

## HALF-YEAR REPORT

DATE 9 August 2017

### Corbion first half 2017 results

**Corbion reported H1 2017 sales of € 461.9 million, an increase of 1.4% compared to H1 2016. Organic sales growth was -0.9%, mostly due to lower volumes in Bakery. EBITDA excluding one-off items in H1 2017 decreased by 1.7% to € 88.3 million. Organic EBITDA has declined by 6.2% in H1 2017.**

"Top-line development in the first half of the year fell short of our ambition level, mainly due to a shortfall in Bakery. The first results of our actions to recover sales in Bakery became visible in the course of the second quarter. Based on this, and the positive developments in other parts of the business, we are optimistic about our top-line performance in the second half of the year. As expected, our margins in the second quarter were adversely affected by rising sugar prices. The PLA joint venture with Total became operational in early March, and plant construction is well underway and on schedule", comments Tjerk de Ruiter, CEO.

#### Key financial highlights first half of 2017\*:

- Net sales organic growth YTD was -0.9%; volume growth was -1.6%
- EBITDA before one-off items YTD was € 88.3 million, an organic decrease of 6.2%
- EBITDA margin before one-off items YTD was 19.1%
- One-off items at EBITDA level of € 6.0 million, mostly in connection with the newly founded Total Corbion PLA joint venture
- Operating result YTD was € 73.1 million, an organic increase of 10.8%
- Free cash flow was YTD € 2.3 million
- Net debt/EBITDA at half year-end was 0.9x (year-end 2016: 0.6x)
- We commenced our € 25 million share buyback program on 18 April 2017. By the end of H1 the total buyback amount was € 12.8 million. The program will be completed before year-end.

€ million	YTD 2017	YTD 2016	Total growth	Organic growth
Net sales	461.9	455.7	1.4%	-0.9%
EBITDA excluding one-off items	88.3	89.8	-1.7%	-6.2%
EBITDA margin excluding one-off items	19.1%	19.7%		
Operating result	73.1	63.4	15.3%	10.8%
ROCE	21.4%	23.2%		

\* For Non-GAAP definitions see page 19

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### Management review H1 2017

#### Net sales

Net sales in H1 2017 increased by 1.4% to € 461.9 million (H1 2016: € 455.7 million) due to a positive currency impact (3.1%) partly offset by divestments (-0.8%) and negative organic growth (-0.9%). The divestment impact is related to the divestment of Breddo-Likwifier activities, effective as of 9 December 2016.

Organic sales growth of -1.1% in the Biobased Ingredients business unit was mostly driven by volume declines in the Food business segment due to a weak performance in Bakery, which was partly offset by a price/mix improvement. Organic sales growth for the Biochemicals business segment was positive, due to volume growth in all markets except animal health. The increase in Biobased Innovations sales mostly reflects higher volumes sold to the Total Corbion PLA joint venture. The negative price/mix is largely the result of the fact that as from 2 March 2017, with the inception of the Total Corbion PLA joint venture, lactide/PLA sales are no longer reported under Biobased Innovations.

#### Growth rates YTD and Q2

	Total growth	Currency	Total growth at constant currency	Acquisitions/ Divestments	Organic	Price/Mix	Volume
<b>YTD 2017 vs 2016</b>							
<b>Biobased Ingredients</b>	<b>1.2%</b>	<b>3.1%</b>	<b>-1.9%</b>	<b>-0.8%</b>	<b>-1.1%</b>	<b>1.6%</b>	<b>-2.7%</b>
- Food	-0.1%	3.4%	-3.5%	-1.1%	-2.4%	1.9%	-4.3%
- Biochemicals	5.4%	2.0%	3.4%	0.0%	3.4%	0.2%	3.2%
<b>Biobased Innovations</b>	<b>7.1%</b>	<b>3.7%</b>	<b>3.4%</b>	<b>0.0%</b>	<b>3.4%</b>	<b>-29.4%</b>	<b>50.8%</b>
<b>Total</b>	<b>1.4%</b>	<b>3.1%</b>	<b>-1.7%</b>	<b>-0.8%</b>	<b>-0.9%</b>	<b>0.7%</b>	<b>-1.6%</b>
<b>Q2 2017 vs Q2 2016</b>							
<b>Biobased Ingredients</b>	<b>0.8%</b>	<b>2.4%</b>	<b>-1.6%</b>	<b>-0.9%</b>	<b>-0.7%</b>	<b>1.6%</b>	<b>-2.3%</b>
- Food	0.2%	2.7%	-2.5%	-1.1%	-1.4%	2.3%	-3.7%
- Biochemicals	2.8%	1.6%	1.2%	0.0%	1.2%	-2.0%	3.2%
<b>Biobased Innovations</b>	<b>52.8%</b>	<b>6.0%</b>	<b>46.8%</b>	<b>0.0%</b>	<b>46.8%</b>	<b>-26.2%</b>	<b>107.4%</b>
<b>Total</b>	<b>2.0%</b>	<b>2.5%</b>	<b>-0.5%</b>	<b>-0.8%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.0%</b>

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### EBITDA

YTD EBITDA excluding one-off items decreased by 1.7% to € 88.3 million, mostly due to negative organic growth. Currencies positively impacted EBITDA by € 4.0 million.

