



MID YEAR
RESULTS **2015**

vandemoortele



NOTICE OF NO AUDITOR REVIEW

The condensed consolidated interim financial statements, and accompanying notes thereto, as of and for the half year ended 30 June 2015 and 30 June 2014 are unaudited.

The key financial information as of and for the half years ended 30 June 2015 and 30 June 2014 is listed below. For the Balance Sheet information a comparison is made between the key figures as of 31 December 2014 and 30 June 2015.

KEY FINANCIAL FIGURES

Million Euro	30.06.2015 unaudited	30.06.2014 unaudited
REVENUE	643	611
RECURRING OPERATIONAL CASH FLOW (REBITDA)	56	50
<u>Recurring depreciation, amortisation & write-offs</u>	<u>-25</u>	<u>-22</u>
RECURRING OPERATIONAL PROFIT (REBIT)	31	28
Non-recurring items	0	-10
OPERATIONAL PROFIT (EBIT)	31	18
Net financial income / (expense)	-10	-9
<u>Result according to the equity method</u>	<u>1</u>	<u>0</u>
PRE-TAX CURRENT PROFIT/(LOSS)	22	9
<u>Income tax expense</u>	<u>-7</u>	<u>-4</u>
PROFIT/(LOSS) (EAT)	15	5
Capital Expenditure	30	24
RATIO'S		
Recurring operational cash flow (REBITDA) / Revenue	8,7%	8,2%
Recurring operational profit (REBIT) / Revenue	4,9%	4,6%
Net profit (loss) / Revenue	2,4%	0,8%
Million Euro	30.06.2015 unaudited	31.12.2014 audited
Net fixed assets (NFA)	544	465
<u>Working capital need (WCN)</u>	<u>32</u>	<u>24</u>
CAPITAL EMPLOYED	577	489
Equity	366	354
Provisions and others	7	11
Subordinated debt	67	66
<u>Senior net financial debt (NFD)</u>	<u>137</u>	<u>58</u>
CAPITAL PROVIDED	577	489
RATIOS		
Senior NFD / equity	37,3%	16,4%

CONSOLIDATED INCOME STATEMENT

Thousand Euro	Note	30.06.2015 unaudited	30.06.2014 unaudited
Revenue		643.375	610.940
Raw materials and consumables used and goods for resale		(355.976)	(344.136)
Changes in inventories of finished goods and goods purchased for resale		12.864	7.996
Services		(118.098)	(107.260)
Employee benefit expenses		(130.263)	(125.373)
Depreciation, amortisation and write downs		(24.861)	(21.217)
Impairment		0	(1.840)
Change in provisions	7	4.061	(1.268)
Other operating income	8	7.939	6.867
Other operating expenses	9	(8.065)	(6.550)
Profit/ (loss) from operations		30.977	18.159
Financial Income	10	3.369	3.394
Financial Expense	11	(13.343)	(12.319)
Share of profit (loss) from equity accounted investments		936	(471)
Profit/ (loss) before tax		21.938	8.763
Income tax (expense)	12	(6.526)	(4.119)
Profit/ (loss) from continuing operations		15.413	4.644
Profit/loss		15.413	4.644
Profit/loss attributable to the owns of the parent		15.390	4.620
Non-controlling interests		23	24

As the shares are not traded in a public market, the standard IAS 33, § 66/70 relating the presentation of the ordinary or diluted profit per share, the number of shares and the average weighted number of ordinary shares is not applicable.

OTHER COMPREHENSIVE INCOME

Thousand Euro	30.06.2015 unaudited	30.06.2014 unaudited
Profit/(loss) of the year	15.413	4.644
Other Comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges, net of tax	0	(475)
Cash flow hedges associates, net of tax	70	116
Currency translation differences	686	(1.139)
Other	(13)	40
Items that will not be reclassified subsequently to profit or loss:		
Change in actuarial gains / (losses) of defined benefit obligations, net of tax	4.581	(2.864)
Other comprehensive income for the year, net of tax	20.737	322
Total comprehensive income for the year	20.737	322
- attributable to the owners of the parent	20.700	271
- attributable tot non controlling interests	37	51

