
wessanen

# Press release

## Q4 and full year 2015 results

# Growing strongly, sustainably and profitably

Turn around to pure player in Healthy & Sustainable Food in Europe completed.

## Q4 2015 highlights

- Revenue growth of 25.4%
- Strong autonomous growth in own brands (13.6%) and core categories (14.8%), mainly volume driven
- EBITE of €6.1 million (2014: €1.3 million)
- Net cash position of €17.5 million, up €15.5 million versus end Q3 2015

## Full year 2015 highlights

- Revenue growth of 21.6% to €523.0 million; autonomous revenue growth of 9.4%
- Strong autonomous growth in own brands (13.3%) and core categories (11.1%)
- EBITE up 47% to €34.7 million (6.6% of Revenue) while marketing investments were up strongly
- Dividend proposal of €0.11 per share for the year 2015

## Consolidated key figures Q4/FY 2015

| *In € million, unless stated otherwise* | Q4 2015 | Q4 2014 [2] | FY 2015 | FY 2014 [2] | % increase |
|---|---|---|---|---|---|
| **Revenue** | **133.9** | 106.9 | **523.0** | 430.6 | 21.6% |
| Autonomous revenue development [1] | 13.1% | | 9.4% | | |
| **EBITDAIE** [3] | **8.5** | 3.1 | **43.2** | 30.0 | 44.0% |
| **Normalised operating result (EBITE)** | **6.1** | 1.3 | **34.7** | 23.6 | 47.0% |
| EBITE as % of Revenue | **4.6%** | 1.2% | **6.6%** | 5.5% | |
| Operating result (EBIT) | **6.5** | (1.0) | **34.6** | 20.6 | 68.0% |
| **Profit/(loss) after income tax from continuing operations** | **10.5** | (1.0) | **27.8** | 11.4 | 143.9% |
| Profit/(loss) from discontinued operations | **4.6** | (5.4) | **9.5** | 33.9 | (72.0)% |
| **Profit/(loss) for the period** | **15.1** | (6.4) | **37.3** | 45.3 | (17.7)% |
| Net cash/(debt) | **17.5** | 27.3 | | | |
| **ROCE** | | | **19.7%** | 17.0% | |

[1] Including adjustments for currency effects and acquisitions/divestments; [2] 'Revenue' and 'Other operating expenses' have been restated for a reclassification of €(1.3) from 'Other operating expenses' to 'Revenue' in Q4 2014 (FY2014: €(2.9) million); [3] Operating result before depreciation, amortisation, impairments and exceptional items.

## CEO statement

Christophe Barnouin (CEO) commented: "2015 was a good year for us. 250 years after the company was founded we managed to outgrow a strongly growing market with most of our own brands and delivered overall autonomous growth of 9.4%. We significantly invested in building stronger brands yet delivered a 47% increase of EBITE for the year. The integration of Abafoods is progressing very well. Our efforts to upgrade our

operations are bearing fruit and we are sharpening our profile as one of very few fully focussed, listed companies in healthy and sustainable food.
A food revolution is underway as people switch from "Big Food" to healthier, more sustainable alternatives. We have only just seen the beginning of a long term trend and we are in a unique position to contribute to its development."

## Our strategy


1. We focus on core brands in core categories and aim to grow them ahead of market through innovation, brand development and adequate marketing spend.

2. We upgrade effectiveness and efficiency of our operations.

3. We are building a green and entrepreneurial culture.

4. We are looking to acquire selectively. Adding the right new members to our family of companies will further enhance expertise and scale in core categories and countries.

## Market review

The European market for healthy and sustainable food continues to be very dynamic. Overall, we have seen an acceleration of market growth in 2015 across most of our markets and channels to higher single digit figures. The trend towards vegetarian diets has been particularly strong in some countries and retailers are giving more space to our categories. There is an underlying, lasting shift in consumer behaviour as more and more people are starting to adopt food that is healthier for themselves and for the planet.

