Ex-dividend date, Interim dividend H1 2017
4 August 2017	Dividend payment date, Interim dividend H1 2017

All publications will be made available through www.acomo.nl