CONSOLIDATED BALANCE SHEET

Thousand Euro	30.06.2015 unaudited	31.12.2014 audited
Assets		
Goodwill	229.979	176.340
Other intangible assets	4.910	4.306
Property, plant & equipment	299.442	275.724
Investments in associates	9.879	8.873
Trade and other receivables	69	61
Deferred tax assets	48.899	51.494
Other Financial assets	56	40
Other assets	2.527	2.516
Non-current assets	595.761	519.353
Inventories	123.936	101.381
Trade and other receivables	221.409	206.239
Derivatives	5.790	7.901
Other Financial assets	5.612	5.416
Cash and cash equivalents	64.931	84.171
Other assets	6.732	4.142
Current assets	428.410	409.249
Total Assets	1.024.171	928.602
Equity and liabilities		
Share capital	11.357	11.357
Retained earnings & reserves	353.982	341.619
Non-controlling interests	587	624
Equity	365.926	353.599
Borrowings	264.246	209.077
Deferred tax liabilities	24.015	21.712
Derivatives	8.736	10.116
Employee benefits	20.975	27.782
Provisions	8.875	10.663
Other non-current liabilities	4.233	4.504
Non-current liabilities	331.080	283.855
Borrowings	8.732	3.402
Current tax	3.883	6.229
Derivatives	523	1.630
Employee benefits	37.060	35.680
Trade payables and other liabilities	276.967	244.207
Current liabilities	327.165	291.147
Total equity and liabilities	1.024.171	928.602

CONSOLIDATED CASH-FLOW STATEMENT

Thousand Euro	30.06.2015 unaudited	30.06.2014 unaudited
Profit/ (loss) from operations	30.977	18.159
Amortisations	2.137	1.040
Depreciations	22.418	20.732
Impairments on intangible & tangible fixed assets	0	1.840
Ebitda from continuing operations	55.532	41.771
Depreciations on government grants	(417)	(394)
Fair value adjustments on commodity contracts	55	903
Change in provisions	(4.061)	1.268
Change in long-term employee benefits	(2.204)	1.013
Loss / (gain) on disposals of intangible assets and PPE	374	(13)
Other	451	(822)
Cash flow from operating activities before changes in working capital	49.730	43.726
Decrease / (increase) in inventories	(16.507)	(14.752)
Decrease / (increase) in trade receivables	27.601	9.527
Increase / (decrease) in trade payables	(3.573)	(8.605)
Increase / (decrease) in other working capital	(10.735)	(3.462)
Net cash generated from operating activities	46.516	26.434
Interest received	351	243
Net interest paid	(8.967)	(9.008)
Income taxes paid	(6.090)	(1.188)
Other financial fees	(1.392)	(306)
Cash flow from operating activities in continuing operations	30.418	16.175
Acquisition of intangible assets	(381)	(497)
Acquisition of property, plant and equipment	(23.874)	(22.498)
Acquisition through business combinations, net of cash acquired	(56.364)	0
Proceeds from sale of intangible assets	0	95
Proceeds from sale of property, plant and equipment	408	318
Government grants	0	90
Other	0	5
Cash flow from investing activities in continuing operations	(80.211)	(22.487)
Proceeds from borrowings	100.000	214
Repayment of borrowings	(62.066)	(67)
Repayment of finance lease liabilities	(1.011)	(955)
Dividends paid	(7.779)	(7.779)
Dividends received	978	928
Other	286	11
Cash flow from financing activities in continuing operations	30.408	(7.648)
Net increase / (decrease) in cash & cash equivalents	(19.385)	(13.960)
Cash and cash equivalents less bank overdrafts at January 1	84.166	68.186
Effect of exchange rate fluctuations	149	(45)
Cash and cash equivalents less bank overdrafts at June 30	64.930	54.181

