Press release

H1 and Q2 2015 results

Wessanen

H1 and Q2 2015 highlights – **building strong growth momentum**

- **Overall reported growth for H1 20.7% (Q2:21.1%)**
- Autonomous revenue growth of 8.4% for H1 (Q2: 7.9%)
- Strong autonomous own brands growth of 14.4% in H1 (Q2: 13.3%) and gaining market share
- EBITE increases to €19.2 million for H1 (Q2: €6.9 million) even with significant step-up in A&P
- Revolving credit facility of €100 million successfully amended and extended

Consolidated key figures Q2 2015

In € million, unless stated otherwise	Q2 2015	Q2 2014 [3]	H1 2015	H1 2014 [3]
Revenue	**131.5**	108.6	**263.2**	218.0
Reported growth	21.1%		20.7%	
Autonomous revenue development [1]	7.9%		8.4%	
EBITDAE [2]	**9.0**	9.7	**23.2**	20.5
Normalised operating result (EBITE)	**6.9**	8.2	**19.2**	17.4
Operating result (EBIT)	**6.9**	7.6	**19.1**	16.7
Profit/(loss) after income tax from continuing operations	**3.7**	4.2	**11.5**	9.5
Profit/(loss) from discontinued operations	**(0.2)**	36.8	**4.6**	36.5
Profit/(loss) for the period	**3.5**	41.0	**16.1**	46.0
Net debt/(cash)	0.6	(7.4)		

[1] Including adjustments for currency effects and acquisitions/divestments. [2]Operating result before depreciation, amortisation and exceptional items. [3]ABC qualified as discontinued operation as from 30 September 2014. Accordingly, the income statement of ABC for the full year 2014 has been reported as part of the 'Profit/(loss) from discontinued operations'.

CEO statement

Christophe Barnouin (CEO) commented: "We have made good progress on our strategy to become the leader in healthy & sustainable food in Europe in the first half of the year.

We achieved 14.4% autonomous growth on our own brands in H1 (Q2: 13.3%), significantly outgrowing a strong market and gaining share in the process (e.g. Bjorg in France has recorded its highest ever share). We have significantly increased our marketing investments in H1 and Q2 in order to drive our core brands ahead of market.

The integration of our recent new family member Abafoods is progressing well and the business is continuing to perform strongly. The Isola Bio brand has grown more than 40% year-to-date. The businesses we integrated in the last few years – Clipper and Alter Eco – are also doing well.

Our strategy is working and our focus is on further improving execution. More and more people in Europe are becoming conscious that what they eat has a major impact on their health and on our planet: A food revolution in Europe is starting and we want to play a leading role in it."

2015 guidance on revenue, marketing and profitability

Our own brands have shown solid autonomous growth in the first half of 2015 on the basis of strong innovation and increased marketing investments. For the second half we expect them to grow at the top end of the market growth range of 5-7%. Revenue of third party brands is expected to be lower as a consequence of the termination of three distribution contracts in previous periods.

For 2015, we are increasing our marketing investments, although the phasing will be different than last year. Last year, we invested more in the second half than in the first half. For 2015, marketing investments are more weighted to the first half of the year.

For the full year, excluding the effect of the Abafoods acquisition, we expect EBITE to be higher than last year.

Brand and category review

Throughout H1 and in Q2 our own brands have performed very well. In a market that continues to grow around 5-7% we have achieved 14.4% own brands growth in the first half of 2015 and gained market share in the process. Our biggest brand Bjorg has for example continued to gain share and Allos, for many years a low growth brand, is now the fastest growing brand in the HFS market in Germany. This is on the back of a strong innovation pipeline, distribution gains and a significant step-up in A&P.

Clipper grew in its home market UK as well as in France, Germany and the Netherlands. Its focus on green tea and infusions, its unique unbleached tea bags and its quirky personality are fast making it a favourite with the fans of organic and fair trade tea in Europe and many countries around the world. It's now also served on first and business class on Cathay Pacific airlines.

Bonneterre in France has been the first HFS brand in France to be supported on TV and this has significantly boosted its growth rate. Also, its innovations in tea (produced at our Clipper factory in the UK) and Veggie products are performing well. Zonnatura has outgrown the market in the Netherlands on the back of exceptionally strong innovation (e.g. Veggie Spreads) and more intensive customer cooperation.

