

vandemoortele

VANDEMOORTELE NV

public limited liability company (*naamloze vennootschap*) under Belgian law

Public offer in Belgium and the Grand Duchy of Luxembourg of

5.125 per cent. fixed rate bonds due 13 December 2017

Issue Price: 101.875 per cent.

ISIN BE6245734015, Common Code 085824210 (the “**Bonds**”)

for a maximum principal amount of EUR 75,000,000

Issue Date: 13 December 2012

Subscription Period: from 22 November 2012 until (and including) 6 December 2012

(subject to early closing)

An application has been submitted to the Luxembourg Stock Exchange for listing of the Bonds on the Official List of the Luxembourg Stock Exchange and for admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange.

Joint Lead Managers



Global Coordinator



Co-lead Managers



Prospectus dated 19 November 2012

Investing in the Bonds involves certain risks. Investors are invited to read the entire Prospectus, including the “Risk Factors” beginning on page 21 of this Prospectus to read about factors that should be carefully considered before investing in the Bonds.

This prospectus (the “**Prospectus**”) has been prepared by Vandemoortele NV, a public limited liability company (*naamloze vennootschap / société anonyme*) incorporated under Belgian law, having its registered office at Moutstraat 64, 9000 Ghent, Belgium, with enterprise number VAT BE 0429.977.343, Register of Legal Entities Ghent (the “**Issuer**”) in connection with the offering and listing of a maximum principal amount of EUR 75,000,000 5.125 per cent. fixed rate bonds, due 13 December 2017. The denomination of the Bonds shall be EUR 1,000. The Bonds are offered to the public in Belgium and in the Grand Duchy of Luxembourg (the “**Bond Offering**”).

An application has been made with the Luxembourg Stock Exchange to list the Bonds on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to admit the Bonds to trading on the Luxembourg Stock Exchange’s regulated market. References in this Prospectus to the Bonds being “listed” (and all related references) shall mean that the Bonds have been listed on the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended. Prior to the offering of the Bonds referred to in this Prospectus, there has been no public market for the Bonds.

The Bonds will be issued in dematerialised form (*gedematerialiseerd / dématérialisé*) under the Belgian Company Code (*Wetboek van vennootschappen / Code des Sociétés*) (the “**Belgian Company Code**”) and cannot be physically delivered. The Bonds will be represented exclusively by book-entries in the records of the X/N securities settlement system operated by the National Bank of Belgium or any successor thereto (the “**X/N System**”). Access to the X/N System is available through those of the X/N System participants whose membership extends to securities such as the Bonds. X/N System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), Euroclear Bank NV/SA (“**Euroclear**”) and Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds in securities accounts in Euroclear and Clearstream, Luxembourg.

BOND OFFERING IN BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG

This Prospectus has been prepared in connection with the Bond Offering and with the listing on the official list of the Luxembourg Stock Exchange and the admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange. The Issuer has requested the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) to notify the Prospectus to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Markten en Diensten / Autorité des services et marchés financiers*, the “**FSMA**”) in accordance with Article 18 of the Prospectus Directive, as implemented by the Luxembourg Prospectus Law, and in accordance with Articles 37 and following of the Belgian Law of 16 June 2006 (*Wet van 16 juni 2006 op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt / Loi du 16 juin 2006 relative aux offres publiques d’instruments de placement et aux admissions d’instruments de placement à la négociation sur des marchés réglementés*, the “**Belgian Prospectus Law**”). This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) other than offers in Belgium and the Grand Duchy of Luxembourg (the “**Permitted Public Offer**”), will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for the offer of the Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Issuer or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Managers have authorised, nor do they authorise, the making of any offer (other than the Permitted Public Offer) of Bonds in circumstances in which an obligation arises for the Issuer or the Managers to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see Section XII “Documents Incorporated by Reference”).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy or subscribe for the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

The Issuer authorises the use of this Prospectus for the purposes of a public offer during the Subscription Period (regardless of a possible early termination as specified in Section X “The Bond Offering” below) in Belgium and the Grand Duchy of Luxembourg, by any financial intermediary authorised pursuant to Directive 2004/39/EC to conduct such offers (a “**Financial Intermediary**”).

Any Financial Intermediary envisaging to use this Prospectus in connection with a Permitted Public Offer is obliged to state on its website, during such subscription period, that this Prospectus is used for a Permitted Public Offer with the authorisation of the Issuer and in accordance with the relevant applicable conditions.

If, during the period for which the Issuer authorised the use of this Prospectus, a public offer of the Bonds was made in Belgium or the Grand Duchy of Luxembourg by a Financial Intermediary, the Issuer accepts responsibility for the content of this Prospectus as set out below. Neither the Issuer, nor any Manager can be held responsible or liable for any act or omission from any Financial Intermediary, including compliance with any rules of conduct or other legal or regulatory requirements under or in connection with such public offer.

Neither the Issuer nor any Manager has authorised any public offer of the Bonds by any person in any circumstance and such person is under no circumstance authorised to use this Prospectus in connection with a public offer of the Bonds, unless (i) the public offer is made by a Financial Intermediary in Belgium or the Grand Duchy of Luxembourg, or (ii) the public offer is made within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised public offer is not made by or on behalf of the Issuer or any Manager and the Issuer nor any Manager can be held responsible or liable for the actions of any such person engaging in such unauthorised public offers.

Each offer and each sale of the Bonds by a Financial Intermediary will be made in accordance with the terms and conditions agreed between such Financial Intermediary and the investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by the investor. The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between such Financial Intermediary and the investor. This Prospectus does not contain the terms and conditions of any Financial Intermediary. The terms and conditions of the Managers are however included in this Prospectus (see Section X “The Bond Offering”). The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by a Financial Intermediary during the Subscription Period. The Issuer nor any Manager can be held responsible or liable for any such information.

For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus see Section X “The Bond Offering” below.

None of the Joint Lead Managers, the Co-lead Managers and the Global Coordinator (together the “**Managers**”), nor the Issuer are taking any action to permit a public offering of the Bonds in any jurisdiction outside Belgium and the Grand Duchy of Luxembourg. The distribution of this Prospectus and the offer or sale of the Bonds in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities, including the Bonds, in any circumstances in which such offer or solicitation is unlawful. The Bonds are subject to transfer and selling restrictions in certain jurisdictions. Prospective investors should read the restrictions described in “The Bond Offering—Selling Restrictions” (Section X “The Bond Offering”) below.

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) and are subject to United States tax law requirements. The Bonds are being offered outside the United States by the Managers (as defined in “The Bond Offering” (Section X “The Bond Offering”) below) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

None of the Managers or their respective affiliates has authorized the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

No Manager accepts any liability, whether in tort or in contract or otherwise, in relation to the information contained, implied or incorporated by reference in this Prospectus or any other information in connection with the Issuer, the offering of the Bonds or the distribution of the Bonds other than any information in its own marketing brochure (but excluding in relation to the description of the Issuer contained herein) or provided through its respective branches and personnel or otherwise in accordance with applicable law.