## Brand review

### Q4 performance

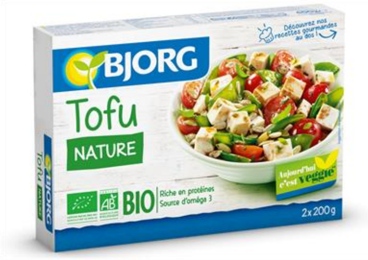
In the fourth quarter, our own brands recorded autonomous growth of 13.6%. We saw good growth across all countries and channels with Clipper, Bjorg, Zonnatura, Whole Earth and Alter Eco growing the most. The acquired brand Isola Bio also grew double digit.

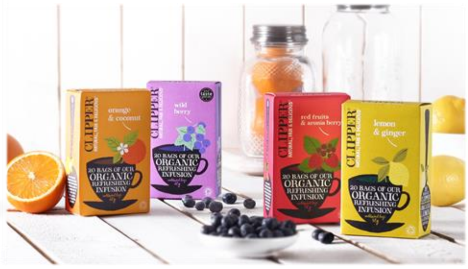
Marketing investments were up on prior year and our innovation, promotion and brand building activities performed well. In a growing market we managed to continue to gain share.

In the fourth quarter, all core categories grew at healthy levels, overall +14.8% (autonomous). Dairy Alternatives, Breakfast Cereals, Bread and Biscuit Replacers and Hot Drinks grew at double digit levels.

### Full year 2015 performance

In 2015, our own brands have grown 13.3%. Core categories overall grew 11.1% and highest growth was in Bread and Biscuit Replacers, Breakfast Cereals, Hot Dinks and Dairy Alternatives.





**Bjorg** had a very strong year and grew at double digit levels. Growth was broad based across categories and driven by innovation, promotion and brand support. The brand has embraced the trend to meat replacement with a new veggie range,  and has continued to extend its leadership of the organic market in France. Highest growth was in Breakfast Cereals, Bread and Biscuit Replacers, Dairy Alternatives and Veggie Meals.

**Bonneterre**  has created good growth momentum through innovation and, first time ever TV advertising support. The new tea range made at our Beaminster factory performed well and Dairy Alternatives from our Italian production sites showed strong double digit growth too.

**Kallø** grew at high double digit levels based on ongoing success of its new brand positioning, new products and broader customer listings. **Whole Earth** succeeded with a brand re-launch and its new positioning of “power fuel” and is close to achieving market leadership of Peanut Butter in the UK.

**Clipper’s**  rollout in the Netherlands, France and Germany as well as across Export markets continues to perform above expectations. Growth in the UK was moderate giving overall market decline in Tea and strong competition in Green Tea. Overall the brand achieved solid double digit growth.

**Zonnatura** had another strong year with strong double digit growth. Highest growth rates were in Breakfast Cereals, Bread and Biscuit Replacers, and Veggie Meals. As the brand attracts more consumers it has entered the list of the Top 100 brands in the Netherlands.

We managed to re-ignite double digit growth on **Allos** in Germany. Especially Veggie Meals grew strongly based on the Hofgemuese innovation.  Given the dynamic changes in the Vegetarian market, the traditional **Tartex** product and range proved uncompetitive and as a result the brand suffered a double digit decline. A new promising mix, Tartex Brotzeit has been launched late in Q4 and is expected to turnaround the brand in 2016.

Through a brand re-launch and regaining customer listings, **Gayelord Hauser** managed to stabilise. **Alter Eco** managed to regain lost ground and grew double-digit in the second full year since the acquisition.

**Isola Bio** continues to grow at high double digit rates, both in its home country Italy as well as in an increasing number of international markets. The integration into Wessanen is progressing very well.


## Sustainability review

We have managed to further strengthen our sustainability agenda and have advanced on a number of key performance indicators. 71% of our portfolio is now organic, 97% vegetarian, we have removed palm oil from many products and the rest is 100% RSPO certified. We now use 94% renewable energy. With the integration of Abafoods we manage 700 ha of organic agriculture and 98% of our employees are now covered by our health@work programme. We have given something back to the community through various initiatives. For the first time some of our key performance indicators have been externally verified.