Kallø in the UK has achieved high double-digit growth on the back of strongly increased listing and innovation success (coated rice rakes) and Whole Earth has just implemented a big brand relaunch. Isola Bio continues to expand internationally as well as in its home market Italy, where it is featured prominently with our retail partner at the Expo in Milan dedicated to the theme of “feeding the planet”.

Overall, our core categories have grown strongly and now account for 80% of our business.

EXPO MILANO 2015
FEEDING THE PLANET
ENERGY FOR LIFE

isola Bio

Becoming a truly green business – 250 years event

In recognition of our 250th anniversary and in order to look at the future of healthy and sustainable food we hosted an event on June 30th for some 200 customers, suppliers, partners, employees and other relations. Presentations from high profile external speakers, discussions and workshops around the food challenges the world is facing positioned Wessanen as a leader in this space.

We are continuing to make progress on our sustainability agenda. Our French business is now on 100% renewable energy, our factory in Drebber is ISO 50001 certified for efficient energy management. Our strong efforts to replace palm oil completely or move to certified, sustainable sources have given us a 3rd place in the recent palm oil scorecard of WWF Netherlands among more than 30 businesses.

Financial review

Continuing operations

In € million	Q2 2015	Q2 2014	H1 2015	H1 2014
Net revenue	**131.5**	**108.6**	**263.2**	**218.0**
EBITE – Branded	7.4	8.1	20.3	18.1
EBITE - Non-allocated	(0.5)	0.1	(1.1)	(0.7)
EBITE	**6.9**	**8.2**	**19.2**	**17.4**
Exceptional items	-	(0.6)	(0.1)	(0.7)
EBIT	**6.9**	**7.6**	**19.1**	**16.7**

In Q2 revenue increased 21.1% to €131.5 million. Autonomous revenue growth amounted to 7.9% of which volume contributed 8.0% and price/mix (0.1)%. The appreciation of the British pound contributed 2.1% and the first time inclusion of Abafoods 11.2% (€12.1 million). The termination of three distribution contracts in previous periods impacted revenue by €3.9 million negatively.

EBITE decreased by €1.3 million to €6.9 million. Increased gross profit, good cost control and the first time inclusion of Abafoods did not offset the significantly higher marketing expenses. Depreciation and amortisation expenses increased by €0.6 million, mainly due to the acquisition of Abafoods (including €0.3 million related to purchase price allocation adjustments), resulting in an EBITDAE of €9.0 million.

Exceptional items net out to zero, including additions to restructuring provisions of €(0.9) million and additional tax due relating to contract termination benefits provided of €(0.5) million, fully offset by a net settlement gain of €1.4 million as a result of a pension plan amendment. In 2015, the surplus scheme of a pension plan for former employees of one of the Dutch companies divested in 2014 was amended. After this amendment the pension plan no longer qualifies as a defined benefit scheme.

Net financing cost amounted to €(1.1) million (Q2 2014: €(0.3) million). In addition to financing costs relating to debt acquired as part of the Abafoods acquisition, currency hedge results of €(0.6) million were recorded, relating to non-cash exchange rate differences on intercompany loans (working capital financing of UK and US operations).

Income tax expenses were €(2.1) million (Q2 2014: €(3.1) million). Excluding the release for uncertain tax positions and a positive prior year adjustment (€0.3 million in total), the effective income tax rate was 35%.

Profit from continuing operations decreased to €3.7 million (Q2 2014: €4.2 million). Earnings per share amounted to €0.04 versus €0.06 last year.

Financial review – discontinued operations

The divestment of ABC was completed per 31 March 2015. Net proceeds amounted to €51 million, including working capital adjustments. Profit from discontinued operations (net of income tax) was €4.6 million, including the recycling of an accumulated exchange rate gain of €4.1 million.

Financial review – total Wessanen

Profit for the period amounted to €3.5 million (Q2 2014: €41.0 million). Earnings per share decreased to €0.04.

