Press release
Amsterdam, 20 July 2018

connecting to nature

Lower Q2 performance impacting expected growth for 2018

H1 and Q2 2018 highlights

- Autonomous growth in own brands 2.0% for H1 (Q2: (0.3)%)
- Further reduction of private label and distribution business of (10.0)% for H1 (Q2: (9.4)%)
- EBITE of €28.3 million, equal to 8.7% of revenue for H1 (Q2: €11.6 million)

Consolidated key figures

In € million, unless stated otherwise	Q2 2018	Q2 2017[1]	H1 2018	H1 2017[1]	% change
Revenue	156.9	160.3	323.6	324.7	(0.3)%
Autonomous revenue development of own brands[2]	(0.3)%		2.0%		
Normalised operating result (EBITE)	11.6	11.6	28.3	30.6	(7.5)%
EBITE as % of Revenue	7.4%	7.2%	8.7%	9.4%	
Operating result (EBIT)	6.0	11.1	22.6	30.0	(24.7)%
Net financing costs	(0.3)	(0.9)	(0.5)	(1.5)	
Income tax expense	(1.8)	(3.1)	(6.7)	(8.2)	
Profit for the period	3.9	7.1	15.4	20.3	(24.1)%
Net debt	50.6	71.1			

[1] 2017: Following the adoption of IFRS 15 'Revenue' has been restated by the amount of €(0.5) in Q2 and €(0.9) in H1 2017 (FY 2017 €(1.4)), which is offset by 'Other operating expenses'.
[2] Including adjustments for currency effects.

CEO Statement

Our second quarter results were lower than expected mainly as a result of trade related developments in France and the UK. In France, the very dynamic development of organic assortments in grocery have relatively benefitted a large number of smaller brands in place of Bjorg and have also impacted the growth in the specialized organic trade(HFS).

In the UK our business was affected as the trade drove further range reductions and reduced support in response to price increases we put through last year in order to protect our margins.

Results in our German and Spanish operations were very positive and Clipper continued to outperform across all international markets. Our core categories of Breakfast Cereals, Veggie Meals, Dairy Alternatives and Hot Drinks are growing ahead of the rest of the business in H1.

While action plans are in place which we expect to improve our performance in the coming quarters, the impact of Q2 means that we finish the first half of 2018 below what we had planned. As a result, we are changing our guidance for own brands growth for the year as a whole to 'moderate'.

Press release

Amsterdam, 20 July 2018

Brand and Category review

Bjorg performed below plan in the quarter as the French trade listed an unprecedented new number of organic products in May which affected our share of assortment and listing of new products. We now have plans in place to improve performance in the coming quarters. New initiatives such as chilled veggie meals and plant based yoghurts continued to develop well.

Gayelord Hauser declined strongly as the Dietetic market continued to lose consumer relevance and the trade rationalized the shelf. Alter Eco achieved good results in the quarter and the half year.

Bonneterre achieved good results in the first half overall but delivered a weak second quarter as the HFS channel is slowing down in France due to a reduction of new store openings. This also affected our Destination brand.

Clipper continued to perform strongly across all international markets achieving double digit growth in both the quarter and H1 as a whole. In Q2, we have signed a three year contract for Clipper to be the exclusive tea on Easyjet giving it exposure to more than 80m passengers per year.

Kallo was negatively impacted in the UK as the trade delisted key SKUs and withdrew promotional support in response to significant price increases last year. We have plans in place to correct the situation. Meanwhile, Whole Earth continued to grow very well and Mrs Crimble's had a good quarter and half year following the successful relaunch in the second half of 2017.

Allos has returned to a very healthy level of growth across the first half being entirely focused on the HFS channel. We are managing to get good trade support in return for being loyal to the channel. On the other side, we gain more and more listings with Clipper and Tartex in the Grocery channel. Overall our plans are producing very positive results in Germany, the biggest organic market in Europe.

Zonnatura performed well in the core categories of breakfast cereals and dairy alternatives but overall suffered from comparison with prior year activities in the discount channel. The completion of the brand relaunch, innovation and customer activities in the 2nd half of the year give us confidence that the brand will accelerate.