RESPONSIBLE PERSONS

Vandemoortele NV, having its registered office at Moutstraat 64, 9000 Ghent, Belgium, is responsible for the information in this Prospectus. Vandemoortele NV declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No person is or has been authorized to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorized by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer since the date hereof (or the date upon which this Prospectus has been most recently amended or supplemented) or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof (or, if later, the date upon which this Prospectus has been most recently amended or supplemented) or that the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

PRIOR WARNING

The Prospectus has been prepared to provide information in connection with the Bond Offering. Each potential investor should base any decision to invest in the Bonds on the information set forth herein and on its own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and

risks, as well as the conditions of the Bond Offering itself. Each investor must itself assess, with its own advisors if necessary, whether the Bonds are suitable for it, considering its personal financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Each potential investor is urged to consult its own advisor, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

In the event of important new developments, material errors or inaccuracies that could affect the assessment of the Bonds, and which occur or are identified between the time of the approval of the Prospectus and the closing of the Bond Offering, or the time at which trading on the regulated market of the Luxembourg Stock Exchange commences, the Issuer will issue a supplement to the Prospectus containing this information. This supplement will be prepared in compliance with applicable law, and will be published on the websites of the Issuer, the Managers and the Luxembourg Stock Exchange. The Issuer will ensure that any such supplement is published as soon as possible after the occurrence of such new significant factor. Investors who have already agreed to purchase or subscribe for Bonds before the publication of the supplement to the Prospectus, would then have the right to withdraw their agreement during a period of two business days commencing on the day after the publication of the supplement, provided that such new development, material error or inaccuracies arose before the final closing of the Bond Offering and the settlement of the Bonds.

MARKET AND INDUSTRY INFORMATION

Statements in this Prospectus with respect to market and other industry data are based on statistics and other information from independent industry publications and reports by research firms or other published independent sources. Although reasonable care has been taken to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by the Issuer, the Managers or the Issuer's advisors and therefore no representation is made as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the jurisdictions specified.

In addition, certain statements contained in this Prospectus regarding the Issuer's industry and position in the industry are based on certain assumptions concerning the Issuer's customers and competitors. These assumptions are based on the Issuer's experience in the industry and investigation of market conditions. No representation is made as to the accuracy of any such assumptions, and such assumptions may not be indicative of the Issuer's positions in its industry.

The statements in this Prospectus with respect to market and other industry data have been accurately reproduced from independent industry publications and reports by research firms or other published independent sources and, as far as the Issuer is aware and is able to ascertain from such sources, no facts have been omitted which would render such information inaccurate or misleading.

FORWARD LOOKING STATEMENTS

This Prospectus contains statements that constitute estimates and forward-looking statements. These statements appear in a number of places in this Prospectus, including but not limited to the sections "Summary", "Risk Factors", and "Description of the Issuer", and include statements regarding the Issuer's intent, belief or current expectations, and those of the Issuer's officers, with respect to (among other things) its financial condition. Such estimates and forward-looking statements are based mainly on current expectations and estimates of future events and trends, which affect, or may affect, the Issuer's business and results of operations. Although the Issuer believes that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to the Issuer.

Such estimates and forward-looking statements may be influenced by, among others, the following factors:

- the Issuer's ability to integrate and benefit from recent or future acquisitions and strategic alliances;
- the effects of the global economic recession;
- competition and loss of market share;
- the Issuer's ability to implement its strategy;
- the loss of one or more significant customers;
- the performance of the Issuer's customers and any preference they give to products of the Issuer's competitors;
- changes in consumer preferences;
- risks related to fluctuations in foreign exchange or interest rates and stock market volatility;
- disruption of the supply chain;
- the buying power of the Issuer's customers;
- increases in commodity or other raw material costs;
- the failure of the Issuer's suppliers to perform in a timely manner;
- health and product liability risks related to the food industry;
- changes in health-related regulations in the jurisdictions in which the Issuer operates;
- trade barriers;
- risks inherent in international operations;
- health epidemics and other outbreaks in the markets in which the Issuer operates;
- compliance with health, environmental and other governmental laws and regulations;
- deterioration of labor relations or increase in labor costs;
- loss of key personnel;
- interruptions or failures in the Issuer's information technology systems;
- increases in the Issuer's operating costs or the Issuer's inability to meet efficiency or cost reduction objectives;
- possible disruptions to commercial activities due to natural and human-induced disasters, including terrorist activities and armed conflict;
- limitation on the Issuer's access to sources of financing on competitive terms and compliance with covenants; and
- other factors, some of which are described under "Risk Factors" and elsewhere in this Prospectus.

The words "believe", "may", "may have", "might", "would", "estimate", "continue", "anticipate", "intend", and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements refer only to the date when they were made, and neither the Issuer nor the Managers undertake any obligation to update or review any estimate or forward-looking statement whether as a result of new information, future events or any other factors. Estimates and forward-looking statements involve risks and uncertainties and do not guarantee future performance, as actual results or developments may be substantially different from the expectations described in the forward-looking statements. In light of the risks and uncertainties described above, the events referred to in the estimates and forward-looking statements included in this Prospectus may or may not occur, and the Issuer's business performance and results of operations may differ materially from those expressed in such estimates and forward-looking statements, due to factors that include but are not limited to those mentioned above. Investors are warned not to place undue reliance on any estimates or forward-looking statements in making decisions regarding investment in the Bonds.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

APPROVAL OF THE PROSPECTUS

This document constitutes a prospectus for the purposes of Article 5(3) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the “**Prospectus Directive**”), and the Luxembourg Law of 10 July 2005 relating to prospectuses for securities, as amended (the “**Luxembourg Prospectus Law**”). This Prospectus has been prepared in accordance with the Luxembourg Prospectus Law and the Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended (the “**Prospectus Regulation**”), and has been approved by the CSSF on 19 November 2012. This approval does not imply any opinion by the CSSF on the economic and financial soundness of the Bond Offering and the quality or solvency of the Issuer, and the CSSF assumes no responsibility in this regard.

The Issuer has requested the CSSF to notify the Prospectus to the FSMA in accordance with Article 18 of the Prospectus Directive, as implemented by the Luxembourg Prospectus Law, and in accordance with Articles 37 and following of the Belgian Prospectus Law. The Issuer has provided a translation of the summary in Dutch and French, as required by the Belgian Prospectus Law for the purpose of the offering of the Bonds to the public in Belgium.

AVAILABILITY OF THE PROSPECTUS

This Prospectus has been prepared in English. The summary of the Prospectus has also been translated into Dutch and French. The Issuer is responsible for the consistency between the English, Dutch and French version of the summary of the Prospectus. In connection with the offering of the Bonds, in case of inconsistencies between the language versions, the English version shall prevail.