## Guidance FY 2016

- We expect to report:
  - a higher EBITE in 2016 versus 2015
  - an increase of the EBITE % of revenue
- Net financing costs around €1-2 million
- Tax rate around 35%
- Capital expenditures €8-9 million
- Depreciation and amortisation €8-9 million

## Financial review – continuing operations

| In € million | Q4 2015 | Q4 2014 | FY 2015 | FY 2014 |
|---|---|---|---|---|
| **Revenue** | 133.9 | **106.9** | 523.0 | 430.6 |
| EBITE - Branded | 8.2 | 3.6 | 38.3 | 27.2 |
| EBITE - Non-allocated | (2.1) | **(2.3)** | (3.6) | (3.6) |
| **EBITE** | 6.1 | 1.3 | 34.7 | 23.6 |
| Exceptional items | 0.4 | (2.3) | (0.1) | (3.0) |
| **EBIT** | 6.5 | **(1.0)** | 34.6 | 20.6 |

## Financial review Q4 2015

Revenue increased 25.4% to €133.9 million. Autonomous revenue growth amounted to 13.1%. Abafoods, acquired in January 2015, contributed 10.7% to revenue and the appreciation of the British pound contributed 1.6%. The termination of three distribution contracts in previous periods impacted revenue by €0.8 million, or 0.9%, negatively.

EBITE increased by €4.8 million to €6.1 million, as a result of increased gross profit, following higher sales volumes and positive gross margin developments, supported by the strengthening of the British pound exchange rate, and the inclusion of Abafoods. This increase was partly offset by higher marketing expenses, mainly relating to activities in the UK, and increased other overhead expenses. Depreciation, amortisation and impairment expenses increased by €0.5 million, mainly due to the acquisition of Abafoods, resulting in an EBITDAIE of €8.5 million.

Exceptional items of €0.4 million mainly include a release from a restructuring provision, relating to the Alter Eco integration.

Net financing costs were €(0.3) million (2014: €0.0 million). Income tax expenses amounted to a gain of €4.3 million due to the recognition of a deferred tax asset relating to previously unrecognised income tax losses in the Netherlands and Italy (2014: €0.0 million, due to corporate income tax payable being offset by the release of certain tax provisions). Net result from continuing operations increased to €10.5 million (Q4 2014: €(1.0) million).

## Financial review full year 2015

In 2015, revenue amounted to €523.0 million, an increase of 21.6% compared to last year. Autonomous growth was 9.4%. The acquisition of Abafoods in 2015 added 10.4% and a strengthening of the British pound exchange rate added 1.8% positively. Lower inter-segment revenue to discontinued operations impacted revenue by €(0.5) million. The termination of three distribution contracts in previous periods impacted revenue by €10.5 million, or 2.4%, negatively.

Gross contribution margin increased from 40.2% to 41.0% in 2015, supported by the strengthening of the British pound exchange rate.

Personnel expenses increased €9.9 million to €(72.1) million (2014: €(62.2) million). Excluding Abafoods, personnel expenses increased by 6.4% or €4.0 million; this increase is mainly the result of higher costs related to long-term incentive plans (share-based payment expenses) of €2.1 million, as Wessanen's share price increased during 2015.

Other operating expenses, excluding Abafoods, were up 8.3% to €(90.9) million, partly due to a marked increase in advertising and promotion expenses.

The operating result of Branded increased to €38.5 million (2014: €26.4 million). EBITE amounted to €38.3 million versus €27.2 million last year. Non-recurring items totalled €0.2 million (2014: €(0.8) million).

In 2015, non-allocated costs amounted to €(3.9) million, compared to €(5.8) million in 2014. Excluding non-recurring items, non-allocated costs amounted to €(3.6) million (2014: €(3.6) million).

Net financing costs were €(2.3) million (2014: €(1.6) million). Interest expenses halved to €(0.4) million (2014: €(0.7) million). Other financial income and expenses increased to €(1.9) million (2014: €(0.9) million) mainly as a result of a net foreign exchange loss of €(1.0) million (2014: €0.1 million), mainly relating to the (non-cash) revaluation of intercompany loans.