6 Mio EUR of the acquisition of property, plant & equipment has been financed through financial leasing. Related CAPEX and financing have not been reported as cash flow.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thousand Euro	30.06.2015 unaudited								
	Share Capital	Treasury Shares	Attributable to owners of the parent Currency Translation Adjustment	Retained Earnings and Reserves	Hedging reserves	Employee benefits	Total	Non control. interest	Total Equity
At January 1	11.357	(48.539)	4.861	389.338	(70)	(3.972)	352.976	624	353.599
Comprehensive income									
Profit/(loss) of the year	0	0	0	15.390	0	0	15.390	23	15.413
Other comprehensive income									
Hedging reserves	0	0	0	0	70	0	70	0	70
Currency translation	0	0	686	0	0	0	686	0	686
Employee benefits	0	0	0	(1.551)	0	4.581	3.031	0	3.031
Other	0	0	0	(12)	0	0	(12)	41	29
Total comprehensive income	0	0	686	13.827	70	4.581	19.164	64	19.228
Transactions with owners									
Dividends paid	0	0	0	(7.779)	0	0	(7.779)	(101)	(7.880)
Dividends received	0	0	0	978	0	0	978	0	978
Total transactions with owners	0	0	0	(6.801)	0	0	(6.801)	(101)	(6.902)
At June 30	11.357	(48.539)	5.547	396.364	0	610	365.339	587	365.926

Thousand Euro	30.06.2014 unaudited								
	Share Capital	Treasury Shares	Attributable to owners of the parent Currency Translation Adjustment	Retained Earnings and Reserves	Hedging reserves	Employee benefits	Total	Non control. interest	Total Equity
At January 1	11.357	(46.127)	6.698	363.766	(567)	(1.003)	334.124	651	334.775
Comprehensive income									
Profit/(loss) of the year	0	0	0	4.620	0	0	4.620	24	4.644
Other comprehensive income									
Hedging reserves	0	0	0	0	(359)	0	(359)	0	(359)
Currency translation	0	0	(1.139)	0	0	0	(1.139)	0	(1.139)
Employee benefits	0	0	0	0	0	(2.864)	(2.864)	0	(2.864)
Other	0	0	0	13	0	0	13	27	40
Total comprehensive income	0	0	(1.139)	4.633	(359)	(2.864)	271	51	322
Transactions with owners									
Dividends paid	0	0	0	(7.779)	0	0	(7.779)	(101)	(7.880)
Dividends received	0	0	0	928	0	0	928	0	928
Total transactions with owners	0	0	0	(6.851)	0	0	(6.851)	(101)	(6.952)
At June 30	11.357	(46.127)	5.559	361.548	(926)	(3.867)	327.544	601	328.145

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1. GENERAL INFORMATION

Vandemoortele NV ("Vandemoortele" or "the Company") and its subsidiaries (together "the Group") are a Belgian family business that has grown into a leading food Group on a European scale. The Group concentrates on two business segments: Bakery Products and Lipids. The Consolidated Financial Statements 30 June 2015 of the Group include the Company, 39 consolidated subsidiaries controlled by the company and 1 associated company.

Safinco NV, the parent Company, is a limited liability Company incorporated and domiciled in Belgium. The registered office of Vandemoortele NV and Safinco NV is Moutstraat 64, 9000 Gent.

2. APPLICATION OF NEW AND REVISED IFRS

NEW AND REVISED IFRSs AFFECTING AMOUNTS REPORTED AND/OR DISCLOSURES IN THE FINANCIAL STATEMENTS

In the current year, the Group has considered a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. It concerns:

- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2015)
- IFRIC 21 Levies (applicable for annual periods beginning on or after 17 June 2014)

Based on a rough assessment made by the Group, no impacts of these IFRSs on the amounts in the financial statements have been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS FOR PREPARATION

These condensed interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements do not include all the notes contained in the annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRS.

3.2 ACCOUNTING POLICIES

The condensed interim financial statements have been prepared in accordance with the accounting policies applied in the 2014 consolidated financial statements.

Income taxes in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

3.3 ESTIMATES

The preparation of 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 interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

4 BUSINESS REVIEW & OUTLOOK

4.1 CONSOLIDATED ACCOUNTS AT 30 JUNE 2015

Some important projects were realised in the first half of 2015 with impact on the overall figures of the Group. As major achievement we can mention the acquisition of LAG on the 19th of March with consequence of issuing a new retailbond (100 mio euro) on the 22th of May, which was fully subscribed in one day. The new retailbond has a maturity of 7 years (2015-2022). The bond was issued with a coupon rate of 3,06%.

On the 10th of March the Group also negotiated a new clubdeal of 200 mio € with the five banks also involved in the former clubdeal. The clubdeal has a duration of 5 years and is based on the following covenants: Senior net financial debt / REBITDA < 3 and REBITDA / Net interest expenses > 3.