The Prospectus and the translations of the summary in Dutch and French are available free of charge at the office of Vandemoortele NV at Moutstraat 64, 9000 Ghent, Belgium. They are also available free of charge from KBC Bank NV on + 32 78 152 153 (in Dutch) and + 32 78 152 154 (in French), Belfius Bank NV/SA on + 32 2 222 12 02, Bank Degroof NV/SA on + 32 2 287 91 56 and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank International”) on + 32 3 289 28 88 (in Dutch) and + 32 3 289 29 99 (in French). They are also available on the websites of the Issuer (www.vandemoortele.com), KBC Bank NV (www.kbc.be/vandemoortele), Belfius Bank NV/SA (www.belfius.be/vandemoortele), Bank Degroof NV/SA (<http://sitepublicadmin.degroof.be/sites/degroof/nl-BE/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in Dutch), <http://sitepublicadmin.degroof.be/sites/degroof/fr-BE/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in French) and <http://sitepublicadmin.degroof.be/sites/degroof/en-us/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in English)), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank International”) (www.rabobank.be/nl/producten/vast-beleggen/obligaties/default.aspx (in Dutch) and www.rabobank.be/fr/produits/investissement-fixe/obligations/default.aspx?sl=fr (in French)), and as long as the Bonds are outstanding and listed, the Luxembourg Stock Exchange (www.bourse.lu).

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I. SUMMARY

The summary has been prepared in accordance with the content and format requirements of the Prospectus Regulation, as recently amended. For purposes of the Prospectus Regulation, summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and warnings

A.1	Introduction	This summary should be read as an introduction to the Prospectus and any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Bonds.
A.2	Consent by the Issuer to the use of the Prospectus for subsequent resale or final placement of the Bonds by Financial Intermediaries	Vandemoortele NV (the “ Issuer ”) authorises the use of this prospectus (the “ Prospectus ”) for the purposes of a public offer in Belgium and the Grand Duchy of Luxembourg of a maximum principal amount of EUR 75,000,000 5.125 per cent. fixed rate bonds due 13 December 2017 (the “ Bond Offering ”), by any financial intermediary authorised pursuant to Directive 2004/39/EC to conduct such offers (a “ Financial Intermediary ”).
	Indication of the offer period	The consent to use this Prospectus is given for an offer period starting on 22 November 2012 and ending on 6 December 2012 (regardless of a possible early termination).
	Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus	The consent to use this Prospectus is given for a public offer in Belgium and the Grand Duchy of Luxembourg.
	Notice informing investors that information on the terms and conditions of the offer by any Financial Intermediary is to be provided at the time of the offer by the Financial Intermediary	Each offer and each sale of the Bonds by a Financial Intermediary will be made in accordance with the terms and conditions agreed between a Financial Intermediary and the investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by the investor. The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Financial Intermediary and the investor. This Prospectus does not contain the terms and conditions of any Financial Intermediary. The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by a Financial Intermediary at the relevant time during the offer period starting on 22 November 2012 and ending on 6 December 2012. The Issuer nor any Manager can be held responsible or liable for any such information.

Section B – Issuer

B.1	Legal and commercial name of the Issuer	Vandemoortele NV
B.2	Domicile/Legal Form/Legislation/Country of incorporation	The Issuer is a public limited liability company (<i>naamloze vennootschap / société anonyme</i>), incorporated under Belgian law, having its registered office located at Moutstraat 64, 9000 Ghent, Belgium.
B.4b	Trends affecting the Issuer and the industries in which it operates	<p>The current depressed macro-economic trend in the Western and Central European markets, in which the Issuer and its subsidiaries within the meaning of Article 6, 2° of the Belgian Company Code (the “Subsidiaries”) (the Issuer together with its Subsidiaries, the “Group”) are active, create significant uncertainties in both the markets of packed edible oils and fats (Lipids) and frozen bakery products (Bakery Products). The Group seeks to mitigate this trend by offering a broad and diversified product portfolio, which reaches all customer categories in most of the countries in which it operates.</p> <p>The Lipids market is fairly consolidated and characterized by overcapacity, resulting in intense price competition, which the Group seeks to address by state-of-the-art and highly competitive production units and logistic networks increasing its capacity to operate cost-efficiently.</p> <p>The frozen Bakery Products industry is growing with 2% to 3% per year and the market drivers remain strong. The industry is now moving to a phase of consolidation. Following a difficult 2011 due to severe pressure on margins as a result of the sharp increase in the raw materials prices, the Issuer is currently focussing on restoring the profitability of this business line in a sustainable way and will continue to build its European leadership in the Bakery Products.</p> <p>In both markets, changing dietary trends and the increased emphasis on health and wellness among consumers present both opportunities, in terms of new product developments, and risks for the Issuer.</p> <p>While the Group considers that it is well positioned in its two core markets and that it benefits from a unique combination of competitive strengths, it continues to face strong competition in both of its core markets and anticipates that existing or new competitors might broaden their product lines and extend their geographic scope, or might integrate downwards into the Group’s markets, in particular in Lipids.</p>
B.5	Description of the Group and the Issuer’s position within the Group	<p>The Issuer is the holding company of a Belgium-based integrated group producing and marketing food products, mainly in the segments of packed edible oils and fats (Lipids) and frozen bakery products (Bakery Products). In 2011, the Issuer realised consolidated revenues of approximately EUR 1.3 billion with approximately 5,000 employees working in 34 production and 15 commercial sites across 12 European countries.</p> <p>The Issuer has two Belgian Subsidiaries (Vamix NV and Vandemoortele Lipids NV), which are sub-holdings, holding the Bakery Products and Lipids business lines respectively. These two Subsidiaries each have a number of subsidiaries across the Group’s core markets.</p> <p>All Subsidiaries, except for the 23.75% shareholding in Lipidos Santiga S.A. (Spain) and 30.7% shareholding in Val Fleuri SCI (France), are 100% owned, directly or indirectly, by the Issuer.</p>
B.9	Profit forecast/estimate	Not applicable; the Prospectus does not include a profit forecast or estimate.
B.10	Audit report’s	Not applicable; there are no qualifications in any auditor report on the historical

qualifications

financial information included in the Prospectus.