In H1 2015, the net cash flow before financing activities was €(6.7) million of which €(44.8) million relates to continuing operations (including acquisition Abafoods of €43.0 million) and €38.1 million to discontinued operations (including divestment proceeds). In addition, €4.3 million of long-term loans have been drawn, €7.5 million was used for dividend payments, and €4.4 million was used for repurchase of shares. As a result, the net debt position increased to €0.6 million as at 30 June 2015 (31 March 2015: €(18.8) million; 31 December 2014: €(27.3) million).

Guidance FY 2015(continuing operations only)

- Wessanen is expected to report a higher EBITE in 2015 versus 2014
- Net financing costs around €2-3 million
- Income tax rate (excluding discrete items) around 35%
- Capital expenditures €8-9 million
- Depreciation and amortisation €8-9 million (including effect of purchase price allocation adjustments of Abafoods of €0.6 million)

Important dates 2015/2016

Thursday 22 October 2015	Q3 trading update
Friday 19 February 2016	Q4 and full year 2015 results

Analyst & investor meeting

At 10h00 CET, an analyst, investor & media conference call will be hosted by Christophe Barnouin (CEO). The dial-in number is +31.20.716.8250 or 08000.222.330 (toll free) (no access code). A live audio webcast of the conference call can be followed via www.wessanen.com. The press release and presentation are available for download at www.wessanen.com.

Media, investor & analyst enquiries

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Company profile

Wessanen is a leading company in the European market for healthy and sustainable food. In 2014, our revenue from continuing operations was €434 million and we employed on average 822 people. Our mission is Healthier Food, Healthier People, Healthier Planet 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 11 core brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Gayelord Hauser, Isola Bio, Kallø, 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 in Note 1 on page 12.

The semi-annual financial report for the six-month period ended 30 June 2015 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 2014.

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 2015 and of the result of our consolidated operations for the first half year of 2015 and the undertakings included in the consolidation taken as a whole; and
- The semi-annual report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, 24 July 2015

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

Risks and uncertainties

Please refer to the note on forward-looking statements on page 6 of this press release and, with regard to risk management, to our Annual Report 2014 (page 43-48), in which we have described the main risks of Wessanen and which is deemed part of this report by reference. For the remainder of 2015 the risks are the same as disclosed in our Annual Report 2014.

Additional risks not known to us, or currently believed not to be material, could later turn out to have a material impact on our businesses, revenue, assets, liquidity, capital resources or net income. The Group's financial risk management objectives and policies are consistent with those disclosed in our Annual Report 2014.

Condensed consolidated income statement

In € millions, unless stated otherwise

Q2 2015 (unaudited)	Q2 2014 Restated[1,2] (unaudited)		H1 2015 (unaudited)	H1 2014 Restated[1,2] (unaudited)
		Continuing operations		
131.5	108.6	**Revenue**	**263.2**	218.0
		Raw materials and supplies	**(153.1)**	(129.2)
		Personnel expenses	**(36.7)**	(30.5)
		Depreciation, amortisation and impairments	**(4.2)**	(3.2)
		Other operating expenses	**(50.1)**	(38.4)
(124.6)	(101.0)	**Operating expenses**	**(244.1)**	(201.3)
6.9	7.6	**Operating result**	**19.1**	16.7
(1.1)	(0.3)	Net financing costs	**(1.9)**	(1.2)
5.8	7.3	**Profit before income tax**	**17.2**	15.5
(2.1)	(3.1)	Income tax expense	**(5.7)**	(6.0)
3.7	4.2	**Profit after income tax from continuing operations**	**11.5**	9.5
		Discontinued operations		
(0.2)	36.8	Profit/(loss) from discontinued operations, net of income tax	**4.6**	36.5
3.5	41.0	**Profit for the period**	**16.1**	46.0
3.5	41.0	**Attributable to equity holders of Wessanen**	**16.1**	46.0
		Earnings per share (in €)		
0.04	0.54	Attributable to equity holders (basic)	**0.21**	0.61
0.04	0.06	from continuing operations	**0.15**	0.13
0.00	0.48	from discontinued operations	**0.06**	0.48
		Average number of shares (in thousands)		
75,471	75,899	Basic	**75,696**	75,829
76,101	76,298	Diluted	**76,326**	76,228
1.1192	1.3704	Average USD exchange rate (USD per €)	**1.1113**	1.3705
0.7152	0.8129	Average GBP exchange rate (GBP per €)	**0.7272**	0.8189

[1] ABC qualified as discontinued operation as from 30 September 2014. Accordingly, the income statement of ABC for the full year 2014 has been reported as part of the 'Profit/(loss) from discontinued operations, net of income tax'.

