Royal Wessanen nv

For further information, please contact
Corporate Communications Phone +31 (0)30 298 88 31 E-mail corporate.communications@wessanen.com
Investor Relations Phone +31 (0)30 298 88 03 E-mail investor.relations@wessanen.com

Press release – Results second quarter 2007 August 1, 2007

Wessanen: All four business units show growth; EBIT up by 22%

Highlights

- Revenue in Q2-07 was EUR 391.9 million, against EUR 394.8 million in the same period last year, including a negative currency effect of EUR 14.5 million. All four business units showed growth in local currencies.
- EBIT in Q2-07 increased by EUR 2.8 million to EUR 15.6 million (Q2-06: EUR 12.8 million).
- Net profit (attributable to equity holders) was EUR 10.4 million in Q2-07 compared to EUR 12.0 million in Q2-06, caused by the divestment of the Private Label operations at the end of Q1-07 and a 16% income tax expense.
- Cash generated from operations increased in the first half of 2007 to EUR 19.1 million from EUR 13.1 million in the same period last year.
- Interim dividend of EUR 0.25 is payable on August 14, 2007.

CEO statement

Ad Veenhof, Wessanen CEO, says: “I am pleased to see that the strategic initiatives in our Branded and Distribution businesses are starting to pay off. Our North American operations did especially well. North America Branded is demonstrating excellent growth. Tree of Life, Wessanen’s North American distribution business, has improved from negative growth the last couple of years and earlier this year to a positive top-line growth of 2.2% (in US dollars) in the second quarter of 2007. Our European businesses are also showing encouraging growth in the key strategic segments of branding and distribution.
EBIT was up for our North American and European Branded operations and break-even at North America Distribution after a loss last year. Overall, all four businesses are strengthening and we are confident that we will reach our run rate year-end 2007 objectives.”

Consolidated key figures Q2 and half year 2007

Q2 2007	Q2 2006	*X EUR million, unless stated otherwise*	HY 2007	HY 2006
391.9	394.8	Revenue	780.4	809.3
406.4	394.8	Revenue at constant exchange rates	814.2	809.3
15.6	12.8	EBIT (operating profit)	27.7	23.6
10.4	12.0	Profit	31.9	17.0
0.15	0.17	Earnings per share (in euro)	0.45	0.24
70,456	71,179	Average number of outstanding shares (x 1.000 shares)	70,460	71,154

Outlook full year 2007

- Achieve growth in all four business units reaching by end of 2007 (run rate) the 5-7% target levels.
- Broaden and internationalize our brands and brand portfolio in the key product categories.
- Strengthen our distribution business via organic growth, new contracts and complementary consolidations.
- Achieve the strategic profit levels by end of 2007 (run rate) for Europe Branded (10-12%), North America Branded (10-12%) and Europe Distribution (4-5%). Improve profitability of North America Distribution and continue working on a strategic profitability level of 3-4%, with some delay.
- Further improve working capital and cash flow.

Financial summary

Total Revenue decreased by 0.7% to EUR 391.9 million, due to a negative foreign currency effect (of a weak US dollar against the euro in Q2-07) of EUR 14.5 million. All four businesses show growth in local currencies.

EBIT increased by EUR 2.8 million to EUR 15.6 million (Q2-06: EUR 12.8 million).

Primary working capital increased in Q2-07 by EUR 5.1 million to EUR 246.4 million, despite a positive foreign exchange effect of EUR 1.5 million, partly caused by seasonal effects and the onboarding of new customers.

Cash generated from operations increased in the first half of 2007 to EUR 19.1 million from EUR 13.1 million in the same period last year. The total net cash inflow in the first half of 2007 amounted to EUR 2.4 million (FH-06: net cash outflow of EUR 3.2 million), including the net proceeds from the divestment of the Private Label activities of EUR 88.6 million, dividend payments of EUR 32.3 million, share buyback of EUR 23.8 million and repayments of debt of EUR 32.6 million.

Net debt increased in Q2-07 with EUR 64.4 million to EUR 90.4 million, as at June 30, 2007, mainly as a result of dividend payments and the share buyback program.

On May 2, 2007, Wessanen began a share buyback program to return part of the proceeds of the Private Label divestment to shareholders through a reduction of Wessanen’s outstanding capital by EUR 50 million. During the period from May 2 through June 30, 2007, Wessanen acquired 1,988,154 of its shares pursuant to the share buyback program, at an average price of EUR 11.99 per share. The aggregated number of shares bought back up to and including June 30, 2007, represent about 50% of the announced objective to buy back shares to the amount of EUR 50 million.