The interest rate is EURIBOR + margin. Margin between 0,6 and 1,55 based on the 6 month actual value of the SNFD / REBITDA covenant.

The acquisition of LAG S.P.A. changed the scope of consolidation. The revenue during the first half of the year 2015 increased at 643 mio € (including LAG) versus 611 mio € during same period in 2014. The Group Recurring Ebitda rose to 56 mio € in 2015 which implies an increase of 6 mio € compared to 2014. Similarly, the Group Recurring Ebit improved by 3 mio € at 31 mio €. The Group Net Result amounted to 15 mio € after net finance expense of 10 mio € and income tax charges of 7 mio €.

The Balance Sheet structure includes an equity position of 366 mio €, a subordinated loan of 67 mio and a net senior financial debt of 137 mio € compared to 58 mio € at the end of 2014. The increase of the debt was triggered by the cash flow from the operating activities of both business lines which amounted to 50 mio minus the 3 Mio € additional need for working capital. This cash flow was partially used to finance the investment activities for 80 mio € (including the acquisition of LAG), the financial and tax charges of 16 mio € and a net dividend pay-out of 7 mio €. The total difference of 56 mio € together with the senior net financial debt acquired in the LAG acquisition (15 mio €) increased the senior net financial debt of the Group.

The revenue of the Lipids business line decreased vs. last year by 3 % at 265 mio €. This is caused by volumes that were 1% below last year and lower raw material prices which resulted in lower selling prices. The Recurring Ebitda rose by 3,5 mio € to 26 mio €.

The revenue of the Bakery business increased by 12 % vs. last year at 377 mio € thanks to the acquisition of LAG. The Recurring Ebitda, positively influenced by the acquisition of LAG, rose by 2 mio € to 30 mio €.

4.2 OUTLOOK FOR THE WHOLE YEAR 2015

For the whole year 2015, the Group Revenues are expected to slightly grow. The Recurring Ebitda should be in line with the results achieved in 2014.

The structure of the balance sheet should remain strong, despite a higher net senior financial debt as a result of the acquisition of LAG and our strong investment program of 90 mio euro foreseen for the whole 2015.

5 OPERATING SEGMENT INFORMATION

The Executive Committee (ExCo) is the group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the ExCo for the purposes of allocating resources and assessing performance. The executive committee considers the business from a product family perspective.

The Group operates with four performance measures, both measured on business performance. The primary performance measure is REBITDA, the secondary EBITDA, the third REBIT and the fourth EBIT.

For its strategic decision making process Vandemoortele distinguishes between the bakery products operations, the lipids operations. The bakery operations comprise the development, production and sale of frozen bakery products. The lipids operations comprise the development, production and sale of margarines & fats.

Sales between segments are carried out at arm's length. Sales from the lipids to bakery operations amount to 4.658 k euro in the first semester of 2015 (6.457 k euro in 2014). The revenue from external parties reported to the Executive Committee (ExCo) is measured in a manner consistent with that in the income statement.

The LAG acquisition affects only the bakery products operations.

The following tables presents key financials regarding the groups operating segments for years ended 30 June 2015 and 2014 respectively.

5.1 FINANCIAL SEGMENT INFORMATION

Thousand Euro	Bakery Products		Lipids		Unallocated (6)		Total	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
P&L Information								
External Revenue	376.819	335.984	259.960	266.809	6.431	8.147	643.210	610.940
Internal Revenue	0	0	4.856	6.457	(4.856)	(6.457)	0	0
Revenue (1)	376.819	335.984	264.816	273.266	1.575	1.690	643.210	610.940
REBITDA (2)	30.072	27.835	25.954	22.452	(130)	(249)	55.896	50.038
EBITDA (3)	26.391	19.965	29.273	22.105	(133)	(298)	55.531	41.772
Depreciations & Amortizations	18.184	17.427	6.372	6.186	0	0	24.555	23.613
EBIT (5)	8.207	2.538	22.901	15.919	(133)	(298)	30.976	18.159
REBIT (4)	11.889	12.202	19.582	16.265	(130)	(249)	31.341	28.218
Financial income							355	3.394
Financial expense							(10.329)	(12.319)
Associates							936	(471)
Income tax (expense)							(6.526)	(4.119)
EAT (Earnings after Tax)							15.413	4.644

(1) See Consolidated Income Statement

(2) REBITDA = EBITDA + non-recurring items *

(3) See Consolidated Cash Flow Statement

(4) REBIT = REBITDA - (depreciations + amortizations)

(5) EBIT = profit from operations

(6) Unallocated includes intersegment eliminations / external revenue, EBIT and REBIT that do not belong to the Bakery Products respectively

* Non-recurring items are items that are related to restructuring programmes: Lay-off costs that can not be associated with the future organisation, gains/losses on disposals, dismantling costs, impairment losses on assets (including goodwill) and fade out costs for production or logistic site's that are closed during the year.