[2] 'Revenue' and 'Other operating expenses' have been restated for a change in accounting policy related to customer discounts, resulting in a reclassification of €(0.4) million from 'Other operating expenses' to 'Revenue' (H1 2014: €(0.9) million).

Condensed consolidated statement of comprehensive income

In € millions

Q2 2015 (unaudited)	Q2 2014 (unaudited)		H1 2015 (unaudited)	H1 2014 (unaudited)
3.5	41.0	**Profit/(loss) for the period**	**16.1**	46.0
		Other comprehensive income		
(0.3)	(0.3)	Remeasurements of post employment benefit obligations, net of income tax	**(0.3)**	(0.3)
(0.3)	(0.3)	**Other comprehensive income that will not be reclassified to profit or loss**	**(0.3)**	(0.3)
1.1	1.4	Foreign currency translation differences, net of income tax	**5.1**	1.9
0.1	(0.1)	Effective portion of changes in fair value of cash flow hedges, net of income tax	**(0.1)**	-
1.2	1.3	**Other comprehensive income that may be reclassified to profit or loss**	**5.0**	1.9
0.9	1.0	**Total other comprehensive income/(loss)**	**4.7**	1.6
4.4	42.0	**Total comprehensive income/(loss)**	**20.8**	47.6
4.4	42.0	**Attributable to equity holders of Wessanen**	**20.8**	47.6

Condensed consolidated statement of changes in equity

In € millions

	Issued and paid-up share capital	Share premium	Reserves: Treasury shares	Reserves: Translation reserve	Reserves: Hedging reserve	Reserves: Other legal reserves	Retained earnings	Total equity
2014								
Balance at beginning of year	76.0	102.9	(1.8)	(22.2)	-	1.3	(50.8)	105.4
Total comprehensive income and expense for the period								
Profit/(loss) for the period	-	-	-	-	-	-	46.0	46.0
Foreign currency translation differences[1]	-	-	-	1.9	-	-	-	1.9
Remeasurements of post employment benefit obligations[1]	-	-	-	-	-	-	(0.3)	(0.3)
Effective portion of changes in fair value of cash flow hegdes[1]	-	-	-	-	-	-	-	-
Total comprehensive income and expense for the period	-	-	-	1.9	-	-	45.7	47.6
Contributions by and distributions to owners								
Shares delivered	-	-	1.7	-	-	-	(1.7)	-
Dividends	-	-	-	-	-	-	(3.8)	(3.8)
Share-based payments	-	-	-	-	-	-	0.4	0.4
Transfer to other legal reserves	-	-	-	-	-	(0.3)	0.3	-
Total contributions by and distributions to owners	-	-	1.7	-	-	(0.3)	(4.8)	(3.4)
Balance at 30 June 2014 (unaudited)	76.0	102.9	(0.1)	(20.3)	-	1.0	(9.9)	149.6
2015								
Balance at beginning of year	76.0	102.9	(0.1)	(14.8)	-	0.7	(10.5)	154.2
Total comprehensive income and expense for the period								
Profit/(loss) for the period	-	-	-	-	-	-	16.1	16.1
Foreign currency translation differences[1, 2]	-	-	-	5.1	-	-	-	5.1
Remeasurements of post employment benefit obligations[1]	-	-	-	-	-	-	(0.3)	(0.3)
Effective portion of changes in fair value of cash flow hegdes[1]	-	-	-	-	(0.1)	-	-	(0.1)
Total comprehensive income and expense for the period	-	-	-	5.1	(0.1)	-	15.8	20.8
Contributions by and distributions to owners								
Shares delivered	-	-	1.1	-	-	-	(1.1)	-
Dividends	-	-	-	-	-	-	(7.5)	(7.5)
Purchase of own shares	-	-	(4.4)	-	-	-	-	(4.4)
Share-based payments	-	-	-	-	-	-	0.2	0.2
Transfer to other legal reserves	-	-	-	-	-	(0.2)	0.2	-
Total contributions by and distributions to owners	-	-	(3.3)	-	-	(0.2)	(8.2)	(11.7)
Balance at 30 June 2015 (unaudited)	76.0	102.9	(3.4)	(9.7)	(0.1)	0.5	(2.9)	163.3

[1] Net of income tax

[2] Foreign currency translation differences of €5.1 million comprises translation differences over the period H1 2015 related to the appreciation of the GBP and US dollar in the amount of €9.2 million and the recycling of the accumulated translation differences following the divestment of ABC in the amount of €(4.1) million.