Our IsolaBio brand performed well in Italy and International markets, while being affected by the slowdown of HFS in France. A significant brand relaunch will take place in the 2nd half of the year as well as category extensions which will further stimulate the business.

Ecocesta achieved strong double-digit growth in the Grocery channel in Spain which continues to develop very strongly and ahead of other countries.

In terms of category performance, our core categories of Veggie Meals, Breakfast Cereals, Dairy Alternatives and Hot Drinks grew ahead of the total of our own brands in the first half of 2018.

Financial review

In H1 revenue decreased by 0.3% to €323.6 million (Q2: (2.1)%). Autonomous revenue growth of our own brands was 2.0% (Q2: (0.3)%) and total autonomous revenue growth amounted to (0.1)% (Q2: (1.9)%) as a result of the further reduction of the private label and distribution business (around (10%)). The depreciation of the British pound contributed (0.3)% (Q2: (0.2)%).

EBITE decreased by €2.3 million (Q2: flat) to €28.3 million (Q2: €11.6 million), mainly driven by lower gross profit and higher A&P. The EBITE decrease was partly offset by lower share-based payment expenses of €2.0 million (Q2: €1.9 million).

Depreciation and amortisation expenses increased by €0.5 million (Q2: €0.4 million). Exceptional items amount to €(5.7) million (Q2: €(5.6) million), mainly comprising an impairment loss on our French dietetic brand Gayelord Hauser. This results in an EBITDAIE of €32.9 million (Q2: €14.0 million).

Net financing costs amounted to €(0.5) million (Q2: €(0.3) million), including interest expenses in the amount of €(0.3) million (Q2: €(0.1) million).

Income tax expenses were €(6.7) million (Q2: €(1.8) million). The effective income tax rate in the six-month period ended 30 June 2018 of 30% (H1 2017: 29%) is based on the latest estimate of the weighted average income tax rate for the full year.

In H1 2018, the net cash flow before financing activities was €21.7 million (H1 2017: €18.0 million). The cash flow from financing activities amounts to €(14.1) million, mainly including a dividend payment of €(9.9) million and repayments of interest-bearing loans and borrowings of €(3.9) million (H1 2017: €(7.2) million, mainly including a dividend payment of €(9.1) million and the sale of own shares in the amount of €3.1 million). Our net debt position decreased to €50.6 million as at 30 June 2018 (31 December 2017: net debt of €59.9 million).

Guidance FY 2018

- We expect moderate growth of own brands and a further reduction of private label sales
- We expect EBITE % of revenue at the level of prior year
- Net financing costs around €1.0-1.5 million
- Tax rate around 30%
- Capital expenditure of €11-13 million
- Depreciation and amortisation of €9-10 million

Important dates 2018

19-10-2018 Publication Q3 2018 trading update

Analyst & investor meeting

At 10h00 CET, an analyst & investor conference call will be hosted by Christophe Barnouin (CEO) and Ronald Merckx (CFO). The dial-in number is **+31(0)20 531 5851**. There will also be a live audio webcast via www.wessanen.com

The press release and presentation are available for download at www.wessanen.com.

Media, investor & analyst enquiries

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Company profile

Wessanen is a leading company in the European market for healthy and sustainable food. In 2017, our revenue was €626 million and we employed on average 1,188 people. Our purpose is 'connect to nature' and we focus on organic, vegetarian, fair trade and nutritionally beneficial products.

Our family of companies is committed to driving positive change in food in Europe. Our own brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, El Granero, Isola Bio, Kallø, Mrs Crimble's, Tartex, Whole Earth and Zonnatura.

Note on forward-looking statements

This press release includes forward looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Wessanen's ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

Introduction

This report contains the semi-annual financial report of Royal Wessanen ('Wessanen' or 'the Company'), a public limited company domiciled in the Netherlands. The principal activities of the Company and its subsidiaries ('the Group') are described on page 4.

The semi-annual financial report for the six-month period ended 30 June 2018 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 2017.