€ million	YTD 2017	YTD 2016	Q2 2017	Q2 2016		Growth YTD
<b>Net sales</b>						
<b>Biobased Ingredients</b>	<b>449.9</b>	<b>444.5</b>	<b>223.9</b>	<b>222.1</b>		<b>1.2%</b>
- Food	336.4	336.8	169.0	168.7		-0.1%
- Biochemicals	113.5	107.7	54.9	53.4		5.4%
<b>Biobased Innovations</b>	<b>12.0</b>	<b>11.2</b>	<b>8.1</b>	<b>5.3</b>		<b>7.1%</b>
<b>Total net sales</b>	<b>461.9</b>	<b>455.7</b>	<b>232.0</b>	<b>227.4</b>		<b>1.4%</b>
<b>EBITDA excluding one-off items</b>						
<b>Biobased Ingredients</b>	<b>91.2</b>	<b>92.1</b>	<b>41.8</b>	<b>48.5</b>		<b>-1.0%</b>
- Food	71.7	72.6	34.5	38.5		-1.2%
- Biochemicals	29.1	28.4	12.2	14.1		2.5%
- Central costs	(9.6)	(8.9)	(4.9)	(4.1)		7.9%
<b>Biobased Innovations</b>	<b>(2.9)</b>	<b>(2.3)</b>	<b>(1.3)</b>	<b>(2.4)</b>		<b>25.0%</b>
<b>Total EBITDA excluding one-off items</b>	<b>88.3</b>	<b>89.8</b>	<b>40.5</b>	<b>46.1</b>		<b>-1.7%</b>
One-off items	6.0	(2.3)	0.7	(1.3)		
<b>Total EBITDA</b>	<b>94.3</b>	<b>87.5</b>	<b>41.2</b>	<b>44.8</b>		<b>7.8%</b>
Depreciation/amortization	(21.2)	(24.1)	(9.1)	(12.2)		-12.0%
<b>Total Operating Result</b>	<b>73.1</b>	<b>63.4</b>	<b>32.1</b>	<b>32.6</b>		<b>15.3%</b>
<b>EBITDA margin excluding one-off items</b>						
<b>Biobased Ingredients</b>	<b>20.3%</b>	<b>20.7%</b>	<b>18.7%</b>	<b>21.8%</b>		
- Food	21.3%	21.6%	20.4%	22.8%		
- Biochemicals	25.6%	26.4%	22.2%	26.4%		
<b>Biobased Innovations</b>	<b>-24.2%</b>	<b>-20.7%</b>	<b>-16.0%</b>	<b>-44.4%</b>		
<b>Total EBITDA margin excluding one-off items</b>	<b>19.1%</b>	<b>19.7%</b>	<b>17.5%</b>	<b>20.3%</b>		
<b>Total EBITDA excluding one-off items and acquisitions/divestments, at constant currencies</b>	<b>84.3</b>	<b>89.8</b>	<b>38.4</b>	<b>46.1</b>		<b>-6.2%</b>

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### Depreciation, amortization, and impairment

Depreciation, amortization and impairment of fixed assets amounted to € 21.2 million compared to € 24.1 million in H1 2016.

### Operating result

Operating result excluding one-off items increased by € 2.0 million to € 67.7 million in H1 2017 (H1 2016: € 65.7 million).

### One-off items

In H1 2017, a positive total of € 5.9 million in one-off items was recorded on result-after-tax level, consisting of the following components:

- One-off gain of € 6.4 million related to the sale of the subsidiary 'Total Corbion PLA (Thailand) Limited' to the joint venture Total Corbion PLA bv
- A one-off loss of € 0.6 million related to an additional impairment of our former Kansas Avenue powder blending plant
- A book loss of € 0.4 million related to sale of machinery of our former Kansas Avenue powder blending plant
- Positive tax effects on the above of € 0.5 million

### Financial income and charges

Net financial charges increased by € 5.0 million to € 7.5 million, mainly caused by foreign exchange rate effects on long-term loans and a one-off gain in H1 2016 related to a partial reversal of an impairment of a loan for beet growers following the divestment of CSM Sugar.

### Taxes

The tax charge on our operations in H1 2017 amounted to € 15.2 million ( 23.9% of result before tax) compared to a charge of € 0.3 million in H1 2016. The tax charge in 2016 was reduced by the recording of deferred tax assets (DTA).

### Balance sheet

Capital employed increased, compared to year-end 2016, by € 15.7 million to € 612.2 million. The movements were:

€ million	
Capital expenditure on (in)tangible fixed assets	21.2
Depreciation / amortization / impairment of (in)tangible fixed assets	-21.2
Change in operating working capital	23.2
Change in provisions, other working capital and financial assets/ accruals	2.3
Movements related to PLA joint venture	14.7
Taxes	2.6
Exchange rate differences	-27.4
Other	0.3

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Major capital expenditure projects in 2017 are investments in our US emulsifiers plant to start the production of PGME, an emulsifier mostly used in sweet goods and investments in the PLA plant.

Operating working capital increased by € 13.3 million. This increase is the balance of an operational increase of € 23.2 million and currency effects of € 9.9 million.