B.12 Selected Historical Key Financial Information/material adverse changes

Income Statement Key Financial Information 31.12.2010 and 31.12.2011

in millions of EUR	31.12.2010	31.12.2011
Revenue	1,079	1,273
Recurring Operational Cash Flow (REBITDA)	101	66
Recurring depreciation, amortisation and write-offs	(50)	(51)
Recurring Operational Profit (REBIT)	51	15
Non-recurring items	(9)	(11)
Impairment	0	(87)
Operational Profit (EBIT)	42	(82)
Net financial income / (expense)	(19)	(19)
Result according to the equity method	0	0
Pre-Tax Current Profit / (Loss)	23	(101)
Income tax expense	3	7
Profit / (Loss) from Continuing Operations	27	(94)
Profit / (loss) from discontinued operations	1	8
Profit / (Loss) (EAT)	28	(87)

Balance Sheet Key Financial Information 31.12.2010 and 31.12.2011

in millions of EUR	31.12.2010	31.12.2011
Net fixed assets (NFA)	607	496
Working capital need (WCN)	100	100
Capital Employed	707	595
Equity	463	350
Provisions and others	43	16
Subordinated debt	56	58
Senior net financial debt (NFD)	145	172
Capital Provided	707	595

Income Statement Key Financial Information 30.06.2011 and 30.06.2012

in millions of EUR	30.06.2011	30.06.2012
Revenue	610	611
Recurring Operational Cash Flow (REBITDA)	27	30
Recurring depreciation, amortisation and write-offs	(26)	(24)
Recurring Operational Profit (REBIT)	2	6
Non-recurring items	0	(1)
Operational Profit (EBIT)	2	4
Net financial income / (expense)	(9)	(11)
Result according to the equity method	(1)	0
Pre-Tax Current Profit / (Loss)	(8)	(7)
Income tax expense	5	(1)
Profit / (Loss) from Continuing Operations	(3)	(8)
Profit / (loss) from discontinued operations	0	0
Profit / (Loss) (EAT)	(3)	(8)

Balance Sheet Key Financial Information 31.12.2011 and 30.06.2012

in millions of EUR	31.12.2011	30.06.2012
Net fixed assets (NFA)	496	481
Working capital need (WCN)	100	85
Capital Employed	595	566
Equity	350	333
Provisions and others	16	11
Subordinated debt	58	63
Senior net financial debt (NFD)	172	159

Capital Provided 595 566

Definitions

EBIT Profit from operations.
EBITDA Profit from operations before interest, tax, depreciation, amortisation, write downs and impairments.
REBIT Recurring EBIT = EBIT before non-recurring items.
REBITDA Recurring EBITDA = EBITDA before non-recurring items.
EAT Earnings after tax.

There has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2011.

There have been no significant changes in the financial or trading position since 30 June 2012.

- B.13 **Recent Events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer’s solvency** Not applicable; there are no material events particular to the Issuer which are to a material extent relevant to the Issuer’s solvency.
- B.14 **Dependence on other entities within the Group** As holding entity of the Group, the Issuer is dependent upon the operating activities of its Subsidiaries and the ability of such Subsidiaries to generate and upstream cash flows.
- B.15 **Principal activities of the Issuer** The Issuer acts as the holding company of the Group which produces and markets food products, mainly in the segments of packed edible oils and fats (Lipids) and frozen bakery products (Bakery Products). The Issuer has no business operations of its own (except for certain IT services provided by the Issuer to certain former members and joint ventures of the Group).
- B.16 **Direct or indirect Control over the Issuer** The Issuer is a wholly owned Subsidiary of Safinco NV, the investment vehicle of the family shareholders.
- B.17 **Credit ratings assigned to the Issuer or the Bonds** Not applicable; the Issuer and the Bonds are not rated and the Issuer does not intend to request a rating for the Bonds.

Section C – Securities

- C.1 **Description of type and class of the Bonds and security identification numbers** 5.125 per cent. fixed rate bonds due 13 December 2017 denominated in euro (the “Bonds”).
 ISIN BE6245734015; Common Code 085824210.
- C.2 **Currency of the Bonds** EUR
- C.5 **Description of any restrictions on the free transferability of the Bonds** Subject to restrictions in all jurisdictions in relation to offers, sales or transfers of bonds, the Bonds are freely transferrable in accordance with the Belgian Company Code.
- C.8 **Description of rights attached to the Bonds, including ranking and limitations to those rights** The Bonds constitute direct, unconditional, unsubordinated and (subject to the Negative Pledge) unsecured obligations of the Issuer and rank and will at all times rank *pari passu*, without any preference among themselves, and equally with all other existing and future unsecured obligations of the Issuer that are unsubordinated to the Bonds, save for such obligations that may be preferred by provisions of law that are

mandatory and of general application.

C.9

See C.8 above for a description of the rights attaching to the Bonds, ranking and limitation to those rights.

Interest

Each Bond bears interest from (and including) the Issue Date (see below) at the rate of 5.125 per cent. per annum per Specified Denomination (the “**Standard Rate of Interest**”) plus any applicable changes as a result of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change (see below), (the Standard Rate of Interest together with any such changes, the “**Applicable Rate of Interest**”).

Interest Payment Date

13 December (the “**Interest Payment Date**”).

Financial Condition Step-Up Change and Financial Condition Step-Down Change

A Financial Condition Step-Up Change shall occur if, broadly speaking, it appears from the most recent compliance certificate that the ratio of (i) consolidated net financial indebtedness of the Group (not taking into account the EUR 75,000,000 subordinated loan between the Issuer and GIMV) over (ii) EBITDA adjusted, as the case may be, to reflect any acquisitions or divestitures, exceeds, in respect of the Relevant Period, 3.50:1. A relevant period is each period of 12 months ending on the last day of a financial year of the Issuer (the “**Relevant Period**”). A Financial Condition Step-Up Change shall result in an increase of the Applicable Rate of Interest by 0.50 per cent. per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Up Change occurred, provided that, at no time, as a result of such increase the Applicable Rate of Interest shall exceed 5.625 per cent. per annum.

If following a Financial Condition Step-Up Change a Financial Condition Step-Down Change occurs, then the Applicable Rate of Interest shall be reduced by 0.50 per cent. per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Down Change occurred. A Financial Condition Step-Down change shall occur if, broadly speaking, following a Financial Condition Step-Up Change it appears from the most recent compliance certificate that the consolidated net financial indebtedness of the Group (not taking into account the EUR 75,000,000 subordinated facility between the Issuer and GIMV) over EBITDA adjusted, as the case may be, to reflect any acquisitions or divestitures, in respect of the Relevant Period does not exceed 3.50:1. No Financial Condition Step-Down Change will occur, unless prior to such a Financial Condition Step-Down Change there has been a Financial Condition Step-Up Change.

At no time shall the Applicable Rate of Interest exceed 5.625 per cent. per annum or be less than 5.125 per cent. per annum.

EBITDA means, solely for the purpose of the conditions of the Bonds, for each Relevant Period, the aggregate (without duplication) of the Issuer's: (i) consolidated profit for that Relevant Period; (ii) income tax expense for that Relevant Period; (iii) net finance expense for that Relevant Period; (iv) depreciation, amortisation and write-offs made in relation to that Relevant Period; (v) before taking into account any exceptional items; all determined on a consolidated basis on the level of the Issuer in accordance with IFRS.

Maturity Date

13 December 2017

Redemption Amount at Maturity Date

The Bonds will be redeemed at 100 per cent. of the nominal amount.