The Executive Board of Royal Wessanen hereby declares that, to the best of its knowledge:

- The condensed consolidated interim financial statements, which have been prepared in accordance with the applicable financial reporting standards for interim financial reporting, give a true and fair view of the assets, liabilities and financial position at 30 June 2018 and of the result of our consolidated operations for the first half year of 2018 and the undertakings included in the consolidation taken as a whole; and
- The semi-annual report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, 20 July 2018

Executive Board

Christophe Barnouin (CEO)

Ronald Merckx (CFO)

Risks and uncertainties

Please refer to the note on forward-looking statements on page 4 of this press release and, with regard to risk management, to our Integrated Annual Report 2017 (pages 54-65), in which we have described the main risks of Wessanen and which is deemed part of this report by reference. For the remainder of 2018 the risks are expected the same as disclosed in our Integrated Annual Report 2017.

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 Integrated Annual Report 2017.

Condensed consolidated income statement

In € millions, unless stated otherwise

	H1 2018 (unaudited)	H1 2017 Restated[1] (unaudited)
Revenue	**323.6**	324.7
Raw materials and supplies	**(190.3)**	(191.3)
Personnel expenses	**(48.0)**	(47.9)
Depreciation, amortisation and impairments	**(10.2)**	(4.1)
Other operating expenses	**(52.5)**	(51.4)
Operating expenses	**(301.0)**	(294.7)
Operating result	**22.6**	30.0
Net financing costs	**(0.5)**	(1.5)
Profit before income tax	**22.1**	28.5
Income tax expense	**(6.7)**	(8.2)
Profit for the period	**15.4**	20.3
Attributable to equity holders of Wessanen	**15.4**	20.3
Earnings per share attributable to equity holders of Wessanen (in €)		
Basic	**0.20**	0.27
Diluted	**0.20**	0.27
Average number of shares (in thousands)		
Basic	**76,152**	75,645
Diluted	**76,748**	76,342
Average GBP exchange rate (GBP per €)	**0.8801**	0.8612

[1] 2017: 'Revenue' and 'Other operating expenses' have been restated for a reclassification of 'coupon expenses incurred and paid to consumers' following the adoption of IFRS 15 'Revenue from contracts with customers'. As a consequence, 'Revenue' has been reduced by the amount of €0.9 for H1 2017 (FY 2017: €1.4).

Condensed consolidated statement of comprehensive income

In € millions

	H1 2018 (unaudited)	H1 2017 (unaudited)
Profit for the period	**15.4**	20.3
Other comprehensive income/(loss)		
Remeasurements of post employment benefit obligations, net of income tax	-	0.2
Other comprehensive income/(loss) that will not be reclassified to profit or loss	-	0.2
Foreign currency translation differences, net of income tax	**0.1**	(0.9)
Effective portion of changes in fair value of cash flow hedges, net of income tax	**0.1**	0.2
Other comprehensive income/(loss) that may be reclassified to profit or loss	**0.2**	(0.7)
Total other comprehensive income/(loss)	0.2	(0.5)
Total comprehensive income	**15.6**	19.8
Attributable to equity holders of Wessanen	**15.6**	19.8