Shareholders' equity decreased by € 43.8 million to € 454.7 million. The movements were:

- The positive result after taxes of € 48.3 million
- A decrease of € 60.5 million related to the dividend for financial year 2016
- A decrease of € 12.8 million related to the share buyback program
- Negative exchange rate differences of € 14.1 million due to the translation of equity denominated in currencies other than the euro
- Negative movement of € 10.1 million in the hedge reserve
- Net share based remuneration costs charged to result of € 1.3 million
- Positive tax effects € 4.1 million

Ultimo H1 2017 the ratio between balance sheet total and equity was 1:0.6 (2016 year-end: 1:0.6).

### Cash flow/Financing

Cash flow from operating activities decreased compared to year-end 2016 by € 21.8 million to € 29.4 million. This is the balance of the higher operational cash flow before movements in working capital of € 0.1 million, a negative impact of the movement in working capital and provisions of € 26.2 million, and lower taxes and interest paid of € 4.3 million.

The cash flow required for investment activities decreased compared to H1 2016 by € 1.9 million to € 27.1 million. Capital expenditures accounted for most (€ 24.9 million) of this cash outflow.

The net debt position at half-year end 2017 was € 157.5 million, an increase of € 59.5 million compared to year end 2016, mainly due to dividend payment, the share buyback program, capital expenditures, and the increase in working capital compared to year-end, partly compensated by the positive cash flow from operating activities before working capital and provisions.

Ultimo H1 2017, the ratio of net debt to EBITDA was 0.9x (year-end 2016: 0.6x). The interest cover for H1 2017 was 22.5x (H1 2016: 23.9x). We continue to stay well within the limits of our financing covenants.

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### Financial guidance 2015-2018

- Biobased Ingredients: net sales growth (CAGR) of 2-4% (1-3% in Food, 5-8% in Biochemicals), EBITDA margin > 18% in 2018, while maintaining ROCE > 15% throughout the period. Recurring capex is expected to be on average € 35 million per annum.
- Biobased Innovations: the loss on EBITDA is not to materially exceed the level of 2013 (minus € 14 million). Business plans at maturity are required to deliver an EBITDA margin of > 18% and a ROCE of > 15%. Recurring capex, excluding large commercial-scale plant investments, is expected to be on average € 20 million per annum.
- Corbion continues to target a net debt/EBITDA ratio of 1.5x, over the investment cycle.

### Outlook 2017

Our outlook for 2017 is unchanged from the one provided in our Q1 Interim Management Statement (25 April 2017). We continue to expect the 2017 organic net sales growth in Biobased Ingredients to end up below the multi-year guidance bandwidth of 2-4%. We expect organic sales growth for Biobased Ingredients in H2 2017 to improve compared to H1 2017. Despite the adverse impact of higher input costs compared to last year, we continue to project our total Corbion EBITDA excluding one-off items for 2017 to be slightly below that of 2016 (€ 170.1 million)\*, as our business mix continues to improve.

\* Assuming no impact from potential TerraVia stock/asset purchase and average USD/EUR 1.17 for H2 2017.

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### Segment information

#### Biobased Ingredients

€ million	YTD 2017	YTD 2016		Q2 2017	Q2 2016
Net sales	449.9	444.5		223.9	222.1
Organic growth	-1.1%	0.5%		-0.7%	-0.8%
EBITDA	90.8	89.8		41.4	47.2
EBITDA excl. one-off items	91.2	92.1		41.8	48.5
EBITDA margin excl. one-off items	20.3%	20.7%		18.7%	21.8%
ROCE	27.5%	30.4%		25.1%	31.9%
Average Capital Employed	541.8	483.9		560.1	489.5

Net sales in Biobased Ingredients, which encompasses Food, Biochemicals and central costs, decreased organically by 1.1% in H1 2017, mostly driven by lower volumes in the Food business segment. The EBITDA margin excluding one-off items decreased from 20.7% to 20.3%, as both Food and Biochemicals saw margins negatively affected by higher input costs.

#### Business segment Food

€ million	YTD 2017	YTD 2016		Q2 2017	Q2 2016
Net sales	336.4	336.8		169.0	168.7
Organic growth	-2.4%	0.4%		-1.4%	-2.7%
EBITDA	71.3	70.3		34.1	37.2
EBITDA excl. one-off items	71.7	72.6		34.5	38.5
EBITDA margin excl. one-off items	21.3%	21.6%		20.4%	22.8%

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Net sales in H1 2017 decreased organically by 2.4%. A decrease in sales was expected for the first quarter as we lost some volumes in more commoditized parts of the US meat market and optimized the customer and SKU portfolio in Bakery in Q2 2016. However, the sales reduction was more pronounced than anticipated due to losses at frozen dough, and challenges in executing our Bakery channel strategy. We are working to recover the lost business, with the first results of this recovery process seen in Q2.

In Meat in the US we regained some of the lost volume of last year, but more importantly, the portfolio mix shift towards natural preservation solutions continues to support margin improvements. Meat sales growth outside the US was mainly driven by Latin America.

In other markets (Beverages, Confectionery, Dairy), overall sales increased slightly, with particularly good growth in Confectionery.

The EBITDA margin decreased from 21.6% to 21.3% as a balance of mix improvements and higher input costs.