Early Redemption

- The Bonds may be redeemed early following an Event of Default (see below) (at 100 per cent. of the nominal amount).
- Bonds will be redeemable at the option of the bondholders prior to maturity in the

case of an Early Redemption Event (see below). If bondholders submit put option notices in respect of at least 85 per cent. of the aggregate principal amount of the outstanding Bonds, all (but not some only) of the Bonds may be redeemed at the option of the Issuer prior to maturity (at the Put Redemption Amount, see below). An early redemption event shall occur if (i) a change of control occurs in respect of the Issuer at the time when the Issuer is not rated or (ii) a change of control occurs at the time the Issuer is rated and a rating downgrade results (in whole or in part) from that change of control (each an “**Early Redemption Event**”).

Put Redemption Amount The put redemption amount is an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to the nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant redemption date (the “**Put Redemption Amount**”).

The Put Redemption Amount which is applicable in the case of an Early Redemption Event will be the lesser of (i) 101 per cent. or (ii) 100 per cent. multiplied with the exponential function of T times 0.74720148386 per cent., that would result in the gross actuarial yield of an investor between the Issue Date and the redemption date not exceeding the interest rate plus 0.75 points.

Redemption Rate means $\text{MIN}(101\%; 100\% \times \text{Exp}(T \times 0.74720148386\%))$, rounded down to the 9th decimal.

T means the time, expressed in decimals of a year, elapsed from (and including) the Issue Date until (and including) the relevant redemption date.

Exp means the exponential function meaning the function e^x , where e is the number (approximately 2.718) such that the function e^x equals its own derivative.

Calculation Agent means KBC Bank NV or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount.

Events of Default Events of Default under the Bonds include (i) non-payment of principal or interest in respect of the Bonds, (ii) breach of other obligations relating to the Bonds, the domiciliary, paying, calculation and listing agency agreement between the Issuer and KBC Bank NV (the “**Agency Agreement**”) or the clearing services agreement between the Issuer, KBC Bank NV and the National Bank of Belgium (the “**Clearing Agreement**”), (iii) cross-default, (iv) enforcement proceedings, (v) security enforced, (vi) unsatisfied judgment, (vii) insolvency, (viii) reorganisation, (ix) winding-up, (x) unlawfulness, and (xi) delisting of the Bonds.

Yield 4.696 per cent.

Representative of bondholders / Meeting of bondholders The conditions of the Bonds contain provisions for calling meetings of bondholders to consider matters affecting their interest generally. The provisions permit defined majorities to bind all bondholders including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority.

C.10 **Derivative component in the interest payment** Not applicable; the Bonds have no derivative component in the interest payment.

C.11 **Listing and admission to trading** An application has been made with the Luxembourg Stock Exchange to list the Bonds on the official list of the Luxembourg Stock Exchange and to admit the Bonds to trading on the regulated market of the Luxembourg Stock Exchange.

Section D – Risks

D.2 **Key risks specific to the Issuer**

- The Issuer’s business depends on raw materials and utilities and its results may therefore be adversely affected by price volatility and availability of these

resources.

- As a consumer driven business, a loss of key customers and a change in consumers' preferences might adversely affect the Issuer's financial performance.
- The Issuer's core markets are highly competitive which exposes the Issuer to the risks of the loss of a significant customer and pressure on its profit margins.
- As a food related business, the Issuer might be adversely affected by risks related to food safety and food contamination as well as food safety or health-related regulations.
- The Issuer's branding depends on intellectual property rights and is therefore exposed to risks related to effective protection of such rights.
- As a holding company, the Issuer's ability to repay the Bonds is subject to the ability of its operational Subsidiaries to generate and upstream cash flow.
- In the normal course of its business, the Issuer is exposed to liquidity, foreign exchange rates, interest rates and counterparty risk.
- Assumptions related to future costs, return on investments, interest rates and other actuarial assumptions have a significant impact on the Group's funding requirements related to its pension schemes and therefore the Group's funding requirements in relation to these pension schemes may change and additional contributions could be required in the future.
- If the Group fails to maintain the adequacy of its internal controls, including any failure to implement required new or improved controls, or if it experiences difficulties in its implementation of internal controls, its business and operating results could be harmed and the Group could fail to meet its reporting obligations, which could lead to claims or a discontinuation in the trust by its stakeholders.

D.3 Key risks specific to the Bonds

- The Bonds may not be a suitable investment for all investors.
- Each prospective investor must determine based on its own independent review and such professional advice as it deems appropriate whether or not to invest in the Bonds.
- The Issuer may not have the ability to repay the Bonds.
- The Bonds are unsecured obligations of the Issuer which do not benefit from any guarantee. In the event of liquidation, dissolution, reorganisation, bankruptcy or similar procedure affecting the Issuer, the holders of any indebtedness which benefit from guarantees from Group members may recover their claims through payments by such Group members under the guarantees provided by them, whereas such right will not be available to the bondholders.
- The Bonds do not benefit from the subordination of claims granted by a creditor of the Issuer. In the event of an insolvency, winding-up or liquidation of the Issuer, the subordinated creditor of the Issuer (the GIMV), the senior creditors and the bondholders will share pro rata their respective outstanding obligations in the enforcement proceeds (if any) as unsecured creditors. However, in such events and if there is a shortfall for the senior creditors, the subordinated creditor of the Issuer under the subordinated facility (the GIMV) is contractually required to handover its part of the proceeds received only to the senior creditors (or the liquidator will reallocate the pro rata share of the subordinated creditor under the subordinated facility to the senior creditors accordingly) and not to any other creditors (including

the bondholders).

- The Issuer may incur additional indebtedness.
- The Issuer and the Bonds do not have a credit rating and the Issuer does currently not intend to request a credit rating for itself or for the Bonds. This may render the price setting of the Bonds more difficult.
- There is no guarantee to an active trading market for the Bonds.
- The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors.
- The Bonds may be redeemed prior to maturity and in the event of a change of control.
- The Bonds may be affected by the turbulence in the global credit markets and the euro zone crisis.
- Modifications to the conditions of the Bonds can be imposed on all bondholders upon approval by defined majorities of bondholders.
- The Bonds may be exposed to exchange rate risks, exchange controls and risk of inflation.
- Certain payments in respect of the Bonds may be impacted by the EU Savings Directive.
- Payments made in respect of the Bonds may be subject to Belgian or Luxembourg withholding tax.
- Changes in governing law could modify certain conditions.
- The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the X/N System.
- The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the X/N System.
- The Issuer, the Agent and the Managers may engage in transactions adversely affecting the interests of the bondholders.
- The Bond Offer may be wholly or partially withdrawn or cancelled in accordance with the provisions of the Placement Agreement (as defined below).
- The Domiciliary, Paying, Calculation and Listing Agent do not assume any fiduciary duties or other obligations to the bondholders and, in particular, is not obligated to make determinations which protect their interests.
- The Issuer is incorporated, and has its registered office, in Belgium and is, consequently, as a rule, subject to insolvency laws and proceedings in Belgium.