Income tax expense decreased to €(4.5) million (2014: €(7.6) million) mainly as a result of the recognition of previously unrecognised income tax losses in the Netherlands and Italy of €6.6 million, a decrease of the enacted income tax rate in Italy of €0.6 million and a net release from the provision for uncertain tax positions of €0.3 million, partly offset by the write-down of a deferred tax asset related to tax carried forward losses of €(0.4) million. The effective tax rate of 14% (2014: 40%) deviates from the weighted average statutory income tax rate of 35% mainly as a result of aforementioned reasons.

## Working capital and cash flow

At year end 2015, working capital increased to €43 million, being 8.2% of revenue (2014: €23 million, representing 5.3% of revenue), partly caused by the acquisition of Abafoods (€10 million) and ABC related divestment proceeds held in escrow (€4.5 million). This escrow account will expire end of September 2016.

The cash outflow following changes in working capital amounted to €(6.2) million (2014: inflow of €3.9 million). Inventories and trade receivables both increased, and were only partly compensated by an increase in trade payables.

In 2015, cash generated from operations increased to €39.2 million (2014: €31.9 million), mainly as a result of a €16.3 million higher EBITDAI, lower provisions paid, partly offset by aforementioned outflow of working capital. Operating cash flow from continuing operations amounted to €26.3 million (2014: €23.7 million). Interest paid amounted to €(0.9) million (2014: €(1.4) million), while income tax paid increased to €(12.0) million (2014: €(6.8) million).

# Financial review – discontinued operations

Wessanen's discontinued operations as at 31 December 2014 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. Following the divestments, Wessanen has no disposal groups as at 31 December 2015.

## Financial review Q4 2015

In Q4, the result from discontinued operations (net of income tax) amounted to €4.6 million (2014: €(5.4) million), mainly as a result of the recognition of an additional result on the divestment of ABC of €3.2 million, and a release from the provision for uncertain tax positions of €1.4 million. The additional result on the divestment of ABC is caused by the assessment that no cash outflow of economic resources is deemed probable in respect of the representations and warranties provided. Accordingly, no provision for representations and warranties has been recognised as at 31 December 2015.

## Financial review full year 2015

In 2015, the result from discontinued operations (net of income tax) of €9.5 million (2014: €33.9 million) includes:

- The operating result of ABC for the three-month period ending 31 March 2015 of €(1.5) million (2014: €3.6 million, including the operating result of IZICO, Natudis, Bio-Distrifrais-Chantenat and ABC));
- An after tax gain recognised on the divestment of ABC and Bio-Distrifrais-Chantenat of €11.0 million (2014: after tax gain on the divestment of Natudis and IZICO of €31.5 million;
- In 2015, no remeasurement loss has been incurred (2014: €(1.2) million related to Bio-Distrifrais-Chantenat).

Total cash proceeds, net of cost to sell, amounted to €51.4 million of which €4.5 million is still to be received respectively held in escrow as at 31 December 2015. The escrow is held for potential claims in case of breach of contractual representations and warranties, and will expire by the end of September 2016. As no cash outflow of economic resources is deemed probable in respect of the representations and warranties provided, no provision has been recognised as at 31 December 2015. The net result on divestment amounted to €11.0 million, including (a) a gain of €4.0 million from the recycling of the cumulative exchange rate differences relating to ABC from equity to the income statement, (b) a release from the provision for uncertain tax positions of €1.4 million. For the three-month period ending 31 March 2015, ABC reported an operational loss of €(1.5) million (full year 2014: €4.9 million profit, net of cost to sell incurred of €(1.2) million).

Operating cash flow from discontinued operations was €(3.4) million compared to €8.5 million in 2014. Accordingly, net cash from operating activities decreased to €22.9 million (2014: €32.2 million).

# Financial review – total Wessanen

## Financial review Q4 2015

In Q4, the net result amounted to €15.1 million (2014: €(6.4) million). Net result from continuing operations was €10.5 million (Q4 2014: (1.0) million) and net income from discontinued operations amounted to €4.6 million (Q4 2014: €(5.4) million). The net cash position increased to €17.5 million at year end 2015 (30 September 2015: €2.0 million).