Condensed consolidated statement of financial position

In € millions

	30 June 2015 (unaudited)	31 December 2014 (audited)
Assets		
Property, plant and equipment	**43.4**	22.7
Intangible assets	**98.9**	64.7
Other investments	**6.9**	0.7
Deferred tax assets	**3.5**	3.3
Total non-current assets	**152.7**	91.4
Inventories	**62.1**	49.9
Income tax receivables	**0.7**	-
Trade receivables	**88.5**	70.2
Other receivables and prepayments	**16.0**	12.2
Cash and cash equivalents	**15.9**	29.8
Assets classified as held for sale	**-**	42.2
Total current assets	**183.2**	204.3
Total assets	**335.9**	295.7
Equity		
Share capital	**76.0**	76.0
Share premium	**102.9**	102.9
Reserves and retained earnings	**(15.6)**	(24.7)
Total equity	**163.3**	154.2
Liabilities		
Interest-bearing loans and borrowings	**1.6**	-
Employee benefits	**6.2**	6.4
Provisions	**6.7**	3.3
Deferred tax liabilities	**8.3**	2.7
Total non-current liabilities	**22.8**	12.4
Bank overdrafts	**11.3**	2.5
Interest-bearing loans and borrowings	**3.6**	-
Provisions	**7.7**	4.2
Income tax payables	**6.1**	5.2
Trade payables	**68.3**	61.7
Non-trade payables and accrued expenses	**52.8**	47.6
Liabilities classified as held for sale	**-**	7.9
Total current liabilities	**149.8**	129.1
Total liabilities	**172.6**	141.5
Total equity and liabilities	**335.9**	295.7
End of period USD exchange rate (USD per Euro)	**1.1189**	1.2141
End of period GBP exchange rate (GBP per Euro)	**0.7114**	0.7789

Condensed consolidated statement of cash flows

In € millions, unless stated otherwise

	H1 2015	H1 2014 Restated[1]
	(unaudited)	(unaudited)
Cash flows from operating activities		
Operating result	**19.1**	16.7
Adjustments for:		
Depreciation, amortisation and impairments	**4.2**	3.2
Other non-cash and non-operating items	**2.9**	1.8
Cash generated from operations before changes in working capital and provisions	**26.2**	21.7
Changes in working capital	**(14.8)**	(8.4)
Payments from provisions and changes in employee benefits	**(2.3)**	(3.1)
Cash generated from operations	**9.1**	10.2
Interest paid	**(0.6)**	(1.1)
Income tax paid	**(6.5)**	(3.0)
Operating cash flow from continuing operations	**2.0**	6.1
Operating cash flow from discontinued operations	**(1.7)**	4.2
Net cash from operating activities	**0.3**	10.3
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(3.1)**	(1.0)
Acquisition of intangible assets	**(0.7)**	(0.5)
Acquisition of subsidiaries, net of cash acquired	**(43.0)**	-
Investing cash flow from continuing operations	**(46.8)**	(1.5)
Investing cash flow from discontinued operations	**39.8**	53.8
Net cash from investing activities	**(7.0)**	52.3
Net cash flow before financing activities	**(6.7)**	62.6
Cash flows from financing activities		
Net repayments of interest-bearing loans and borrowings	**(4.3)**	(65.1)
Net payments of finance lease liabilities	**(0.1)**	-
Cash payments derivatives	**(0.5)**	-
Purchase of own shares	**(4.4)**	-
Dividends paid	**(7.5)**	(3.8)
Financing cash flow from continuing operations	**(16.8)**	(68.9)
Financing cash flow from discontinued operations	**-**	-
Net cash from financing activities	**(16.8)**	(68.9)
Net cash flow	**(23.5)**	(6.3)

[1] ABC qualified as discontinued operation as from 30 September 2014. Accordingly, the cash flows of ABC for H1 2014 have been reported as part of the cash flow from discontinued operations.