Condensed consolidated statement of changes in equity

In € millions

	Issued and paid-up share capital	Share premium	Reserves: Treasury reserve	Reserves: Translation reserve	Reserves: Hedging reserve	Retained earnings	Total equity
2017							
Balance of beginning of year	76.0	102.9	(3.9)	(16.2)	-	32.4	191.2
Comprehensive income and expense for the period							
Profit/(loss) for the period	-	-	-	-	-	20.3	20.3
Foreign currency translation differences[1]	-	-	-	(0.9)	-	-	(0.9)
Remeasurements of post employment benefit obligations[1]	-	-	-	-	-	0.2	0.2
Effective portion of changes in fair value of cash flow hedges[1]	-	-	-	-	0.2	-	0.2
Total comprehensive income and expense for the period	-	-	-	(0.9)	0.2	20.5	19.8
Contributions by and distributions to owners							
Shares issued	-	-	-	-	-	-	-
Shares delivered	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(9.1)	(9.1)
Sale of own shares	-	-	1.8	-	-	1.3	3.1
Share-based payments	-	-	-	-	-	0.7	0.7
Total contributions by and distributions to owners	-	-	1.8	-	-	(7.1)	(5.3)
Balance at 30 June 2017 (unaudited)	76.0	102.9	(2.1)	(17.1)	0.2	45.8	205.7
2018							
Balance of beginning of year	76.1	102.8	-	(17.5)	-	66.3	227.7
Comprehensive income and expense for the period							
Profit/(loss) for the period	-	-	-	-	-	15.4	15.4
Foreign currency translation differences[1]	-	-	-	0.1	-	-	0.1
Remeasurements of post employment benefit obligations[1]	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges[1]	-	-	-	-	0.1	-	0.1
Total comprehensive income and expense for the period	-	-	-	0.1	0.1	15.4	15.6
Contributions by and distributions to owners							
Shares issued	0.1	0.9	-	-	-	-	1.0
Shares delivered	0.3	(0.3)	-	-	-	-	-
Dividends paid	-	-	-	-	-	(9.9)	(9.9)
Sale of own shares	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	1.5	1.5
Total contributions by and distributions to owners	0.4	0.6	-	-	-	(8.4)	(7.4)
Balance at 30 June 2018 (unaudited)	76.5	103.4	-	(17.4)	0.1	73.3	235.9

[1] Net of income tax

Condensed consolidated statement of financial position

In € millions

	30 June 2018	31 December 2017
	(unaudited)	(audited)
Assets		
Property, plant and equipment	62.2	58.4
Intangible assets	200.7	206.6
Other investments	0.2	0.2
Deferred tax assets	8.6	7.0
Total non-current assets	**271.7**	**272.2**
Inventories	74.2	76.5
Income tax receivables	2.7	0.8
Trade receivables	101.1	98.8
Other receivables and prepayments	16.7	14.9
Cash and cash equivalents	16.7	13.8
Total current assets	**211.4**	**204.8**
Total assets	**483.1**	**477.0**
Equity		
Share capital	76.5	76.1
Share premium	103.4	102.8
Reserves	(17.3)	(17.5)
Retained earnings	73.3	66.3
Total equity	**235.9**	**227.7**
Liabilities		
Interest-bearing loans and borrowings	60.5	61.1
Employee benefits	7.9	7.9
Provisions	2.5	2.3
Deferred tax liabilities	13.1	13.1
Total non-current liabilities	**84.0**	**84.4**
Bank overdrafts	4.1	8.8
Interest-bearing loans and borrowings	2.7	3.8
Provisions	3.1	4.6
Income tax payables	6.0	1.4
Trade payables	86.1	84.8
Non-trade payables and accrued expenses	61.2	61.5
Total current liabilities	**163.2**	**164.9**
Total liabilities	**247.2**	**249.3**
Total equity and liabilities	**483.1**	**477.0**
End of period GBP exchange rate (GBP per Euro)	0.8861	0.8872

Condensed consolidated statement of cash flows

In € millions, unless stated otherwise

	H1 2018 (unaudited)	H1 2017 (unaudited)
Cash flows from operating activities		
Operating result	**22.6**	30.0
Adjustments for:		
Depreciation, amortisation and impairments	10.2	4.1
Other non-cash and non-operating items	2.0	4.4
Cash generated from operations before changes in working capital and provisions	**34.8**	38.5
Changes in working capital	0.7	1.4
Payments from provisions and changes in employee benefits	(2.0)	(9.0)
Cash generated from operations	**33.5**	30.9
Interest paid	(0.4)	(0.4)
Income tax paid	(5.6)	(7.1)
Net cash from operating activities	**27.5**	23.4
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5.1)	(4.9)
Proceeds from sale of property, plant and equipment	-	0.1
Acquisition of intangible assets	(0.7)	(1.0)
Repayments from other investments	-	0.4
Net cash flow from investing activities	**(5.8)**	(5.4)
Net cash flow before financing activities	**21.7**	18.0
Cash flows from financing activities		
Repayments of interest-bearing loans and borrowings	(3.9)	(1.1)
Net payments of finance lease liabilities	(0.2)	(0.2)
Cash receipts/(payments) of derivatives	(1.1)	0.1
Sale of own shares	-	3.1
Share capital increase	1.0	-
Dividends paid	(9.9)	(9.1)
Net cash from financing activities	**(14.1)**	(7.2)
Net cash flow	**7.6**	10.8

Notes to the condensed consolidated interim financial statements

In € millions, unless stated otherwise

1 The Company and its operations

Koninklijke Wessanen N.V. ('Royal Wessanen', 'Wessanen' or 'the Company') is a public limited company domiciled in the Netherlands. The condensed consolidated interim financial statements of the Company as at and for the six-month period ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as 'the Group').