## Financial review full year 2015

In 2015, net profit from continuing operations was €27.8 million, a marked improvement compared to €11.4 million in 2014. Net income from discontinued operations (net of income tax) amounted to €9.5 million (2014: €33.9 million). Net profit amounted to €37.3 million (2014: €45.3 million). Full year earnings per share decreased from €0.60 in 2014 to €0.49 in 2015. The average number of shares outstanding slightly decreased to 75.6 million (2014: 75.9 million).

The net cash position increased to €17.5 million at year end 2015 (year end 2014: €27.3 million). Average capital employed increased to €175.8 million (2014: €121.0 million), yielding a 19.7% return (2014: 17.0%).

# Dividend proposal 2015

Wessanen's dividend policy is aimed at paying out a dividend of 35-45% of the consolidated net result, excluding major non-recurring effects. It is therefore proposed to the Annual General Meeting of Shareholders to pay a dividend of €0.11 per share representing 40.7% of the consolidated net result, excluding major non-recurring effects. The dividend will be paid wholly in cash.

| Time table: Annual Report, AGM and dividend 2015 | |
|---|---|
| Friday 26 February | Publication Annual Report 2015 and Agenda AGM (online) |
| Thursday 17 March | Record date |
| Thursday 14 April | Annual General Meeting of Shareholders |
| Monday 18 April | Ex-dividend date |
| Tuesday 19 April | Dividend record date |
| Thursday 21 April | Payment date dividend |

# Important dates 2016

14-04-2016 AGM(14.00)
26-04-2016 Publication Q1 2016 trading update
26-07-2016 Publication Q2 2016 interim results
25-10-2016 Publication Q3 2016 trading update

## Analyst & investor meeting

At 10h00 CET, an analyst & investor meeting will be hosted by Christophe Barnouin (CEO) and Ronald Merckx (CFO) at the Wessanen office in Amsterdam. The meeting can be followed via a live audio webcast at www.wessanen.com. Those unable to attend can participate using the following telephone number: +31(0)20 721 9157 or toll free at 0800 222 330 (no access code).

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 2015, our revenue was €523 million and we employed on average 904 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 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

# Condensed consolidated income statement

In € millions, unless stated otherwise

| Q4 2015 | Q4 2014 Restated[1] | | 2015 | 2014 Restated[1] |
|---|---|---|---|---|
| **(unaudited)** | (unaudited) | | **(audited)** | (audited) |
| | | *Continuing operations* | | |
| **133.9** | 106.9 | **Revenue** | **523.0** | 430.6 |
| | | Raw materials and supplies | **(308.6)** | (257.5) |
| | | Personnel expenses | **(72.1)** | (62.2) |
| | | Depreciation, amortisation and impairments | **(8.7)** | (6.4) |
| | | Other operating expenses | **(99.0)** | (83.9) |
| **(127.4)** | (107.9) | **Operating expenses** | **(488.4)** | (410.0) |
| **6.5** | (1.0) | **Operating result** | **34.6** | 20.6 |
| **(0.3)** | - | **Net financing costs** | **(2.3)** | (1.6) |
| **6.2** | (1.0) | **Profit before income tax** | **32.3** | 19.0 |
| **4.3** | - | Income tax expense | **(4.5)** | (7.6) |
| **10.5** | (1.0) | **Profit after income tax from continuing operations** | **27.8** | 11.4 |
| | | *Discontinued operations* | | |
| **4.6** | (5.4) | Profit/(loss) from discontinued operations, net of income tax | **9.5** | 33.9 |
| **15.1** | (6.4) | **Profit for the period** | **37.3** | 45.3 |
| **15.1** | (6.4) | **Attributable to equity holders of Wessanen** | **37.3** | 45.3 |
| | | **Earnings per share attributable to equity holders of Wessanen (in €)** | | |
| **0.20** | (0.08) | Basic | **0.49** | 0.60 |
| **0.20** | (0.09) | Diluted | **0.49** | 0.59 |
| | | **Earnings per share from continuing operations (in €)** | | |
| **0.14** | (0.02) | Basic | **0.37** | 0.15 |
| **0.14** | (0.02) | Diluted | **0.37** | 0.15 |
| | | **Earnings per share from discontinued operations (in €)** | | |
| **0.06** | (0.06) | Basic | **0.12** | 0.45 |
| **0.06** | (0.07) | Diluted | **0.12** | 0.44 |
| | | **Average number of shares (in thousands)** | | |
| **75,469** | 75,973 | Basic | **75,582** | 75,901 |
| **76,050** | 76,458 | Diluted | **76,163** | 76,386 |
| **1.0982** | 1.1804 | Average USD exchange rate (USD per €) | **1.1046** | 1.3211 |
| **0.7193** | 0.7850 | Average GBP exchange rate (GBP per €) | **0.7242** | 0.8031 |