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 2015 comprise the Company and its subsidiaries (together referred to as 'the Group').

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

Wessanen is a leading company in the European market for healthy and sustainable food. In 2014, our revenue from continuing operations was €434 million and we employed on average 822 people. Our mission is Healthier Food, Healthier People, Healthier Planet 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 11 core brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Gayelord Hauser, Isola Bio, Kallø, Tartex, Whole Earth and Zonnatura.

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 2014.

These condensed consolidated interim financial statements were approved by the Executive Board and by the Supervisory Board on 23 July 2015.

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 2014 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. Furthermore, 'Revenue' and 'Other operating expenses' have been restated for a change in accounting policy related to customer discounts, resulting in a reclassification of €(0.9) million from 'Other operating expenses' to 'Revenue' for the six-month period ended June 30, 2014 (full year 2014: €(2.9) million).

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 2014. Reference is made to the 2014 Annual Report, Note 2 (page 63).

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 2014. In addition, reference is made to the 'risks and uncertainties' section as included on page 7 of this report.

6 Acquisitions

On 8 January 2015, Wessanen has closed the acquisition of Abafoods, in Italy, for a purchase consideration of €53.1 million, on a cash and debt free basis (incl. capitalised finance leases). Wessanen acquired 100% of the shares of Abafoods S.r.L. The results of Abafoods S.r.L have been consolidated as from 1 January 2015, contributing €22.9 million to consolidated revenue and €2.8 million to consolidated operating profit for the period.

Based on the preliminary purchase price allocation, the acquisition had the following effect on Wessanen's assets and liabilities:

in € millions	Acquired values	Fair value adjustments	Carrying amounts
Property, plant and equipment	16.2	3.7	19.9
Intangible assets	0.3	14.0	14.3
Other investments	0.2	-	0.2
Inventories	4.4	0.2	4.6
Trade and other receivables, and prepayments	10.8	-	10.8
Cash and cash equivalents	7.7	-	7.7
Interest-bearing loans and borrowings	(10.1)	-	(10.1)
Employee benefits	(1.0)	-	(1.0)
Deferred tax liabilities	0.1	(5.6)	(5.5)
Bank overdrafts	(10.2)	-	(10.2)
Income tax payables	(0.7)	-	(0.7)
Trade and non-trade payables, and accrued expenses	(7.9)	-	(7.9)
Net identifiable assets and liabilities	**9.8**	**12.3**	**22.1**
Goodwill on acquisition			18.4
Considerations paid			**40.5**
Net cash and cash equivalents and bank overdrafts acquired			(2.5)
Net cash outflow			**43.0**

The fair value adjustment related to intangible assets of €14.0 million, includes trademarks (indefinite life) and customer lists in the amount of €8.9 million and €5.1 million respectively. The customer lists are amortised over 14 years.

The full consideration of €43.0 million (including cash and cash equivalents and bank overdrafts acquired) was fully paid in cash. The total consideration of €43.0 million is excluding interest-bearing loans and borrowings acquired of €10.1 million. Acquisition costs amounted to €0.9 million, which costs were fully incurred in 2014.

The goodwill recognised on the acquisition of Abafoods is attributable mainly to Abafoods' unique expertise in dairy alternatives which will strengthen the Group's R&D and production capabilities to fuel the growth of our brands in Europe in this core category. None of the goodwill recognised is expected to be deductible for tax purposes.

7 Seasonality of operations

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

8 Operating segment information

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

Key financial data regarding these segments are given below:

in € millions	Revenue[1] H1 2015	Revenue[1] H1 2014[3]	Operating result[1] and operating margin[1,2,3] H1 2015		H1 2014	
Branded	263.2	218.0	20.3	7.7%	18.0	8.3%
Non-allocated	-	-	(1.2)		(1.3)	
Continuing operations	**263.2**	**218.0**	**19.1**	**7.3%**	**16.7**	**7.7%**
ABC	21.7	53.6	(1.5)	-6.9%	5.1	9.5%
Distribution	-	35.6	-		(0.5)	-1.4%
IZICO	-	39.1	-		2.0	5.1%
Discontinued operations	**21.7**	**128.3**	**(1.5)**	**-6.9%**	**6.6**	**5.1%**
Total Wessanen	**284.9**	**346.3**	**17.6**	**6.2%**	**23.3**	**6.7%**

[1] Figures restated for ABC qualifying as discontinued operation as from 30 September 2014.