### Business segment Biochemicals

€ million	YTD 2017	YTD 2016		Q2 2017	Q2 2016
Net sales	113.5	107.7		54.9	53.4
Organic growth	3.4%	0.9%		1.2%	5.8%
EBITDA	29.1	28.4		12.2	14.1
EBITDA excl. one-off items	29.1	28.4		12.2	14.1
EBITDA margin excl. one-off items	25.6%	26.4%		22.2%	26.4%

Net sales in the Biochemicals business segment increased organically by 3.4% in H1 2017. Sales growth was seen in all markets during H1 2017, except for animal health. The strongest performing markets were HPC, Electronics, and Agrochemicals. As expected, Medical/Pharma saw a slower Q2 after a very strong Q1. This also explains a significant part of the EBITDA margin differential between Q1 (28.8%) and Q2 (22.2%).

The Biochemicals EBITDA margin for H1 2017 decreased from 26.4% to 25.6%, mainly due to higher input costs as last year's increase in sugar prices (hedged in 2016) has impacted our Q2 margins.

### Central costs

€ million	YTD 2017	YTD 2016		Q2 2017	Q2 2016
EBITDA	(9.6)	(8.9)		(4.9)	(4.1)
EBITDA excl. one-off items	(9.6)	(8.9)		(4.9)	(4.1)



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The increase in central costs is due to phasing. Also, H1 2016 saw a reversal of personnel related accruals.

### Biobased Innovations

€ million	YTD 2017	YTD 2016		Q2 2017	Q2 2016
Net sales	12.0	11.2		8.1	5.3
Organic growth	3.4%	57.7%		46.8%	58.9%
EBITDA	3.5	(2.3)		(0.2)	(2.4)
EBITDA excl. one-off items	(2.9)	(2.3)		(1.3)	(2.4)
EBITDA margin excl. one-off items	-24.2%	-20.7%		-16.0%	-44.4%
Average Capital Employed	70.5	81.0		56.2	85.3

The increase in Biobased Innovations sales mostly reflects higher volumes sold to the Total Corbion PLA joint venture. The negative price/mix is largely due to the fact that as from 2 March 2017 (when the joint venture commenced), lactide/PLA sales are no longer reported under Biobased Innovations. The negative price/mix effect occurred because lactic acid that is sold to the Total Corbion PLA joint venture is sold at a lower price/kg than lactide and/or PLA. The one-off gain of € 6.4 million is related to the sale of the subsidiary 'Total Corbion PLA (Thailand) Limited' to the joint venture Total Corbion PLA bv.

## Risks

Our approach to risk management aims to achieve a reasonable level of assurance, in line with the Enterprise Risk Management framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO – ERM). Our approach aims to embed risk awareness and risk management at all levels of Corbion to ensure risk decisions are taken and evaluated consciously and properly.

The principal risk faced by the company during the first half of the financial year were the same as those identified at year-end 2016 and management does not presently anticipate any material changes to the nature of the risks affecting Corbion's business over the second half of the financial year. A description of Corbion's risk management practices, principal risks and how they impact Corbion's business is provided in our 2016 Annual Report.

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### Responsibility Statement

The Board of Management hereby declares that, to be best of their knowledge, the condensed interim financial statements for the first half-year of 2017 have been prepared in accordance with IAS 34, "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit of Corbion nv and its consolidated companies included in the consolidation as a whole. Furthermore, to the best of our knowledge, this half-year report includes a fair view of the information required pursuant to Section 5:25d subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

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### Consolidated income statement

<i>millions of euros</i>	1st Half-year	
	2017	2016
Net sales	461.9	455.7
Costs of raw materials and consumables	-222.4	-224.1
Production costs	-68.8	-68.3
Warehousing and distribution costs	-24.8	-24.3
<b>Gross profit</b>	<b>145.9</b>	<b>139.0</b>
Selling expenses	-30.8	-31.4
Research and development costs	-15.8	-15.6
General and administrative expenses	-32.6	-28.6
Other proceeds	6.4	
<b>Operating result</b>	<b>73.1</b>	<b>63.4</b>
Financial income	2.8	1.1
Financial charges	-10.3	-3.6
Results from joint ventures and associates	-2.1	-0.2
<b>Result before taxes</b>	<b>63.5</b>	<b>60.7</b>
Taxes	-15.2	-0.3
<b>Result after taxes</b>	<b>48.3</b>	<b>60.4</b>
<b>Per common share in euros</b>		
Basic earnings	0.84	1.00
Diluted earnings	0.83	0.99

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### Consolidated statement of comprehensive income

<i>millions of euros</i>	1st Half-year	
	2017	2016
<b>Result after taxes</b>	<b>48.3</b>	<b>60.4</b>
<b>Other comprehensive results to be recycled:</b>		
Translation reserve	-14.1	3.4
Hedge reserve	-10.1	3.7
Taxes relating to other comprehensive results to be recycled	4.1	-0.8
<b>Total other comprehensive results to be recycled</b>	<b>-20.1</b>	<b>6.3</b>
<b>Total comprehensive result after taxes</b>	<b>28.2</b>	<b>66.7</b>

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### Consolidated statement of financial position