The information in these condensed consolidated interim financial statements is unaudited, apart from the comparative consolidated financial position as per 31 December 2017.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with 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 2017.

These condensed consolidated interim financial statements were approved by the Executive Board and by the Supervisory Board on 19 July 2018.

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 2017 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.

The adoption of IFRS 15 'Revenue from contracts with customers' resulted in a reclassification of 'coupon expenses incurred and paid to consumers' in the income statement from 'other operating expenses' to a reduction of 'revenue' as from 1 January 2018. The 2017 comparatives are restated accordingly (H1 2017: €(0.9) million).

IFRS 16 'Leases' was published in January 2016 and is effective for annual periods beginning on or after 1 January 2019. IFRS 16 'Leases', eliminates the current dual accounting model for lessees under IAS 17, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a lessee to recognise a right of use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

Wessanen decided not to make use of the early adoption option, but to adopt IFRS 16 'Leases' as from 1 January 2019 and to apply the modified retrospective approach. As mentioned in Note 3 to the 2017 financial statements, Wessanen anticipates that the application of IFRS 16 will have a significant effect, particularly on its reported assets and liabilities as Wessanen will have to recognise new assets and liabilities relating to its operating leases. In addition, the nature of the expenses to be recognised will change; instead of the recognition of expenses under operating leases on a straight-line basis, IFRS 16 requires the recognition of depreciation of the right-of-use assets along with interest on the lease liabilities. Cash flows from operating and financing activities will be impacted accordingly.

Based on our initial impact analysis, it is our expectation that the additional lease obligation to be recognised as per 1 January 2019 (excluding existing (IAS 17) finance leases) will amount to approximately €25-€30 million. The actual impact of the application of IFRS 16 on the financial statements as from 1 January 2019 will however depend on the economic circumstances (including e.g. discount rates) and the composition of the lease portfolio as per that date.

The finance lease liability as per 30 June 2018 amounts to €7.8 million and includes a liability relating to the construction of a green office building in France in the amount of €7.2 million. The construction is funded by a financial institution and is accounted for as a financial lease. The gross investment value (total investment excluding proceeds from the sale of a piece of land) is expected to increase to about €13.1 million, towards the end of 2018.

The adoption of IFRS 16 will not affect the Group's ability to satisfy the bank covenants, as described in Note 20 to the 2017 financial statements.

4 Estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017. Reference is made to Note 2 to the 2017 financial statements (pages 89-90).

In the 2017 Integrated Annual Report, we highlighted that for the cash-generating unit Branded-Spain the headroom was limited based on the 2017 annual impairment test due to the fact that the test date was still very close to the acquisition date (reference is made to page 116). We reperformed the impairment test based on recent data input from the strategic plan 2019-2021 and concluded that there is no requirement to recognise an impairment loss. Goodwill and brands allocated to Branded-Spain at 30 June 2018 amount to €46.2 and €18.2 respectively.

As Gayelord Hauser sales strongly declined in the first half of 2018 compared to target as the Dietetic market continued to lose consumer relevance, an impairment test has also been performed in respect of the Gayelord Hauser brand based on data input from the strategic plan 2019-2021. Based on the impairment test, it has been concluded to recognise an impairment loss of €5.1 million, resulting in a remaining book value of the brand of €4.0 million.

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 2017. In addition, reference is made to the 'risks and uncertainties' section as included on page 5 of this report.

6 Acquisitions

Wessanen made no acquisitions in the first half of 2018.

7 Seasonality of operations

Revenue of our Branded segment is in general modestly higher in the first half of the year. In addition, operating profit is impacted by the phasing of marketing spending throughout the year.