Highlights second quarter per segment: North America

- Q2-07 total sales in North America were USD 320.4 million, up 3.3% compared to last year.
- Total North America EBIT more than doubled in Q2-07 to USD 6.9 million (Q2-06: USD 3.4 million).
- Net revenue for North America Distribution was USD 263.7 million in Q2-07, up 2.2% versus last year. This growth was driven by previously announced new business, as well as the completion of the Organica acquisition.
- EBIT at North America Distribution was USD 0.1 million and was impacted by start-up costs associated with new customers/vendors and the closing of the Minneapolis facility.
- In Q2-07 an additional USD 25 million in annualized new customer volume was awarded to North America Distribution, which will be on-boarded during 2008.
- Net revenue for North America Branded was USD 56.7 million in Q2-07, up 8.8% from last year due to increased sales in almost all segments of the business. EBIT improved as a result of a better mix.
- American Beverage Corporation's (ABC) prime competitor in juice drinks has decided to exit its business and has invited ABC to service its customers and assume its brands in exchange for a royalty fee. Estimated annual sales are USD 25 million.

Total North American business (in euros)

Q2 2007	Q2 2006	*x EUR million, unless stated otherwise*	HY 2007	HY 2006
237.6	244.0	Revenue	469.9	508.8
252.5	244.0	Revenue at constant exchange rates	504.8	508.8
5.3	2.7	EBIT (operating profit)	6.4	2.8
2.2%	1.1%	EBIT margin (as a % of revenue)	1.3%	0.6%

Total North American business (in US dollars)

Q2 2007	Q2 2006	*x USD million, unless stated otherwise*	HY 2007	HY 2006
320.4	310.1	Revenue	625.2	630.0
6.9	3.4	EBIT (operating profit)	8.4	3.5
2.2%	1.1%	EBIT margin (as a % of revenue)	1.3%	0.6%

North America Branded (in euros)

Q2 2007	Q2 2006	*x EUR million, unless stated otherwise*	HY 2007	HY 2006
42.3	41.4	Revenue	65.4	67.0
45.1	41.4	Revenue at constant exchange rates	70.2	67.0
5.2	4.5	EBIT (operating profit)	6.0	5.3
12.2%	11.0%	EBIT margin (as a % of revenue)	9.1%	8.0%

North America Branded (in US dollars)

Q2 2007	Q2 2006	*x USD million, unless stated otherwise*	HY 2007	HY 2006
56.7	52.1	Revenue	87.0	83.0
6.8	5.7	EBIT (operating profit)	7.9	6.6
12.2%	11.0%	EBIT margin (as a % of revenue)	9.1%	8.0%

North America Distribution (in euros)

Q2 2007	Q2 2006	*x EUR million, unless stated otherwise*	HY 2007	HY 2006
195.3	202.6	Revenue	404.5	441.8
207.4	202.6	Revenue at constant exchange rates	434.6	441.8
0.1	(1.8)	EBIT (operating profit)	0.4	(2.5)
0.0%	(0.9)%	EBIT margin (as a % of revenue)	0.1%	(0.6)%

North America Distribution (in US dollars)

Q2 2007	Q2 2006	*x USD million, unless stated otherwise*	HY 2007	HY 2006
263.7	258.0	Revenue	538.2	547.0
0.1	(2.3)	EBIT (operating profit)	0.5	(3.1)
0.0%	(0.9)%	EBIT margin (as a % of revenue)	0.1%	(0.6)%

Highlights second quarter per segment: Europe

- Q2-07 sales in Europe were EUR 148.3 million, up 2.3% compared to last year.
- EBIT for the second quarter was EUR 12.4 million (Q2-06: EUR 12.8 million). Q2-07 EBIT improved by 5.4% compared to the same period last year, excluding a positive real estate gain in Q2-06.
- Branded sales improved for the quarter, up 1.3% compared with last year. The somewhat lower percentage was a result of the previously mentioned downward sales trend in the frozen business, terminated sole agency contracts (approx. 1%) and a slow ending of the quarter, which regained momentum in July. EBIT was up by 8%, excluding a real estate gain of EUR 0.8 million last year.
- Sales at our European Distribution operations were comfortably ahead of the same period last year (Q2-07: EUR 35.7 million versus Q2-06: EUR 33.7 million). Results were generally good, but EUR 0.5 million lower than the same period last year, of which EUR 0.3 million was related to a real estate gain last year.
- The transaction with Rabo Capital to merge the activities of Habek Snacks and Wessanen's private label frozen snack business at Bocholt (B) and Tilburg (NL) into a new company called Favory Convenience Food Group, was completed just after the second quarter close.