Section E – Offer

E.2b Reason of the Offer and use of proceeds

With the Bond Offering, the Issuer aims to achieve an adequate balance between short-term and long-term debts, as well as between bank funding and financing through the debt capital markets.

The net proceeds of the Bond Offering will be used to refund a portion of the Issuer's

bank indebtedness.

E.3 Terms and conditions of the Offer

<i>Issue Date</i>	13 December 2012 (the “ Issue Date ”).
<i>Issue Price</i>	101.875 per cent. (the “ Issue Price ”).
<i>Specified Denomination</i>	EUR 1,000 per Bond (the “ Specified Denomination ”).
<i>Offer period</i>	From 22 November 2012 to 6 December 2012 (subject to early closing).
<i>Joint Bookrunners and Joint Lead Managers</i>	KBC Bank NV and Belfius Bank NV/SA.
<i>Co-lead Managers</i>	Bank Degroof NV/SA and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank International”) (together with KBC Bank NV and Belfius Bank NV/SA, the “ Managers ”).
<i>Domiciliary, Paying, Calculation and Listing Agent</i>	KBC Bank NV
<i>Public offer jurisdictions</i>	Belgium and the Grand Duchy of Luxembourg.
<i>Conditions to which the offer is subject</i>	<p>The Bond Offering and the issue of the Bonds is subject to a limited number of conditions set out in the placement agreement between the Issuer and the Managers (the “Placement Agreement”), and which include, amongst others: (i) the correctness of the representations and warranties made by the Issuer in the Placement Agreement, (ii) the Placement Agreement, the Clearing Agreement and the Agency Agreement have been executed by all parties thereto prior to the Issue Date, (iii) the admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange has been granted on or prior to the Issue Date, (iv) there having been, as at the Issue Date, no material adverse change (as defined in the Placement Agreement) affecting the Issuer or the Group and no event making any of the representations and warranties contained in the Placement Agreement untrue or incorrect on the Issue Date as if they had been given and made on such date and the Issuer having performed all the obligations to be performed by it under the Placement Agreement on or before the Issue Date, and (v) at the latest on the Issue Date, the Managers having received customary confirmations as to certain legal and financial matters pertaining to the Issuer. These conditions can be waived (in whole or in part) by each of the Managers.</p>
<i>Cross Default</i>	<p>The Bonds may be declared immediately due and payable at their principal amount together with accrued interest (if any) to the date of payment if:</p> <ul style="list-style-type: none">(i) any indebtedness of the Issuer or any of its Material Subsidiaries (which, broadly speaking, means all Subsidiaries, whose gross assets or EBITDA (adjusted, as the case may be, to reflect any acquisitions or divestitures) represents 5 per cent. or more of the Issuer’s consolidated gross assets or consolidated EBITDA) is not paid on its due date or, as the case may be, within any applicable grace period;(ii) such indebtedness becomes due and payable prior to its stated due date by reason of an event of default (however described), provided that any applicable stand-still period has expired and there has been no waiver or discharge of the event of default;(iii) the Issuer or any of its Material Subsidiaries fails to pay when due, or as the case may be, within any applicable grace period, any amount payable by it under any

present or future guarantee for, or indemnity in respect of, any indebtedness,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnity in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds EUR 10,000,000 or its equivalent in any other currency or currencies.

Negative Pledge

So long as any Bond remains outstanding, the Issuer: (i) will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction (“**Security**”) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt of the Issuer or a Subsidiary or to secure any guarantee of or indemnity in respect of any Relevant Debt of the Issuer or a Subsidiary; (ii) will procure that no Subsidiary creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt of the Issuer or a Subsidiary or to secure any guarantee of or indemnity in respect of a Relevant Debt of the Issuer or a Subsidiary; and (iii) will not give, and will procure no Subsidiary (determined at the time of incurrence) gives any guarantee of, or indemnity in respect of any of the Relevant Debt of the Issuer or a Subsidiary;

unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds are secured equally (including, without limitation, with respect to (i) the ranking of such Security and (ii) terms governing the provision of additional Security and the release of Security) therewith or benefit from a guarantee or indemnity in substantially identical terms thereto (including, for the avoidance of doubt, terms governing the provision of additional guarantees and indemnities and the release of such guarantees and indemnities), as the case may be, or have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by a general meeting of the bondholders. The Issuer shall be deemed to have satisfied any such obligation to provide Security, a guarantee or indemnity on substantially the same terms if the benefit of such Security, guarantee or indemnity is equally granted to an agent or trustee on behalf of the bondholders or through any other structure which is customary in the debt capital markets (whether by way of supplement, guarantee agreement, deed or otherwise).

Relevant Debt means any indebtedness of the Issuer or any Subsidiary in the form of, or represented by, bonds, notes, debentures or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market.

Allocation

All subscriptions that have been validly introduced by the retail investors with the Managers before the end of the Minimum Sales Period will be taken into account when the Bonds are allotted, it being understood that in case of oversubscription, a reduction may apply, *i.e.* the subscriptions will be scaled back proportionally, with an allocation of a multiple of EUR 1,000, and to the extent possible, a minimum nominal amount of EUR 1,000, which corresponds to the Specified Denomination of the Bonds.

Minimum Sales Period means 22 November 2012 at 5.30 pm (Brussels time).

Governing Law and Jurisdiction

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law. The courts of Brussels shall have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds.

E.4 **Interest material to the Bond Offering**

The Issuer is involved in a general business relationship and/or in specific transactions with each of the Managers or certain affiliates of the Managers and they might have conflicts of interests which could have an adverse effect to the interests of

the bondholders. Within the framework of a normal business relationship with its banks, the Issuer entered into a facilities agreement with each of the Managers or certain affiliates of the Managers. The facilities agreement may include different or additional terms or covenants in favour of the lenders under the facilities agreement compared to the terms of the Bonds. When acting in the capacity of lenders, the Managers have no duty to take into account the interests of the bondholders.

**E.7 Estimated expenses
charged to the investor
by the Issuer**

Retail investors will bear a selling and distribution commission of 1.875 per cent, included in the Issue Price. Qualified investors will bear a distribution commission of 1.875 per cent, subject to the discount based amongst others on (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of the interest rates, (iii) the success (or lack of success) of the placement of the Bonds, and (iv) the amount of Bonds purchased by an investor, each as determined by each Joint Lead Manager in its sole discretion. The distribution commission paid by the qualified investors will range between 0 and 1.875 per cent.