Thousand Euro	Bakery Products		Lipids		Unallocated		Total	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Total Assets per Segment								
Net Fixed Assets	403.572	324.039	130.815	132.371	9.879	8.873	544.266	465.283
Other non-current assets					2.596	2.576	2.596	2.576
Total non-current Assets	403.572	324.039	130.815	132.371	12.475	11.449	546.862	467.859
Assets Working Capital Need	188.331	168.836	145.395	149.525	(53.178)	(49.982)	280.548	268.379
Other current assets *	0	0	0	0	147.862	140.870	147.862	140.870
Total Current Assets	188.331	168.836	145.395	149.525	94.684	90.888	428.410	409.249
Total Assets	591.903	492.875	276.210	281.896	107.159	102.337	975.272	877.108
Assets Working Capital Need	188.331	168.836	145.395	149.525	(53.178)	(49.982)	280.548	268.379
Liabilities Working Capital Need	(117.015)	(107.275)	(110.035)	(105.413)	0	0	(227.050)	(212.688)
Total Operational Working Capital Need	71.316	61.561	35.360	44.112	(53.178)	(49.982)	53.498	55.691

* Other current assets include other receivables, other financial assets, cash & cash equivalents

5.2 GEOGRAPHICAL SEGMENT INFORMATION

Thousand Euro	30.06.2015	30.06.2014
Revenue per country		
France	184.020	194.627
Belgium	96.069	101.578
Germany	91.604	88.854
The Netherlands	59.389	64.740
Spain	35.263	38.637
UK	33.264	28.013
Italy	52.758	14.374
Czech Rep & Slovakia	10.109	11.139
Rest of Europe	64.120	53.592
Outside Europe	16.780	15.386
Total	643.375	610.940

Thousand Euro	30.06.2015 unaudited	31.12.2014 audited
Non-current assets per country (excl. deferred tax assets)		
Goodwill (non allocated)	233.979	176.340
Belgium	64.665	67.230
France	155.848	150.028
The Netherlands	23.837	25.877
Spain	24.080	23.667
Germany	17.633	18.443
UK	3.828	3.539
Poland	5.671	2.274
Italy	17.258	415
Other	62	46
Total (see consolidated balance sheet)	546.862	467.859

5.3 Major customers

The Group's Bakery Products and Lipids businesses are predominantly business-to-business activities in which products are sold into various distribution channels such as large retail chains, grocery chains, artisan bakers, filling stations, quick service restaurants, foodservice companies, on-the-go retail outlets, schools, restaurants, hotels and coffee houses. Overall, the retail distribution channel, which represents approximately 35% and 60%, respectively, of the Lipids and Bakery Products business lines' volumes, has become increasingly concentrated with three top retailers controlling half or more of the market share in France, Germany, The Netherlands, the United-Kingdom and Belgium.

There are no individual customers that represent more than 10% of the Group revenue. The revenue of the top 5 represents 15,9% of the total group revenue in the first semester of 2015 (FY 2014: 16,3%). For the Bakery Products respectively the Lipids Business line, the top 5 customers have a share of 23,2% (FY 2014: 25,0%) and 19,3% (FY 2014: 17,8%) in the total revenue of the Business line in 2015.

6. BUSINESS COMBINATIONS

On March 19, 2015 the Group acquired 100 % of the shares of the Italian LAG S.P.A., Genoa from LAG's management and private equity funds Yarpa and LBO France. With this acquisition, the Group aims to strengthen its bakery products business in Italy and to extend its product range with typical Italian products such as Focaccia and Ciabatta.

LAG employs around 300 people with production operations in Genoa, Ravenna and Padua.