<i>before profit appropriation, millions of euros</i>	<b>As at 30-06-2017</b>	<b>As at 31-12-2016</b>
<b>Assets</b>		
Property, plant, and equipment	281.7	297.2
Intangible fixed assets	132.2	138.2
Investments in joint ventures and associates	12.7	5.0
Other non-current financial assets	47.9	0.8
Deferred tax assets	24.5	25.4
<b>Total non-current assets</b>	<b>499.0</b>	<b>466.6</b>
Inventories	130.6	137.7
Trade receivables	115.9	111.7
Other receivables	18.2	12.1
Income tax receivables	13.2	6.2
Cash and cash equivalents	29.1	60.8
Assets held for sale		47.9
<b>Total current assets</b>	<b>307.0</b>	<b>376.4</b>
<b>Total assets</b>	<b>806.0</b>	<b>843.0</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>454.7</b>	<b>498.5</b>
Provisions	18.0	21.1
Deferred tax liabilities	18.4	13.7
Non-current liabilities	122.9	133.1
<b>Total non-current liabilities</b>	<b>159.3</b>	<b>167.9</b>
Interest-bearing current liabilities	63.7	25.7
Trade payables	60.0	76.2
Other non-interest-bearing current liabilities	59.9	62.1
Provisions	2.3	3.8
Income tax payables	6.1	7.1
Liabilities directly associated with assets held for sale		1.7
<b>Total current liabilities</b>	<b>192.0</b>	<b>176.6</b>
<b>Total equity and liabilities</b>	<b>806.0</b>	<b>843.0</b>

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### Consolidated statement of changes in equity

<i>before profit appropriation, millions of euros</i>	Share capital	Share premium reserve	Other reserves	Retained earnings	Total
<b>As at 1 January 2016</b>	<b>15.6</b>	<b>58.7</b>	<b>68.0</b>	<b>345.5</b>	<b>487.8</b>
Result after taxes				60.4	60.4
Other comprehensive result after tax			6.3		6.3
Transfers to/from Other reserves			1.8	-1.8	
<b>Total comprehensive result after tax</b>			<b>8.1</b>	<b>58.6</b>	<b>66.7</b>
Cash dividend				-52.3	-52.3
Acquired company shares				-21.9	-21.9
Share-based remuneration transfers			-1.4	1.4	
Share-based remuneration charged to result			1.0		1.0
<b>Total transactions with shareholders</b>			<b>-0.4</b>	<b>-72.8</b>	<b>-73.2</b>
<b>As at 30 June 2016</b>	<b>15.6</b>	<b>58.7</b>	<b>75.7</b>	<b>331.3</b>	<b>481.3</b>
<b>As at 1 January 2017</b>	<b>15.0</b>	<b>55.8</b>	<b>86.6</b>	<b>341.1</b>	<b>498.5</b>
Result after taxes				48.3	48.3
Other comprehensive result after tax			-20.1		-20.1
Transfers to/from Other reserves			0.5	-0.5	
<b>Total comprehensive result after tax</b>			<b>-19.6</b>	<b>47.8</b>	<b>28.2</b>
Cash dividend				-60.5	-60.5
Acquired company shares				-12.8	-12.8
Share-based remuneration transfers			-2.0	2.0	
Share-based remuneration charged to result			1.3		1.3
<b>Total transactions with shareholders</b>			<b>-0.7</b>	<b>-71.3</b>	<b>-72.0</b>
<b>As at 30 June 2017</b>	<b>15.0</b>	<b>55.8</b>	<b>66.3</b>	<b>317.6</b>	<b>454.7</b>

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### Consolidated statement of cash flows

<i>millions of euros</i>	1st Half-year	
	2017	2016
<b>Cash flow from operating activities</b>		
Result after taxes	48.3	60.4
Adjusted for:		
• Depreciation/amortization of fixed assets	20.6	24.1
• Impairment of fixed assets	0.6	
• Result from divestments of fixed assets	0.5	1.1
• Result from purchase/sale of group companies and activities	-6.4	
• Share-based remuneration	1.3	1.0
• Interest income	-0.1	
• Interest expense	3.6	3.6
• Exchange rate differences	5.3	
• Fluctuations in fair value of derivatives	-1.4	
• Other financial income and charges	0.1	-1.1
• Results from joint ventures and associates	2.1	0.2
• Taxes	15.2	0.3
<b>Cash flow from operating activities before movements in working capital and provisions</b>	<b>89.7</b>	<b>89.6</b>
Movement in provisions	-3.6	-5.1
Movements in working capital:		
• Trade receivables	-10.8	-9.7
• Inventories	-7.5	-8.4
• Trade payables	-15.0	1.0
Movement in other working capital	-6.4	5.1
<b>Cash flow from business operations</b>	<b>46.4</b>	<b>72.5</b>
Interest paid	-3.9	-3.6
Tax paid on profit	-13.1	-17.7
<b>Cash flow from operating activities</b>	<b>29.4</b>	<b>51.2</b>
<b>Cash flow from investment activities</b>		
Sale of group companies	2.6	
Investment joint ventures and associates		-0.3
Investment other financial assets	-15.0	
Repayment other financial assets	10.2	
Capital expenditure on (in)tangible fixed assets	-24.9	-24.9
<b>Cash flow from investment activities</b>	<b>-27.1</b>	<b>-25.2</b>
<b>Cash flow from financing activities</b>		
Proceeds from interest-bearing debts	40.0	
Repayment of interest-bearing debts	-0.1	-0.1
Acquisition of company shares	-12.6	-21.9
Paid-out dividend	-59.7	-52.3
<b>Cash flow from financing activities</b>	<b>-32.4</b>	<b>-74.3</b>
<b>Net cash flow</b>	<b>-30.1</b>	<b>-48.3</b>
Effects of exchange rate differences on cash and cash equivalents	-1.6	-1.1
<b>Increase/decrease cash and cash equivalents</b>	<b>-31.7</b>	<b>-49.4</b>
Cash and cash equivalents at start of financial year	60.8	92.1
Cash and cash equivalents at close of financial year	29.1	42.7