II. RISK FACTORS

The following is a description of risk factors that are material in respect of the Bonds and the financial situation of the Issuer and that may affect the Issuer's ability to fulfil its repayment obligations under the Bonds, which prospective investors should consider carefully before deciding to purchase the Bonds. The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. The following risk factors may not be the only risks and uncertainties the Issuer is exposed to. Additional risks and uncertainties not presently known, or that management currently believes to be immaterial, may also affect the Issuer and an investment in the Bonds. Prospective investors should read and consider all of the information provided, or incorporated by reference in, this Prospectus and should make their own independent evaluations of all risk factors and consult with their own professional advisers if they consider it necessary. Capitalized terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used below.

A. Risks relating to the Issuer

1. Risks related to current macro-economic trends

The Group is exposed to the risk of a decrease in consumer spending in light of the overall economic trends in the Group's principal geographic markets. The current depressed macro-economic climate in the Benelux, France, Italy and Spain, the high unemployment rate in certain developed markets and the potentially negative effects of austerity measures on the buying power of the consumers in such markets could create negative pressure on the evolution of the Group's revenues, on the Group's ability to increase or maintain prices for its products and on the Group's growth strategy.

Visibility over short- to medium-term market and economic developments remains limited. The Group cannot exclude the continuation of this negative trend or that further negative events may unfold in the context of the global economy. As a result, the Group may be exposed to a decrease in demand for its products or may fail to further improve its product mix, which, combined with a competitive environment and volatility of raw material prices, may result in over-capacities and declining margins. These factors, if they materialize, might have an adverse effect on the Group's business and financial results.

Concerns in the euro zone with respect to the overall stability of the European Union and the suitability of a single currency to deal appropriately with sovereign debt issues in individual euro zone countries could lead to the exit of one or more countries from the European Union and the re-introduction of individual currencies in these countries, or, worse, to the possible dissolution of the euro entirely. In each case, this could result in the redenomination of all or part of the Group's financial indebtedness and commercial agreements, which could have a material adverse effect on the Group's liquidity and financial condition. Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within the euro zone countries and their main trading partners, all of which are the Group's core geographical markets, which in turn could have an adverse impact on demand for the Group's products and accordingly on the Group's revenue and cash flows.

2. Market and Strategic Risks

(a) Risk related to raw materials and energy cost volatility and availability

The Group's results may be adversely affected by increases in prices as well as shortage of raw materials, including, among others, flour, butter, sugar, chocolate, packaging materials (plastics and card board), as well as refined (vegetable) oils, and fats. Raw materials costs are subject to various factors beyond the Group's control such as market price volatility, currency fluctuations, changes in governmental agricultural programs, harvest and weather conditions, crop disease, crop yields, alternative crops, prices in commodity derivatives, by-product values, and, ever increasing demand for

raw materials by emerging markets such as China. This may result in unexpected increases in raw material and packaging costs. The prices of many commodities have recently been at record levels, and commodity markets are experiencing unprecedented volatility. Because of competitive pressures, the Group may be unsuccessful in passing on cost increases, whether in full or in part, to customers without suffering reduced volume, revenue and operating income.

In particular, the impact of the United States draught in the Summer of 2012 – considered as the most severe and widespread draught in the United States in more than half a century – on the production of corn, soybeans and to a lesser extent wheat and other crops in the United States might have a significant impact on key commodity prices. It is not excluded that the impact thereof exceeds the price increase in food raw materials seen during the 2007-2008 food crisis.

The Group also relies on utilities, such as gas, electricity, gasoline and diesel fuel, to operate its business and deliver its products, of which the storage and production (including ovens and deep-freezers) is particularly energy-intensive. Substantial future increases in prices for, or shortage of, these utilities might adversely affect the Group's financial condition and cash flows (as is further described in Section VI.A in relation to the 2011 financial year).

Given the discrepancy between the Group's periodical price reviews with its customers and the more volatile movement of raw material and energy prices, short-term price increases cannot be immediately passed on to the Group's customers. Due to the bargaining power of certain key customers, such as large retail distribution chains, these price increases can in certain cases also not be passed on, in all or in part, as part of the periodical price review. This is compounded by the highly concentrated nature of the retail distribution market – with the three top retailers controlling half or more of the market share in France, Germany, The Netherlands, the United-Kingdom and Belgium. The Group is trying to mitigate the effects of the disproportionate bargaining power of its largest consumers by investing in product innovation and service model efficiencies, allowing the Group to limit the impact of fluctuations in raw materials prices on the Group's financial results. In addition, in order to minimize its exposure to raw materials price volatility, the Group is actively managing its raw materials positions within well defined limits and restrictions, including by entering into forward contracts. All such measures may, however, not be sufficient to offset the increase in raw material and energy costs in the longer term, and the forward contracts may at times cause the Group to pay higher prices for raw materials than those available in the spot markets.

The outlook for raw food materials prices remains volatile and is expected to remain as such for the foreseeable future, mainly due to growing demand from emerging markets and higher energy costs, triggering scarcity of raw materials at times.

(b) *Risks related to suppliers*

The loss of a significant supplier as a result of the current economic environment or as a result of such supplier's diversification of its product range, labour issues, availability of raw materials and quality problems at the supplier, available transport and related costs and other factors related to the suppliers, are outside the Group's control and could adversely impact the Group's operations and financial situation.

Similarly, import duties and other taxes on imported goods, trading sanctions imposed against certain countries, import or export restrictions of certain products or goods containing certain raw materials and other factors related to foreign trade could adversely impact the Group's operations and financial situation.

(c) *Risk related to key customers*

The Group's Bakery Products and Lipids businesses (as described in Section V "Description of the Issuer") 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 39% and 58%, 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, resulting in a growing bargaining power of large retailers. Further concentration might adversely affect the Group's profit margins as larger customers may seek more favourable terms for their purchases of the Group's products or increase trade spending.

Financial performance of the Group might further be adversely affected if retailers were to perform poorly or give preference to competitors' products.

Finally, the loss of a large customer would have an impact on the Group's revenue. The five largest customers in each of the Bakery Products and Lipids business lines account for approximately 26% and 17% of such business lines' turnover respectively.

(d) *Risks related to the ability to anticipate consumers' preferences*

The Group's success partially depends on its ability to anticipate the tastes and dietary habits of consumers and to offer products that appeal to their preferences. Changing dietary trends and the increased emphasis on health and wellness among consumers present both opportunities and risks for the Group. Failure to anticipate, identify or react to these changes might result in reduced demand for the Group's products. Whereas the frozen Bakery Products business is a growing market, the general trend in margarines and fats is that the consumption in the EU-27 continues to decline between 1% and 2% per year.

(e) *Risks related to competitive markets*

The Group's core markets are highly competitive. The competitive environment results from rivalry amongst existing market players but also from the bargaining powers of suppliers and customers, as well as from the possibility of new entrants in these markets or from substitute products to the current product portfolio. The Group is exposed to the risks of the loss of a significant customer and of pressure on profit margins. In addition, the Lipids market is fairly consolidated and characterized by overcapacity, resulting in more intense price competition. Competitive pressures may restrict the Group's ability to increase prices, including in response to raw materials, energy, labour and other cost increases, or restrict the Group's ability to realize its strategy of strengthening in its existing markets.