For the purpose of the mid-year accounts of 2015, the fair value of the assets acquired has been determined provisionally in order to calculate the goodwill arising on related acquisitions. In the second half of 2015, or within a period of twelve months after the acquisition date, these provisional amounts will be determined finally upon receipt of the final valuation for the acquired assets and liabilities.

The provisional values of the identifiable assets and liabilities of LAG S.P.A. as at the date of acquisition are based on local Italian GAAP and are documented below:

Thousand Euro	Provisional values
(Non) - contractual relationship	20.921
Property, plant and equipment	16.921
Financial assets	16
Inventories	6.044
Trade and other receivables	21.460
Cash and cash equivalents	3.151
Other assets	196
Employee benefits	(2.966)
Provisions	(2.595)
Financial debt	(18.716)
Trade and other payables	(19.705)
NET ASSETS ACQUIRED	24.728
GOODWILL (provisional)	34.786

As no reliable closing figures are available as per March 19, 2015 the full result of LAG over the period January to June 2015 is taken into account in the reported consolidated income statement. A rough estimate of the result of LAG for the period January to March 19th shows this impact is immaterial.

7 CHANGE IN PROVISIONS

Thousand Euro	30.06.2015 undaudited	30.06.2014 undaudited
Restructuring	4.070	(2.471)
Litigations & Tax	(10)	1.174
Environmental	5	8
Other	(4)	21
Change in provisions	4.061	(1.268)

The major movement on the provisions relates the restructuring; nearly the total amount relates the use of restructuring provisions booked in the past.

8 OTHER OPERATING INCOME

Thousand Euro	30.06.2015 unaudited	30.06.2014 unaudited
Gains on disposals of tangible and intangible fixed assets	296	356
Fair value gain on forward purchase contracts crude vegetable oil	(56)	(786)
Government Grants	417	394
Capitalised engineering	453	798
Sales waste	1.207	1.374
Exemption payroll tax	1.656	1.565
Benefit in kind	351	70
Site revenues	881	707
Sales promotional materials	327	229
Tax recuperation	314	218
Rental Fleet	70	69
Palettes	358	145
Damage/insurance	251	50
Realised Exchange Gains Relating to Trade Business	481	234
Other	932	1.441
Other operating income	7.939	6.867

9. OTHER OPERATING EXPENSE

Thousand Euro	30.06.2015 unaudited	30.06.2014 unaudited
Loss on disposals of tangible and intangible fixed assets	669	344
Fair value loss on forward purchase contracts crude vegetable oil	0	117
Loss on Realisation of Trade Receivables	88	454
Other	2.629	807
Realised Exchange Losses Relating to Trade Business	(42)	1.142
Other Operating Taxes ("taxe foncière", packaging tax, property tax)	4.721	3.687
Other operating expense	8.065	6.550

10 FINANCIAL INCOME

Thousand Euro	30.06.2015 unaudited	30.06.2014 unaudited
Interest income	300	261
Exchange gains	1.416	1.705
Fair value gains on FX hedging instruments not part of a hedge accounting relationship	0	1.254
Fair value gains on interest hedging instruments not part of a hedge accounting relationship	1.380	0
Fair value gains on financial assets measured at fair value through profit	196	173
Other financial income	77	2
Financial Income	3.369	3.394

11 FINANCIAL EXPENSE

Thousand Euro	30.06.2015 unaudited	30.06.2014 unaudited
Interest expense	9.856	9.522
Exchange losses	1.403	1.474
Fair value losses on FX hedging instruments not part of a hedge accounting relationship	948	0
Fair value losses on interest hedging instruments not part of a hedge accounting relationship	0	824
Bank and legal fees	364	213
Other financial expense	773	287
Financial Expense	13.343	12.319

12 INCOME TAX EXPENSE

Income taxes recognised in the income statement can be detailed as follows:

Thousand Euro	30.06.2015 unaudited	30.06.2014 unaudited
Current taxes for the year	(3.225)	(6.853)
Adjustment to current taxes on prior years	11	56
Deferred taxes	(3.311)	2.678
Income tax (expense)	(6.526)	(4.119)

Current taxes of the year are lower than last year although the accounting profit before taxes of this year is higher than last year. This can be explained by the fact that the profit has mainly been realized by companies that have available deferred tax assets to offset the taxable income and as such no current year tax is incurred. The aforementioned also explains the increased use of deferred tax assets.