Total European business

Q2 2007	Q2 2006	*x EUR million, unless stated otherwise*	HY 2007	HY 2006
148.3	144.9	Revenue	298.4	288.5
147.9	144.9	Revenue at constant exchange rates	297.3	288.5
12.4	12.8	EBIT (operating profit)	25.4	25.2
8.4%	8.8%	EBIT margin (as a % of revenue)	8.5%	8.7%

Europe Branded

Q2 2007	Q2 2006	*x EUR million, unless stated otherwise*	HY 2007	HY 2006
112.6	111.2	Revenue	226.4	220.4
112.4	111.2	Revenue at constant exchange rates	225.9	220.4
10.8	10.7	EBIT (operating profit)	22.0	21.5
9.6%	9.6%	EBIT margin (as a % of revenue)	9.7%	9.7%

Europe Distribution

Q2 2007	Q2 2006	*x EUR million, unless stated otherwise*	HY 2007	HY 2006
35.7	33.7	Revenue	72.0	68.1
35.5	33.7	Revenue at constant exchange rates	71.4	68.1
1.6	2.1	EBIT (operating profit)	3.4	3.7
4.4%	6.2%	EBIT margin (as a % of revenue)	4.7%	5.5%

Highlights second quarter per segment: Non Allocated

Total Non Allocated

Q2 2007	Q2 2006	*x EUR million, unless stated otherwise*	HY 2007	HY 2006
6.0	5.9	Revenue	12.1	12.0
6.0	5.9	Revenue at constant exchange rates	12.1	12.0
(2.1)	(2.7)	EBIT (operating profit)	(4.1)	(4.4)

Dividend

Interim dividend will be increased from EUR 0.20 last year to EUR 0.25 and will be payable on August 14, 2007. For the full year the company will again propose to its shareholders a dividend of EUR 0.65.

Important dates

August 14, 2007	Interim dividend 2007 payable
October 31, 2007	Publication third quarter results 2007
February 26, 2008	Publication fourth quarter results 2007
April 16, 2008	Annual General Meeting of Shareholders 2008

Company profile

Royal Wessanen nv is a multinational food corporation based in the Netherlands which operates in European and North American markets. We specialize in identifying, developing and distributing premium foods that are authentic and true to their origins. Our brands and products are focused on two sectors: Health foods, most notably natural and organic foods, and Premium Taste foods, including specialties from around the world.
We aim to continuously increase our shareholder value by capitalizing on our differentiating capabilities in category management, strong brands, value-added distribution services and transatlantic alignment.

Appendix

1. Condensed consolidated interim financial statements Q2 and first half 2007
2. Review report

Note on forward-looking statements

This announcement contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of the safe-harbor provisions of the US federal securities laws. These forward-looking statements 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 behavior 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.

Appendix 1:

Condensed consolidated interim financial statements second quarter 2007 and first half 2007

Condensed consolidated income statement

in EUR millions, unless stated otherwise

Q2 2007	Q2 2006		HY 2007	HY 2006
391.9	394.8	Revenue	**780.4**	809.3
-	1.8	Other Income	**1.2**	2.0
(376.3)	(383.8)	Operating expenses	**(753.9)**	(787.7)
15.6	12.8	**Operating profit**	**27.7**	23.6
(2.7)	(2.8)	Net financing costs	**(4.9)**	(5.3)
0.1	0.1	Share in results of associates	**0.1**	0.1
13.0	10.1	**Profit before income tax**	**22.9**	18.4
(2.1)	(0.2)	Income tax expense	**(4.6)**	(2.9)
-	2.5	Result from discontinued operations, net of income tax	**(0.7)**	2.4
-	-	Result on divestment discontinued operations, net of income tax	**15.4**	-
10.9	12.4	**Profit for the period**	**33.0**	17.9
		Attributable to:		
10.4	12.0	Equity holders of Wessanen	**31.9**	17.0
0.5	0.4	Minority interests	**1.1**	0.9
10.9	12.4	**Profit for the period**	**33.0**	17.9
		Earnings per share (in EUR)		
0.15	0.17	Basic	**0.45**	0.24
0.15	0.17	Diluted	**0.45**	0.23
		Average number of shares outstanding (in thousands)		
70,456	71,179	Basic	**70,460**	71,154
0.7436	0.7970	Average USD exchange rate (Euro per U.S. Dollar)	**0.7517**	0.8076