8 Operating segment information

The Group's activities are carried out by the following segments: 'Branded' and 'Non-allocated' (includes Dutch corporate entities).

Key financial data regarding these segments are given below:

In € millions	Revenue		Operating result and operating margin[1]			
	H1 2018	H12017[2]	H1 2018		H1 2017	
Branded	323.6	324.7	23.7	7.3%	31.2	9.6%
Non-allocated	-	-	(1.1)		(1.2)	
Total Wessanen	**323.6**	324.7	**22.6**	7.0%	30.0	9.2%

[1] Operating result as % of total revenue.

[2] 2017: Following the adoption of IFRS 15 'Revenue' has been restated by the amount of €(0.9) in H1 (FY 2017 €(1.4)), which is offset by 'Other operating expenses'.

The assets can be specified as follows:

In € millions	Total assets	
	30 June 2018	31 December 2017
Branded	465.9	463.6
Non-allocated	17.2	13.4
Total Wessanen	**483.1**	477.0

In the first six months of 2018, total assets increased by €6.1 million, from €477.0 million as at 31 December 2017 to €483.1 million as at 30 June 2018, mainly due to an increase of property, plant and equipment (+€3.8 million) and cash and cash equivalents (+€2.9 million), partly offset by a decrease of intangible assets (€(5.9) million). The latter is mainly the result of the recognition of an impairment loss against the Gayelord Hauser brand value in Q2 2018 (see Note 4).

9 Income taxes

The income tax expense recognised is based on management's latest estimate of the weighted average income tax rate for the full financial year. The Group's estimated weighted average income tax rate for the full year 2018 is 30% (2017: 29%).

10 Provisions

Provisions decreased by €1.3 million to €5.6 million as at 30 June 2018 (31 December 2017: €6.9 million) . The net decrease mainly comprises an addition to (€0.2 million) and payments from (€(1.0) million) the provision for share-based payment related social security costs.

Payments from provisions and changes in employee benefits decreased by €7.0 million to €(2.0) million in the first half of 2018 (H1 2017: €(9.0) million), mainly as a result of the decision to convert the Long-Term Incentive Plan 2015 and 2016 from cash-settled to equity-settled as per 1 October 2017.

11 Borrowings and loans

Net debt can be specified as follows:

	30 June 2018	31 December 2017
Long-term interest-bearing loans and borrowings	60.5	61.1
Short-term interest-bearing loans and borrowings	2.7	3.8
Total interest-bearing loans and borrowings	**63.2**	**64.9**
Bank overdrafts	4.1	8.8
Cash and cash equivalents	(16.7)	(13.8)
Net debt Wessanen	**50.6**	**59.9**

Net debt of Wessanen decreased by €9.3 million in the six-month period ended 30 June 2018 to €50.6 million, mainly due to a net cash inflow from operating activities of €27.5 million, partly offset by capital expenditures (€5.8 million) and dividends paid (€9.9 million).

12 Issue of shares

In the six-month period ended 30 June 2018, Wessanen issued 456,485 shares in total, following the decision to issue own shares for shares to be delivered upon vesting of long-term incentive plans and/or matching shares and payment of related employer costs (for which approval was granted in the Annual General Meeting of Shareholders):

- 396,165 shares were issued and delivered against share premium upon vesting of the 2015 Share Matching and Long-Term Incentive Plan;
- 60,320 shares were issued and paid-up, mainly for payment of related employer costs, resulting in a cash inflow of €1.0 million.

13 Dividends

A cash dividend of €9.9 million that relates to the year 2017 was paid in April 2018 (H1 2017: €9.1 million).

14 Financial instruments

The fair value of financial assets and liabilities equals the carrying amounts both as per 30 June 2018 and 31 December 2017. The classification and fair values of financial instruments have been determined for measurement based on the method as outlined in Note 24 to the 2017 financial statements (pages 130-137).

15 Related party transactions

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

Based on the Long-Term Incentive plan 2018, the Company granted 20,496 performance incentive shares to the Executive Board members in the first half of 2018.

No other significant related party transactions occurred.

16 Events occurring after the reporting period

Subsequent to 30 June 2018 no material events occurred that require disclosure.