The relationship between the income tax and the profit before income tax has been summarised in the table below:

Thousand Euro	30.06.2015 unaudited	30.06.2014 unaudited
Accounting profit before taxes	21.938	8.763
Share of result of associates	(936)	471
Profit before tax and before share of result of associates	21.002	9.234
Tax at Belgian corporate tax rate (33,99%)	7.139	3.139
Adjustment to current taxes on prior years		
- over/underprovided prior years	(54)	(56)
Tax effect of		
- special tax regimes (*)	(2.327)	(2.303)
- other domestic tax rates	(656)	(385)
- expenses not deductible for tax purposes	1.017	814
- withholding tax	155	34
- impairment of deferred tax assets	0	29
- losses for which no deferred tax was recognised	790	1.623
- utilisation of unrecognised tax losses	(454)	(29)
- deferred tax assets previously not recognised	(207)	0
Other domestic taxes (**)	1.178	1.173
Other	(55)	80
Total income tax	6.526	4.119

(*) a.o. notional interest deduction (1.220 k euro)

(**) mainly CVAE France

Notional interest deduction (so-called NID or deduction for risk capital) allows companies subject to Belgian corporate income tax to deduct a fictitious interest cost calculated as a % (yearly determined eg 1.630% for accounts closed per 31/12/2015) of an adjusted accounting net equity of the previous year from their taxable income. The adjustments on the accounting net equity include amongst others corrections for financial fixed assets, tax free reserves for capital grants,.... Note that the % of the current year 2015 (1.630%) has decreased in comparison with last year's % (2.630%). The current year unused NID is no longer transferable, but a transitional regime is applicable for stock of unused NID.

The contribution for value added by businesses (cotisation sur la valeur ajoutée des entreprises, CVAE) is a French tax assessed on the value added companies realized during the previous calendar year. The CVAE rate is 1,5% for companies with an annual pre-tax turnover of +50 Mio euro. Companies with a turnover below this amount are subject to a reduced CVAE rate (depending on turnover). Minimum annual pre-tax turnover to be subject to CVAE is 500 K euro.

Deferred tax assets and liabilities are attributable as follows:

Thousand Euro	30.06.2015 unaudited	31.12.2014 audited
Deferred tax assets	48.899	51.494
Deferred tax liabilities	24.015	21.712

Deferred income tax assets are recognised to the extent that the realisation of the related tax benefit through the future taxable profits is probable. All deferred tax assets are expected to be recovered within a time horizon of maximum 12 years.

Judgement is required to determine the probability of the future taxable results and the future income tax rates of those legal entities which have tax loss carry-forwards. Management of the Group remains conservative in determining the future taxable results and believes that it is not likely that changes in judgements can have a material adverse effect on the financial condition of the Group.

The change in the net position of deferred tax is mainly due to the recognition of deferred taxes for tax attributes carried forward for which management of the Group believes future use is probable.

13. RELATED PARTIES

The Group is controlled by Safinco NV which owns 100 % of the shares of the Company's shares.

Vandemoortele CC NV grants a loan to Safinco NV amounting to 11.514 k euro (11.280 k euro in 2014) on which the company receives an interest of 45 k euro (57 k euro in 2014).

The Group purchases refined oil from one of its associates, Lipidos. The conditions for these purchases are negotiated periodically between both parties and are at arm's length.

14. COMMITMENTS AND CONTINGENCIES

14.1 OPERATING LEASE COMMITMENTS

The Group has entered into commercial leases on Company cars and office equipment. Renewals are at the option of the specific entity that holds the lease. The minimum lease payments under operating leases recognised in the income statement for the year amounted to 1.619 k euro (in 2014 an amount of 1.562 k euro).

Future minimum rentals payable under non-cancellable operating leases at June 30, 2015 are not significant.

14.2 CONTINGENT LIABILITIES

The Group is subject to a number of claims and legal proceedings in the normal conduct of its business. Management does believe that such claims and proceedings are not likely, on aggregate, to have a material adverse effect on the financial condition of the Group. There are no contingencies relating to government grants for which income was already recognized.

15 EVENTS AFTER BALANCE SHEET DATE

There were no important events after balance sheet date.