[2] Operating result as % of total revenue.

[3] Revenue has been restated for a change in accounting policy related to customer discounts, resulting in a reclassification of €(0.9) million from 'Other operating expenses' to 'Revenue'.

The assets can be specified as follows:

in € millions	Total assets 30 June 2015	Total assets 31 December 2014
Branded	315.7	222.1
Non-allocated	20.2	31.4
Continuing operations	**335.9**	**253.5**
ABC	-	40.2
Distribution	-	2.0
IZICO	-	-
Discontinued operations	**-**	**42.2**
Total Wessanen	**335.9**	**295.7**

In the first six months of 2015, total assets increased by €40.2 million, from €295.7 million as at 31 December 2014 to €335.9 million as at 30 June 2015, mainly due to the acquisition of Abafoods, partly offset by the divestments of ABC and Distribution-France (Bio-Distrifrais-Chantenat).

9 Share-based payments

For running Long Term Incentive plans and share- and performance rights issued under these plans, reference is made to Note 8 (page 76) of our Annual Report 2014.

The proposed amendment of the remuneration policy as outlined on page 57 of our Annual Report 2014 has been approved by the Annual General Meeting of Shareholders held on 16 April 2015.

10 Income taxes

The income tax expense is recognised based on management's latest estimate of the weighted average annual income tax rate expected for the full financial year. The Group's estimated average annual income tax rate for Wessanen's continuing operations used for the year to 31 December 2015 is 35% (excluding discrete items), mainly impacted by the country mix (the estimated tax rate for the year 2014 applied to the results of the six-month period ended 30 June 2014 was 32%). The net release from the provision for uncertain tax positions of €0.2 million (HY1 2014: net addition of €0.5 million) and a prior year adjustment of €0.1 million (profit) ultimately resulted in an effective tax charge in the six-month period ended 30 June 2015 of 33.2% (H1 2014: 34.1%).

11 Discontinued operations

Wessanen's discontinued operations as at 1 January 2015 included the businesses of Distribution-France (Bio-Distrifrais-Chantenat) and ABC. In 2015, the Group signed an agreement to sell Distribution-France, effectively as from 2 January 2015. In March 2015, the Group signed an agreement to sell ABC to Harvest Hill Beverage Company, effectively as from 31 March 2015.

Result from discontinued operations

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

	H1 2015	H1 2014
Revenue	21.7	128.3
Operating result	(1.5)	6.6
Net financing costs	-	(0.1)
Profit/(loss) before income tax	(1.5)	6.5
Income tax expense	-	(1.5)
Profit/ (loss) after tax from discontinued operations	(1.5)	5.0
Pre-tax gain on the divestment of discontinued operations	6.1	31.5
Income tax expense	-	-
After tax gain recognised on the divestment of discontinued operations	6.1	31.5
Result for the period from discontinued operations	4.6	36.5

Result on divestment of discontinued operations

The following table presents a reconciliation between net assets divested, net proceeds on the divestments of discontinued operations and the result on divestment:

	H1 2015	H1 2014
Non-current assets	33.7	23.2
Current assets	20.1	41.0
Non-current liabilities	-	(8.3)
Current liabilities	(8.9)	(29.8)
Net assets divested	44.9	26.1
Consideration received in cash, net of expenses	47.0	57.6
Proceeds to be received	-	-
Total proceeds on the divestment	47.0	57.6
Net assets divested	(44.9)	(26.1)
Foreign exchange result on transaction	(0.1)	-
Cumulative exchange rate differences transferred from equity	4.1	-
Income tax expense	-	-
After tax gain recognised on the divestment of discontinued operations	6.1	31.5

Total cash proceeds from divestment of Distribution-France and ABC, net of cash and cash equivalents divested, amounted to €50.9 million. The cash proceeds are reported as part of the investing cash flow from discontinued operations in the amount of €39.8 million, which also include the acquisition of PP&E of €(4.4) million and cash proceeds in escrow related to the divestment of ABC of €(6.7) million.