[1] 2014 'Revenue' and 'Other operating expenses' have been restated for a reclassification of €(2.9) from 'Other operating expenses' to 'Revenue' (see Note 2).

# Condensed consolidated statement of comprehensive income

In € millions, unless stated otherwise

| Q4 2015 (unaudited) | Q4 2014 (unaudited) | | 2015 (audited) | 2014 (audited) |
|---|---|---|---|---|
| **15.1** | (6.4) | **Profit/(loss) for the period** | **37.3** | 45.3 |
| | | **Other comprehensive income** | | |
| **(0.2)** | (0.4) | Remeasurements of post employment benefit obligations, net of income tax | **(0.5)** | (0.7) |
| **(0.2)** | (0.4) | **Other comprehensive income that will not be reclassified to profit or loss** | **(0.5)** | (0.7) |
| **0.4** | 1.0 | Foreign currency translation differences, net of income tax | **3.8** | 7.4 |
| **(0.1)** | 0.2 | Effective portion of changes in fair value of cash flow hedges, net of income tax | **0.1** | - |
| **0.3** | 1.2 | **Other comprehensive income that may be reclassified to profit or loss** | **3.9** | 7.4 |
| **0.1** | 0.8 | **Total other comprehensive income/(loss)** | **3.4** | 6.7 |
| **15.2** | (5.6) | **Total comprehensive income/(loss)** | **40.7** | 52.0 |
| **15.2** | (5.6) | **Attributable to equity holders of Wessanen** | **40.7** | 52.0 |

# Condensed consolidated statement of changes in equity

In € millions, unless stated otherwise

| | | | Reserves | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Issued and paid-up share capital | Share premium | Treasury shares | Translation reserve | Hedging reserve | 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 | - | - | - | - | - | - | 45.3 | 45.3 |
| Foreign currency translation differences[1] | - | - | - | 7.4 | - | - | - | 7.4 |
| Remeasurements of post employment benefit obligations[1] | - | - | - | - | - | - | (0.7) | (0.7) |
| Effective portion of changes in fair value of cash flow hegdes[1] | - | - | - | - | - | - | - | - |
| Total comprehensive income and expense for the period | - | - | - | 7.4 | - | - | 44.6 | 52.0 |
| **Contributions by and distributions to owners** | | | | | | | | |
| Shares delivered | - | - | 1.7 | - | - | - | (1.7) | - |
| Dividends | - | - | - | - | - | - | (3.8) | (3.8) |
| Share-based payments | - | - | - | - | - | - | 0.6 | 0.6 |
| Transfer to other legal reserves | - | - | - | - | - | (0.6) | 0.6 | - |
| Total contributions by and distributions to owners | - | - | 1.7 | - | - | (0.6) | (4.3) | (3.2) |
| **Balance at year end** | 76.0 | 102.9 | (0.1) | (14.8) | - | 0.7 | (10.5) | 154.2 |
| **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 | - | - | - | - | - | - | 37.3 | 37.3 |
| Foreign currency translation differences[1, 2] | - | - | - | 3.8 | - | - | - | 3.8 |
| Remeasurements of post employment benefit obligations[1] | - | - | - | - | - | - | (0.5) | (0.5) |
| Effective portion of changes in fair value of cash flow hegdes[1] | - | - | - | - | 0.1 | - | - | 0.1 |
| Total comprehensive income and expense for the period | - | - | - | 3.8 | 0.1 | - | 36.8 | 40.7 |
| **Contributions by and distributions to owners** | | | | | | | | |
| Shares delivered | - | - | 1.1 | - | - | - | (1.1) | - |
| Dividends | - | - | - | - | - | - | (7.5) | (7.5) |
| Purchase of own shares | - | - | (4.5) | - | - | - | - | (4.5) |
| Share-based payments | - | - | - | - | - | - | 0.5 | 0.5 |
| Transfer to other legal reserves | - | - | - | - | - | (0.7) | 0.7 | - |
| Total contributions by and distributions to owners | - | - | (3.4) | - | - | (0.7) | (7.4) | (11.5) |
| **Balance at year end** | 76.0 | 102.9 | (3.5) | (11.0) | 0.1 | - | 18.9 | 183.4 |