## HALF-YEAR REPORT

### Accounting information

#### Principles for the valuation of assets and liabilities and determination of the result

This condensed interim financial information for the half-year ended 30 June 2017 complies with IFRS and has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2016. In preparing these condensed interim financial statements the main estimates and judgements made by the Board of Management when applying Corbion's accounting policies, were similar to those applied to the annual financial statements for the year ended 31 December 2016. The figures in this half-year report have not been audited or reviewed by an external auditor.

#### Accounting policies:

The accounting policies adopted are consistent with those of the previous financial year.

#### Related party transactions

On 2 March 2017, Corbion has sold its subsidiary 'Total Corbion PLA (Thailand) Limited' to the joint venture 'Total Corbion PLA bv'. The transaction resulted in a book gain of € 6.4 million and an outstanding receivable on the joint venture of € 32.3 million as per 30 June 2017. Further, Corbion provided a loan of € 15.0 million to the joint venture.

#### Events after balance sheet date

On 2 August 2017, Corbion announced it has entered into a "stalking horse" stock and asset purchase agreement with TerraVia Holdings, Inc. ("TerraVia"), a food and specialty ingredients company with a broad and diverse platform centered on ingredients and branded products derived from microalgae. The execution of the stock and asset purchase agreement is subject to a sale process to be conducted under Section 363 of the U.S. Bankruptcy Code. Corbion offered a cash purchase price of approximately \$20 million, in accordance with the terms and conditions of the stock and asset purchase agreement. The transaction is subject to the receipt of any higher offers from other potential bidders in an auction process as part of the Section 363 sale. As TerraVia's operations are currently loss making, Corbion expects the total financial commitments to be substantially in excess of the cash purchase price.



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### Consolidated income statement before one-off items

The consolidated income statement for financial years first half-year 2017 and first half-year 2016 before one-off items (non-IFRS financial measures) can be presented as follows.

	1st Half-year					
	2017			2016		
	Before one-off items	One-off items	Total	Before one-off items	One-off items	Total
Net sales	461.9		461.9	455.7		455.7
Costs of raw materials and consumables	-222.4		-222.4	-222.5	-1.6	-224.1
Production costs	-67.8	-1.0	-68.8	-67.6	-0.7	-68.3
Warehousing and distribution costs	-24.8		-24.8	-24.3		-24.3
<b>Gross profit</b>	<b>146.9</b>	<b>-1.0</b>	<b>145.9</b>	<b>141.3</b>	<b>-2.3</b>	<b>139.0</b>
Selling expenses	-30.8		-30.8	-31.4		-31.4
Research and development costs	-15.8		-15.8	-15.6		-15.6
General and administrative expenses	-32.6		-32.6	-28.6		-28.6
Other proceeds		6.4	6.4			
<b>Operating result</b>	<b>67.7</b>	<b>5.4</b>	<b>73.1</b>	<b>65.7</b>	<b>-2.3</b>	<b>63.4</b>
Less: amortization/impairment intangible fixed assets	2.8		2.8	3.8		3.8
Less: depreciation/impairment tangible fixed assets	17.8	0.6	18.4	20.3		20.3
<b>EBITDA</b>	<b>88.3</b>	<b>6.0</b>	<b>94.3</b>	<b>89.8</b>	<b>-2.3</b>	<b>87.5</b>
Depreciation/amortization/impairment (in)tangible fixed assets	-20.6	-0.6	-21.2	-24.1		-24.1
<b>Operating result</b>	<b>67.7</b>	<b>5.4</b>	<b>73.1</b>	<b>65.7</b>	<b>-2.3</b>	<b>63.4</b>
Financial income	2.8		2.8		1.1	1.1
Financial charges	-10.3		-10.3	-3.6		-3.6
Results from joint ventures and associates	-2.1		-2.1	-0.2		-0.2
<b>Result before taxes</b>	<b>58.1</b>	<b>5.4</b>	<b>63.5</b>	<b>61.9</b>	<b>-1.2</b>	<b>60.7</b>
Taxes	-15.7	0.5	-15.2	-0.9	0.6	-0.3
<b>Result after taxes</b>	<b>42.4</b>	<b>5.9</b>	<b>48.3</b>	<b>61.0</b>	<b>-0.6</b>	<b>60.4</b>

One-off items may occur up to and including results after taxes.

One-off items relate to material non-recurring items in the income statement that are exceptional by nature and are not related to the normal course of business. These exceptional items include amongst others write down of inventories to net realizable value, reversals of write downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. The company considers events exceptional (one-off) when the aggregate amount of the events per line item of the income statement exceeds a threshold of € 0.5 million.