Condensed consolidated balance sheet

in EUR millions, unless stated otherwise

	June 30, 2007	**December 31, 2006**
Non-current assets	**381.9**	374.6
Current assets	**465.6**	445.9
Assets classified as held for sale	**-**	130.2
Total assets	**847.5**	950.7
Equity attributable to equity holders of parent	**445.8**	469.7
Minority interests	**11.3**	10.3
Total equity	**457.1**	480.0
Non-current liabilities	**131.0**	164.2
Current liabilities	**259.4**	241.6
Liabilities classified as held for sale	**-**	64.9
Total equity and liabilities	**847.5**	950.7
End of period USD exchange rate (Euro per U.S. Dollar)	**0.7437**	0.7595

Condensed consolidated statement of cash flow

in EUR millions, unless stated otherwise

	HY 2007	HY 2006
Cash flow from operating activities		
Operating profit (EBIT)	**27.7**	23.6
Adjustments for:		
Depreciation, amortization and impairments	**8.0**	8.2
Other non-cash and non-operating items	**9.2**	9.5
Cash generated from operations before changes in working capital and provisions	**44.9**	41.3
Changes in working capital	**(13.4)**	(13.0)
Changes in non-current assets and liabilities	**(12.4)**	(15.2)
Cash generated from operations	**19.1**	13.1
Income tax paid	**(2.9)**	(0.9)
Interest paid	**(4.8)**	(4.5)
Operating cash flow from continuing activities	**11.4**	7.7
Operating cash flow from discontinued activities	**(0.6)**	1.4
Net cash from operating activities	**10.8**	9.1
Investing cash flow from continuing activities	**(9.6)**	(16.7)
Investing cash flow from discontinued activities	**86.7**	(1.6)
Net cash from investing activities	**77.1**	(18.3)
Financing cash flow from continuing activities	**(85.3)**	6.3
Financing cash flow from discontinued activities	**(0.2)**	(0.3)
Net cash from financing activities	**(85.5)**	6.0
Net cash flow	**2.4**	(3.2)
Cash and cash equivalents at beginning of year, including discontinued operations	**13.4**	7.5
Net cash from operating, investing and financing activities	**2.4**	(3.2)
Effect of exchange rate differences on cash and cash equivalents	**(0.1)**	(0.1)
Cash and cash equivalents related to discontinued operations	-	(0.3)
Cash and cash equivalents of continuing operations at end of period	**15.7**	3.9
Average USD exchange rate (Euro per U.S. Dollar)	**0.7517**	0.8076

Condensed consolidated statement of changes in equity

in EUR millions, unless stated otherwise

	June 30, 2007	June 30, 2006
Balance at beginning of year	**480.0**	492.8
Profit for the period	**33.0**	17.9
Effective portion of changes in fair value of cash flow hedges	**1.0**	4.8
Foreign exchange translation differences	**(2.0)**	(6.5)
Total recognized income and expense	**32.0**	16.2
Own shares acquired	**(23.8)**	-
Own shares sold	**-**	-
Share options exercised by employees	**0.9**	5.4
Share-based payments	**0.3**	0.4
Dividends to shareholders	**(32.3)**	(32.0)
Balance at end of period	**457.1**	482.8
Equity attributable to equity holders of parent	**445.8**	473.2
Minority interests	**11.3**	9.6
Total equity	**457.1**	482.8

Notes to the condensed consolidated interim financial statements
In millions of euro, unless stated otherwise

1 The company and its operations

Royal Wessanen nv ('Wessanen' or the 'Company') is a public limited company domiciled in the Netherlands. The condensed consolidated interim financial statements of the Company as at and for the six-month period ended June 30, 2007 comprise the Company and its subsidiaries (together referred to as the 'Group') and Wessanen's interest in associated companies.

The information in these condensed consolidated interim financial statements is unaudited.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting". 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 December 31, 2006.

These condensed consolidated interim financial statements were approved by the Board on July 31, 2007.