[1] Net of income tax

[2] Foreign currency translation differences of €3.8 comprise translation differences in 2015 related to the appreciation of the GBP and US dollar in the amount of €7.8 million and the recycling of the accumulated translation differences following the divestment of ABC in the amount of €(4.0).

# Condensed consolidated statement of financial position

In € millions, unless stated otherwise

| | **31 December 2015 (audited)** | 31 December 2014 (audited) |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment | **43.8** | 22.7 |
| Intangible assets | **97.5** | 64.7 |
| Other investments | **0.9** | 0.7 |
| Deferred tax assets | **8.3** | 3.3 |
| **Total non-current assets** | **150.5** | 91.4 |
| | | |
| Inventories | **59.0** | 49.9 |
| Income tax receivables | **0.1** | - |
| Trade receivables | **92.0** | 70.2 |
| Other receivables and prepayments | **16.8** | 12.2 |
| Cash and cash equivalents | **24.7** | 29.8 |
| Assets classified as held for sale | **-** | 42.2 |
| **Total current assets** | **192.6** | 204.3 |
| | | |
| **Total assets** | **343.1** | 295.7 |
| | | |
| **Equity** | | |
| Share capital | **76.0** | 76.0 |
| Share premium | **102.9** | 102.9 |
| Reserves | **(14.4)** | (14.2) |
| Retained earnings | **18.9** | (10.5) |
| **Total equity** | **183.4** | 154.2 |
| | | |
| **Liabilities** | | |
| Interest-bearing loans and borrowings | **1.5** | - |
| Employee benefits | **6.7** | 6.4 |
| Provisions | **3.9** | 3.3 |
| Deferred tax liabilities | **7.0** | 2.7 |
| **Total non-current liabilities** | **19.1** | 12.4 |
| | | |
| Bank overdrafts | **1.5** | 2.5 |
| Interest-bearing loans and borrowings | **4.2** | - |
| Provisions | **6.7** | 4.2 |
| Income tax payables | **3.3** | 5.2 |
| Trade payables | **67.9** | 61.7 |
| Non-trade payables and accrued expenses | **57.0** | 47.6 |
| Liabilities classified as held for sale | **-** | 7.9 |
| **Total current liabilities** | **140.6** | 129.1 |
| | | |
| **Total liabilities** | **159.7** | 141.5 |
| | | |
| **Total equity and liabilities** | **343.1** | 295.7 |
| | | |
| End of period USD exchange rate (USD per Euro) | **1.0887** | 1.2141 |
| End of period GBP exchange rate (GBP per Euro) | **0.7339** | 0.7789 |