In 2017, a total of € 5.9 million one-off items were recorded, consisting of the following components:

1. One-off gain of € 6.4 million related the sale of the subsidiary 'Total Corbion PLA (Thailand) Limited' to the joint venture Total Corbion PLA bv.
2. A one-off loss of € 0.6 million related to an additional impairment of our former Kansas Avenue powder blending plant.
3. A book loss of € 0.4 million related to sale of machinery of our former Kansas Avenue powder blending plant.
4. Tax effects on the above of € 0.5 million.

In 2016, a total of € 0.6 million one-off items were recorded, consisting of the following components:

1. One-off costs of € 2.3 million incurred related to the closure of the Kansas Avenue powder blending plant;
2. A one-off gain of € 1.1 million related to a partial reversal of impairment of a loan for beet growers following the sale of CSM Sugar in 2007;
3. Tax effects on the above of € 0.6 million.

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### Segment information

For its strategic decision-making process Corbion distinguishes between Biobased Ingredients and Biobased Innovations. For IFRS segmentation purposes Biobased Ingredients has been segmented into two further businesses, Food and Biochemicals. The unallocated part of total operations mainly comprises central activities.

In the Food segment, our food ingredients portfolio keeps food safe and fresh, from creation to consumption, and as such, reduces food waste. It ranges from preservation ingredients to microbial spoilage prevention and ingredients that keep food fresh and tasty throughout shelf life.

The combined use of industry knowledge and scientific creativity enables us to offer industry-leading biobased technology and sustainability gains. Our future-focused thinking impacts every industry ranging from baking, meat, and dairy to confectionery and beverage.

In the Biochemicals segment, our biobased chemicals derived from renewable resources such as sugar or starch, are a sustainable alternative to fossil-based chemicals in various applications, including cleaning detergents, hand soap, coatings, and animal feed.

Offering improved performance and multiple benefits, our biobased solutions are versatile and, at the same time, provide lower cost in use with enhanced environmental credentials.

Our Biobased Innovations business unit creates new business platforms to help advance biotechnology developments. Our PLA/lactide business and the succinic-acid joint venture with BASF (Succinity) are part of this unit. Our longer-term development projects, such as our gypsum-free fermentation technology, lactic acid based on second-generation biomass, and FDCA are also included in this business unit. We will drive for growth via a disciplined stage-gate investment approach using our own core technology platforms, acquired or licensed technologies, and partnerships to improve our chance of success.

#### Segment information by business area

1st Half-year	Food		Biochemicals		Biobased Innovations		Unallocated (central activities)		Corbion	
millions of euros	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Income statement information</b>										
Net sales	336.4	336.8	113.5	107.7	12.0	11.2			461.9	455.7
Operating result	60.8	58.4	22.8	22.3	-0.5	-7.8	-10.0	-9.5	73.1	63.4
One-off items included in operating result	-1.0	-2.3			6.4				5.4	-2.3
<b>Alternative non-IFRS performance measures</b>										
EBITDA	71.3	70.3	29.1	28.4	3.5	-2.3	-9.6	-8.9	94.3	87.5
One-off items included in EBITDA	-0.4	-2.3			6.4				6.0	-2.3
EBITDA excluding one-off items	71.7	72.6	29.1	28.4	-2.9	-2.3	-9.6	-8.9	88.3	89.8
<b>Ratios alternative non-IFRS performance measures</b>										
EBITDA margin % excluding one-off items	21.3	21.6	25.6	26.4	-24.2	-20.7			19.1	19.7

Corbion generates almost all of its revenues from the sale of goods.

#### Information on the use of alternative non-IFRS performance measures

In the above table and elsewhere in the financial statements a number of non-IFRS performance measures is presented. Management is of the opinion that these so-called alternative performance measures might be useful for the readers of these financial statements. Corbion management uses these performance measures to make financial, operational, and strategic decisions and evaluate performance of the segments. The alternative performance measures can be calculated as follows:

- EBITDA is the operating result before depreciation, amortization, and impairment of (in) tangible fixed assets
- EBITDA margin is EBITDA divided by net sales x 100

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### Financial instruments

#### Valuation of financial instruments

Corbion measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements based on inputs other than level 1 quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements based on valuation techniques that include inputs for the asset or liability that are based on observable market data (unobservable inputs).

#### Breakdown valuation of financial instruments

30 June 2017	Level 1	Level 2	Level 3	Total
<b>Derivatives</b>				
• Foreign exchange contracts		2.2		2.2
• Commodity swaps/collars		-2.4		-2.4
<b>Total</b>		<b>-0.2</b>		<b>-0.2</b>

#### Breakdown fair values financial instruments

	30 June 2017		31 December 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial fixed assets</b>				
• Loans, receivables, and other	15.6	15.7	0.8	0.8
• Loans non-interest-bearing	32.3	32.3		
<b>Receivables</b>				
• Trade receivables	115.9	115.9	111.7	111.7
• Other receivables	11.3	11.3	4.7	4.7
• Prepayments and deferred income	4.7	4.7	4.4	4.4
<b>Cash</b>				
• Cash other	29.1	29.1	60.8	60.8
<b>Interest-bearing liabilities</b>				
• Private placement (net investment hedge)	-146.5	-147.6	-158.1	-158.8
• Financial lease commitments	-0.1	-0.1	-0.1	-0.1
• Other debts	-40.0	-40.0	-0.6	-0.6
<b>Non-interest-bearing liabilities</b>				
• Trade payables	-60.0	-60.0	-76.2	-76.2
• Other payables	-57.5	-57.5	-62.1	-62.1
<b>Derivatives</b>				
• Foreign exchange contracts	2.2	2.2	0.8	0.8
• Commodity swaps/collars	-2.4	-2.4	2.2	2.2
<b>Total</b>	<b>-95.4</b>	<b>-96.4</b>	<b>-111.7</b>	<b>-112.4</b>