16. STATEMENT BY RESPONSIBLE PERSONThe logo for Vandemoortele, featuring the company name in a bold, blue, sans-serif font. A yellow swoosh underline is positioned below the text.

August 27, 2015

STATEMENT BY RESPONSIBLE PERSON

Jules Noten Comm. V., represented by Mr. Jules Noten, Chief Executive Officer and Mr. Jan Gesquière, Chief Financial Officer confirm that to the best of their knowledge:

- a) The condensed interim consolidated financial statements per 30.06.2015 of NV VANDEMOORTELE, prepared in conformity with applicable accounting standards, reflect a true and fair view of the net worth, the financial situation and results of VANDEMOORTELE NV and its subsidiaries consolidated in these financial statements.
- b) The interim report of the Board of Directors on the condensed interim consolidated financial statements per 30.06.2015 of NV VANDEMOORTELE , contains a faithful presentation of performance of the business, the results of the group VANDEMOORTELE and its consolidated subsidiaries, together with a description of the main risks and uncertainties that they are facing.

A blue ink signature of Jules Noten, consisting of a stylized, cursive script.

Jules Noten Comm.V,
represented by Mr. Jules Noten
Chief Executive Officer
of Vandemoortele NV

A blue ink signature of Jan Gesquière, consisting of a stylized, cursive script.

Jan Gesquière
Chief Financial Officer
of Vandemoortele NV

17. INTERIM REPORT OF THE BOARD OF DIRECTORS

The logo for Vandemoortele, featuring the company name in a bold, blue, sans-serif font. A yellow swoosh underline is positioned beneath the text, starting from the left and curving under the 'e'.

INTERIM REPORT OF THE BOARD OF DIRECTORS ON THE MID-YEAR 2015 RESULTS

Dear Stakeholders,

Hereby I provide you with some comments on the Mid Year 2015 IFRS consolidated results (unaudited) of the Vandemoortele Group.

The recurring operational results have improved versus last year.

Next to the recurring business following projects have been realized in the first half of this year:

- Negotiation of a new revolving facility with the 5 banks from the former clubdeal
- Acquisition of LAG S.P.A. in Italy strengthening our position in Bakery Products Italy and in the savoury bakery category
- The emission of a retail bond of 100 m€ (maturity of 7 years, coupon rate of 3,06 %) which was subscribed in less than 1 day.

The Mid-Year revenue has increased by 5.3% and the recurring operational cash flow ("Rebitda") by 12% from 50 m€ (30.6.2014) to 56m€ (30.6.2015). The recurring operational profit ("Rebit") increased by 10.7% from 28 m€ (30.6.2014) to 31 m€ (30.6.2015).

The Bakery Products business line has increased its revenues by 12% versus the same half year period last year, thanks to the acquisition of LAG in Italy. Profit margins are negatively affected by increases of some raw materials (a.o. cocoa, almonds, olive oil), start up costs of new production lines and slower growth in some product lines.

The Lipids business line revenues decreased by 3% versus last year, with roughly stable volumes at lower selling prices reflecting some lower raw material prices. The increase in Rebitda is realized by strong operational performance with higher raw material results.

With limited non recurring items at 30.6.2015, 0,3 mio € compared to - 10 mio € at 30.6.2014, the operational profit (EBIT) at 30.6.2015 ends at 31 mio € versus 18 mio €

mid-year 2014. After taking into account the financial result and income taxes the Group's EAT (earnings after tax) at 30.6.2015 amounts to 15 mio € which is substantially better than the 30.6.2014 Group EAT of 4 mio €.

The acquisition of LAG in March 2015 and a higher capex than last year (30 mio € vs 24 mio €), increased the senior net financial debt from 83 mio € at 30.6.2014 to 136 mio € at 30.6.2015. The balance sheet is still very strong and includes, next to the senior net financial debt, 365 mio € of equity and a subordinated loan of 67 mio €.

The balance sheet structure is set to remain strong and this after realization of an ambitious 2015 investment program including the acquisition of LAG.

We expect the company to continue on this path for the remainder of the year subject to unpredictable macro-economic and political changes, as well as the main raw material markets.

On behalf of the Board of Directors,
Ghent, 27 August 2015



Jean Vandemoortele
Chairman of the Board of Directors