3 Accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2006.

The comparative income and cash flow statement have been re-presented as if Karl Kemper Germany had been continued from the start of the comparative period being January 1, 2006.

4 Estimates

The preparation of the interim financial statements requires management to make judgments, 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 judgments 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 December 31, 2006.

5 Financial risk management

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended December 31, 2006.

6 Financial information by segment

Activities of continuing operations are carried out by four separate business segments: North America Branded, North America Distribution, Europe Branded and Europe Distribution. Non-allocated includes Karl Kemper Germany and corporate entities.

Key financial data regarding these segments are given below:

in EUR millions, unless stated otherwise

Q2 2007	Q2 2006		**HY 2007**	HY 2006
		Total North American business		
237.6	244.0	Revenue	**469.9**	508.8
5.3	2.7	Operating profit	**6.4**	2.8
		North America Branded		
42.3	41.4	Revenue	**65.4**	67.0
5.2	4.5	Operating profit	**6.0**	5.3
		North America Distribution		
195.3	202.6	Revenue	**404.5**	441.8
0.1	(1.8)	Operating profit	**0.4**	(2.5)
		Total European business		
148.3	144.9	Revenue	**298.4**	288.5
12.4	12.8	Operating profit	**25.4**	25.2
		Europe Branded		
112.6	111.2	Revenue	**226.4**	220.4
10.8	10.7	Operating profit	**22.0**	21.5
		Europe Distribution		
35.7	33.7	Revenue	**72.0**	68.1
1.6	2.1	Operating profit	**3.4**	3.7
		Non-allocated		
6.0	5.9	Revenue	**12.1**	12.0
(2.1)	(2.7)	Operating profit	**(4.1)**	(4.4)

7 Income tax expense

The Group's consolidated effective tax rate in respect of continuing operations for the first half of 2007 was 20%, based on an estimated average annual effective income tax rate of 20% for 2007 (for the year ended December 31, 2006: 10%).

8 Cash flow

Proceeds from divestment Private Label activities

The net proceeds from the divestment of the Private Label activities amount to EUR 88.6 million in the first half of 2007, net of cash divested of EUR 6.7 million.

Interest bearing loans and borrowings

In the second quarter of 2007, the EUR 30 million floating rate borrowing under the multi-currency credit facility was repaid.

Dividend

In the second quarter of 2007, dividend was paid of EUR 0.45 per share (being the final dividend 2006 of EUR 0.65 per share less the interim dividend 2006 of EUR 0.20 per share paid out in Q3-06), totaling EUR 32.3 million.

Share buyback program

On May 2, 2007, Wessanen began a share buyback program to return part of the proceeds of the Private Label divestment to shareholders through a reduction of Wessanen's outstanding capital by EUR 50 million as announced in April 2007.

During the period from May 2 through June 30, 2007, Wessanen acquired 1,988,154 of its shares pursuant to the share buyback program, at an average price of EUR 11.99 per share, for EUR 23.8 million in total.

9 Acquisitions

In April 2007, Organica USA, Inc., a wholesale natural and specialty foods distributor in Florida (the United States) was acquired by our North American Distribution business for EUR 0.7 million (USD 1.0 million).

10 Subsequent events

On July 2, 2007, Royal Wessanen nv and Rabo Capital came to an agreement to set up a New Company (named: 'Favory Convenience Food Group'), which company acquired the related Wessanen private label frozen snack business and the facilities in Bocholt (Belgium) and Tilburg (the Netherlands) and the business and the facility of Habek Snacks in Deurne (the Netherlands). Wessanen owns 60.6% of the Favory Convenience Food Group and Rabo Capital 39.4%.

As a consequence of the merger, and the resulting consolidation of production activities, the production activities of Tilburg will be transferred to the production facility of Habek Snacks in Deurne.

The results of the Favory Convenience Food Group will be consolidated as from July 2, 2007 and accordingly the transaction will be reflected in our Q3-07 report.

To the Shareholders,

Introduction
We have reviewed the accompanying condensed consolidated balance sheet of Royal Wessanen nv ("the Company"), Utrecht, as at 30 June 2007, and the related condensed consolidated statement of income, changes in equity and cash flow for the six-month period then ended ("the interim financial information") as set out on pages 7 to 12.

We have not reviewed the figures for the second quarters 2006 and 2007 as included in the interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review
We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2007 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amstelveen, 1 August 2007
KPMG ACCOUNTANTS N.V.
F.A.C.M. van Kasteren RA