#### Fair values are determined as follows

- The fair value of financial fixed assets does not significantly deviate from the book value.
- The fair value of receivables equals the book value because of their short-term character.
- Cash and cash equivalents are measured at nominal value which, given the short-term and risk-free character, corresponds to the fair value.
- Market quotations are used to determine the fair value of debt owed to private parties, credit institutions and other debts. As there are no market quotations for most of the loans the fair value of short- and long-term loans is determined by discounting the future cash flows at the yield curve applicable as at the reporting date.
- Financial lease commitments: the fair value is estimated at the present value of the future cash flows, discounted at the interest rate for similar contracts which is applicable as at the reporting date. This fair value equals the book value.
- Given the short-term character, the fair value of non-interest-bearing liabilities equals the book value.
- Currency and interest derivatives are measured on the basis of the present value of future cash flows over the remaining term of the contracts, using the bank interest rate (such as Euribor) as at the reporting date for the remaining term of the contracts. The present value in foreign currencies is converted using the exchange rate applicable as at the reporting date.
- Commodity derivatives are measured on the basis of the present value of future cash flows, using market quotations or own variable market price estimations of the involved commodity as at the reporting date.

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### Key figures

millions of euros	1st Half-year	
	2017	2016
Net sales	461.9	455.7
Operating result	73.1	63.4
EBITDA excluding one-off costs	88.3	89.8
Result after taxes	48.3	60.4
Earnings in euros <sup>1</sup>	0.84	1.00
Diluted earnings in euros <sup>1</sup>	0.83	0.99
<b>Key data per common share</b>		
Number of issued common shares	59,889,054	59,904,209
Number of common shares with dividend rights	59,081,681	58,450,763
Weighted average number of outstanding common shares	57,467,721	59,170,365
Price as at 30 June	28.00	21.61
Highest price in half-year	29.39	22.45
Lowest price in half-year	23.15	17.92
Market capitalization as at 30 June	1,654	1,263
<b>Other key data</b>		
Cashflow from operating activities	29.4	51.2
Cash flow from operating activities per common share, in euros <sup>1</sup>	0.51	0.87
Depreciation/amortization fixed assets	20.6	24.1
Capital expenditure on (in)tangible fixed assets	21.2	16.5
Number of issued cumulative preference shares	252,764	2,403,781
Equity per share in euros <sup>2</sup>	7.66	7.91
<b>Ratios</b>		
ROCE % <sup>3</sup>	21.4	23.2
EBITDA margin % <sup>4</sup>	19.1	19.7
Result after taxes / net sales %	10.5	13.3
Number of employees at closing date	1,732	1,668
Net debt position/EBITDA <sup>5</sup>	0.9	0.7
Interest cover <sup>6</sup>	22.5	23.9
<b>Balance sheet figures as per 30/06/2017 and 31/12/2016</b>		
Non-current assets	499.0	466.6
Current assets excluding cash and cash equivalents	277.9	315.6
Non-interest-bearing current liabilities	126.0	147.1
Net debt position <sup>7</sup>	157.5	98.0
Provisions	38.7	38.6
Equity	454.7	498.5
Capital employed <sup>8</sup>	612.2	596.5
Average capital employed <sup>8</sup>	612.3	576.8
Balance sheet total : equity	1:0.6	1:0.6
Net debt position : equity	1:2.9	1:5.1
Current assets : current liabilities	1:0.6	1:0.5

1 Per common share in euros after deduction of dividend on financing preference shares.

2 Equity per share is equity as per 30/06 divided by the number of shares with dividend rights.

3 Return on capital employed (ROCE) is defined by Corbion as 2x (continued EBIT excluding one-off costs for half-year, including results from joint ventures and associates) divided by the average capital employed x 100.

4 EBITDA margin % is EBITDA excluding one-off costs divided by net sales x 100.

5 EBITDA is "Earnings Before Interest, Taxes, Depreciation and Amortization and impairment of (in)tangible fixed assets" here for the preceeding 12-month period including acquisition and divestment results, including discontinued operations and excluding one-off costs.

6 Interest cover is EBITDA as defined in Note 5 divided by net interest income and charges.

7 Net debt position comprises interest-bearing debts less cash and cash equivalents.

8 Capital employed and average capital employed is based on balance sheet book values.

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*This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.*

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**Background information:**

Corbion is the global market leader in lactic acid and lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals and vitamins. We develop sustainable solutions to improve the quality of life for people today and generations to come. For over 100 years, we have been uncompromising in our commitment to safety, quality and performance. Drawing on our deep application and product knowledge, we work side-by-side with customers to make our cutting edge technologies work for them. Our solutions help differentiate products in markets such as food, home & personal care, pharmaceuticals, medical devices and bioplastics. In 2016, Corbion generated annual sales of € 911.3 million and had a workforce of 1,684 FTE. Corbion is listed on Euronext Amsterdam. For more information: [www.corbion.com](http://www.corbion.com)