# Condensed consolidated statement of cash flows

In € millions, unless stated otherwise

| | 2015 (audited) | 2014 (audited) |
|---|---|---|
| **Cash flows from operating activities** | | |
| Operating result | **34.6** | 20.6 |
| *Adjustments for:* | | |
| Depreciation, amortisation and impairments | **8.7** | 6.4 |
| Provisions created | **5.1** | 5.2 |
| Equity-settled share-based payments | **0.5** | 0.6 |
| Loss on disposals | **-** | 0.1 |
| **Cash generated from operations before changes in working capital and provisions** | **48.9** | 32.9 |
| Changes in working capital | **(6.2)** | 3.9 |
| Payments from provisions | **(3.2)** | (4.9) |
| Changes in employee benefits | **(0.3)** | - |
| **Cash generated from operations** | **39.2** | 31.9 |
| Interest paid | **(0.9)** | (1.4) |
| Income tax paid | **(12.0)** | (6.8) |
| **Operating cash flow from continuing operations** | **26.3** | 23.7 |
| Operating cash flow from discontinued operations | **(3.4)** | 8.5 |
| **Net cash from operating activities** | **22.9** | 32.2 |
| **Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment | **(6.5)** | (3.5) |
| Acquisition of intangible assets | **(1.6)** | (1.3) |
| Acquisition of other investments | **(0.4)** | - |
| Acquisition of subsidiaries, net of cash acquired | **(43.0)** | - |
| **Investing cash flow from continuing operations** | **(51.5)** | (4.8) |
| Investing cash flow from discontinued operations | **42.2** | 53.7 |
| **Net cash from investing activities** | **(9.3)** | 48.9 |
| **Net cash flow before financing activities** | **13.6** | 81.1 |
| **Cash flows from financing activities** | | |
| Repayments of interest-bearing loans and borrowings | **(5.5)** | (65.5) |
| Net payments of finance lease liabilities | **(0.3)** | - |
| Cash receipts/(payments) derivatives | **(0.5)** | 0.6 |
| Purchase of own shares | **(4.5)** | - |
| Dividends paid | **(7.5)** | (3.8) |
| **Financing cash flow from continuing operations** | **(18.3)** | (68.7) |
| Financing cash flow from discontinued operations | **-** | - |
| **Net cash from financing activities** | **(18.3)** | (68.7) |
| **Net cash flow** | **(4.7)** | 12.4 |

# Notes to the condensed consolidated interim financial statements

## 1. The Company and its operations

Koninklijke 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 year ended 31 December 2015 comprises the Company and its subsidiaries (together referred to as the 'Group').

The full year 2015 financial figures included in the primary statements in this press release are derived from the financial statements 2015. These financial statements have been authorised for issue. The financial statements have not yet been published by law and still have to be adopted by the Annual General Meeting of Shareholders on 14 April 2016. In accordance with Section 393, Part 9 of Book 2 of the Netherlands Civil Code, Deloitte Accountants B.V. has issued an unqualified auditor's opinion on these financial statements, which will be published on Friday 26 February 2016.

## 2. Basis of preparation

### 2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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 Supervisory Board on 18 February 2016.

### 2.2 Reclassification

The accounting treatment for customer incentives has been aligned as from 2015 onwards. For comparison purposes, 'Revenue' and 'Other operating expenses' for the year 2014 have been restated by a reclassification of EUR (2.9) from 'Other operating expenses' to 'Revenue'.

### 2.3 Discontinued operations

In December 2013, the Supervisory and Executive Board decided to plan for the divestment of the 'IZICO' and 'Distribution' (including Natudis and Bio-Distrifrais-Chantenat) segment. As both segments represent separate major lines of businesses, both segments were classified as 'discontinued operations' in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' as per 31 December 2013.

In September 2014, the Supervisory and Executive Board decided to plan for the divestment of ABC. As this operating segment also represents a separate major line of business, ABC was also classified as a 'discontinued operation' in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' as per 30 September 2014.

Accordingly:

- Results from operations and remeasurements of assets of IZICO, Natudis, Bio-Distrifrais-Chantenat and ABC in 2014 and 2015, the result on divestment of IZICO and Natudis in 2014, and the result on divestment of Bio-Distrifrais-Chantenat and ABC in 2015 are presented as a single amount in the income statement as 'profit/(loss) from discontinued operations, net of income tax';

- Assets and liabilities of ABC and Bio-Distrifrais-Chantenat as at 31 December 2014 are presented separately in the statement of financial position as 'assets' respectively 'liabilities' held for sale;
- Cash flows from the discontinued operations, including proceeds on divestments, are presented separately.

## 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 in 2015. These standards and interpretations have no material effect on the Company's condensed consolidated interim financial statements.

In addition, as from the fourth quarter of 2015, Wessanen decided to change the cost formula for raw materials and trade goods from 'first-in-first-out' to 'moving average'. As the impact of this change is not material, no restatements have been made to any prior-period results reported.