12 Employee benefits

In 2015 the surplus scheme of a pension plan for former employees of one of the Dutch companies divested in 2014 was amended. After this amendment the pension plan no longer qualifies as a defined benefit scheme. Accordingly, a settlement gain of €1.4 million has been recognised in H1 2015.

13 Provisions

As per 30 June 2015 Wessanen has recognised provisions of in total €14.4 million (31 December 2014: €7.5 million). The year-to-date increase of €6.9 million mainly includes a net increase of the provision for legal risks (€2.8 million) and other provisions (€3.5 million).

The increase of the provision for legal risks mainly relates to guarantees, representations and warranties provided in respect of the divestment of ABC (€2.8 million).

The increase in other provisions comprises net additions charged against result of €4.7 million, and utilisations during the period of €(1.2) million. The net additions mainly relate to cash-settled share-based compensation transactions and contract termination expenses. The utilisations during the period relate to cash-settled share-based compensation transactions following vesting of the Long Term Incentive plan 2012 (€0.8 million).

14 Borrowings and loans

Net debt can be specified as follows:

In € millions	30 June 2015	31 December 2014
Long-term interest-bearing loans and borrowings[1]	**1.6**	-
Short-term interest-bearing loans and borrowings	**3.6**	-
Total interest-bearing loans and borrowings	**5.2**	-
Bank overdrafts	**11.3**	2.5
Cash and cash equivalents	**(15.9)**	(29.8)
Net debt/(cash) related to continuing operations	**0.6**	(27.3)
Net debt related to discontinued operations	**-**	-
Net debt/(cash) Wessanen	**0.6**	(27.3)

[1] Long-term interest-bearing loans and borrowings as per 30 June 2015 are net of capitalised finance costs. As per 31 December 2014 capitalised finance costs were included in 'other investments'.

Net debt of Wessanen increased by €27.9 million in the six-month period ended 30 June 2015, mainly due to capital expenditures, dividends paid and repurchase of own shares. The proceeds from the divestment of ABC (€51.2 million), excluding proceeds in escrow (€6.7 million), are almost fully offset by the acquisition of Abafoods (€43.0 million).

15 Repurchase of shares

In the six-month period ended 30 June 2015, Wessanen repurchased 676,129 shares for the total amount of €4.4 million. The total number of shares purchased is based on the expected number of shares to be delivered upon vesting of the Long Term Incentive Plans 2012 (shares delivered in June 2015), 2013, 2014 and 2015.

16 Dividends

A cash dividend of €7.5 million that relates to the year 2014 was paid in May 2015 (H1 2014: €3.8 million).

17 Financial instruments

Recurring fair value measurements versus carrying amounts

The fair value of financial assets and liabilities equal the carrying amounts both as per 30 June 2015 and 31 December 2014. The fair values of financial instruments have been determined for measurement based on the method as outlined in Note 25 of the 2014 Annual Report (pages 93-94).

Non-recurring fair value measurements versus carrying amounts

Based on the final information provided by IZICO on the 2014 financial performance it was concluded that the target was not achieved. As a consequence, no additional consideration in respect of the divestment of IZICO is to be received, which is consistent with the initial assessment at 31 December 2014.

18 Related party transactions

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

Based on the Long-Term Incentive plans 2015, the Company granted 68,582 restricted shares to the Executive Board members in the first half of 2015. In June 2015, 172,538 shares were delivered to the (former) members of the Executive Board as part of the Long Term Incentive plan 2012, which plan vested at 125% (TSR ranking: 2nd).

No other significant related party transactions occurred.

19 Events occurring after the reporting period

On 24 July 2015 Wessanen announced that it has successfully amended and extended its €100 million revolving credit facility with ABN Amro and ING. This facility was scheduled to mature in July 2017. The facility has been extended until July 2020, with an extension option of two additional years. Key amendments are a release of security rights, improved commercial terms and an increase of the 'accordion facility' by €25 million.