Failing to keep costs and service levels at least on par with the Group's main competitors and to differentiate itself from such competitors (in terms of product range, price or quality, customer service, brand recognition, loyalty or access to retail outlets) might lead to market share erosion or to the Group's customers substituting the Group's products with alternatives offered by such competitors. The Group expects to continue facing strong competition in its core markets and anticipates that existing or new competitors may broaden their product lines, and expand their geographic scope, or decide to integrate downwards into the Group's markets (particularly in Lipids).

Continuous R&D investments geared at products and processes improvements, IT investments to support business requirements and achieve costs efficiencies and continuous efforts to improve channel/customer/product mix and to reduce variable plant and logistics costs to compensate for inflation as well as a strict control of fixed costs and overhead and structure costs are not a guarantee for maintaining the Group's leadership position in its core markets in the future.

(f) *Risks related to the Group's strategy*

The Group aims at achieving sustainable and profitable growth by means of a combination of organic qualitative growth (by improvement of product and customer/channel mix) and improvement of the

internal processes and the production and logistic footprints. Although the prime focus is on organic growth and internal efficiency improvements, the Group does not exclude further acquisitions.

Adverse market conditions, either through a difficult macro-economic environment or through intensified competition, could have a negative impact on the realization of the strategic product and customer/channel mix improvement. They could also force the Group to concede a bigger than anticipated part of the internal efficiency improvements/savings to the customers.

Also, failing successfully to integrate acquisitions in the Group, to achieve expected synergies and cost savings or to complete future acquisitions might have a negative impact on the Group's business.

3. Operational Risks

(a) Risks related to production and operating costs

The Group's future success and earnings growth depends in part on its ability to produce, advertise and sell its products in a cost efficient manner, including in respect of labour costs. The Group therefore constantly invests in its operations to improve its production facilities and reduce operating costs. Failing to achieve contemplated cost savings and efficiencies might have an adverse effect on the Group's profitability and on its ability to achieve its financial goals.

(b) Risks related to senior management

The Group depends on its senior management team, which possesses extensive operating experience and industry knowledge, to set its strategy and manage its business. Its operations and profitability might be disrupted if it lost the services of its senior management team members.

(c) Risks related to personnel

The Group is exposed to risks associated with the potential loss or inability to attract skilled and motivated key personnel. The implementation of the Group's strategic business plans could be undermined by a failure to attract or retain key personnel or the unexpected loss of senior employees. It is not certain that the Group will be able to attract or retain its key employees and successfully manage them.

A shortage of qualified people might force the Group to increase wages or other benefits to be competitive when hiring or retaining key employees. It is not certain that higher labour costs can be offset by efforts to increase the Group's profitability in other activity areas.

The Group's success further depends on maintaining good relations with its workforce. The Group's production may be affected by work stoppages or slowdowns as a result of disputes with trade unions. Such disruptions could put a strain on the Group's relationships with suppliers and clients and may have lasting effects on the Group's business.

The Group's business is further exposed to employees' misconduct, negligence or fraud, which could result in sanctions and serious reputational or financial harm, or damages to the products or assets. It is not always possible to deter employees' misconduct and the internal control systems set up by the Group may not always be effective.

(d) Risks related to interruption or failure in the Group's information technology systems

Significant IT systems failure could adversely impact the Group's operations. The Group is increasingly dependent upon key software applications in connection with its supply chain and customer fulfilment processes (e.g., electronic data interchange with customers) and for conducting its business activities generally, including for monitoring the Group's financial position and daily cash

flows. Any failure of key software applications or communication networks could delay day-to-day decision making and manufacturing processes, product delivery or otherwise cause material financial losses to the Group. Business continuity plans, and other safety measures, implemented by the Group to avoid failure of its IT systems and reduce the negative impact thereof may not be effective.

(e) *Risks related to food safety and food contamination*

Operational risks facing the Group include risks posed by involuntary or malicious product contamination, general food scares, food spoilage, evolving nutritional and health-related concerns, consumer product liability claims, the availability and costs of liability insurance cover and the potential cost and disruption of product recalls. The risks of food contamination and spoilage exist at each stage of the production cycle: from the purchase and delivery of raw materials through the production, packaging, transport, stocking and delivery processes. Any actual or alleged health risks associated to the Group's products or even competitors' products may cause customers to lose confidence in the safety and quality of the Group's products, to reduce their demand and ultimately have a material adverse effect on the Group's operations and financial condition. The Group's quality assurance systems may not be fully effective in mitigating all risks relating to food safety.

(f) *Calamities and geopolitical events*

Calamities, such as earthquakes, hurricanes, flooding, fire, power loss and related loss of water supply, telecommunications and information technology system failures, and geopolitical events, such as political instability, military conflict and uncertainties arising from terrorist attacks, in a country where the Group is active or the Group's suppliers are based might adversely affect the Group's business and operating results.

While the Group's main sites have a limited exposure to above-mentioned major natural hazards, certain of its production and storage facilities, such as flour silos and heat ovens, are sensitive to explosion and fire risks and one cannot exclude that such event would ever occur.

(g) *Insurance and risk coverage*

In each country where the Group conducts business, its operations and assets are subject to varying degrees of risk and uncertainty. The Group insures its business and assets in each country in a manner that it deems appropriate for a group of its size and activities, based on an analysis of the relative risks and costs. Some types of risks, such as losses resulting from wars, acts of terrorism, or natural disasters, are generally excluded from insurance policies standard in the Group's sector and are not insured because they are either uninsurable or prohibitively expensive. The cost of some of the Group's insurance policies could increase in the future since insurance markets are currently rather soft markets. If the Group were to incur a significant loss or liability for which it is not fully insured or if its insurers would turn out to be insolvent, this could have a material adverse impact on the Group's business and financial condition.

4. Legal Risks

(a) *Risks related to effective protection of trademarks, patents, domain names and other intellectual property rights*

An important portion of the Group's revenues derive from sales of products under own brands, both for the retail markets and for the professional markets. Maintaining the reputation of the Group's brands is essential to the Group's ability to attract and retain customers and is critical to its future success. In Belgium and Luxembourg, the Group also markets margarines under the Alpro brand and uses the Alpro registered trademarks under a long-term license agreement with Alpro (White Wave Group – Dean Foods, USA).

The Group's principal trademarks, such as the Vandemoortele, Vitelma, Fama, Belolive, Roda, Diamant Gouda's Glorie, Panavi, Croustifrance, Gold cup and Banquet d'Or brand names, are registered in the countries in which such trademarks are used. The Group's actions to establish, protect and renew its trademarks may not be sufficient to prevent imitation of the Group's products by others or to prevent others from seeking to block sales of the Group's products on grounds that they violate competitors' patents, trademarks and proprietary rights. If a competitor were to infringe on the Group's trademarks, enforcing the Group's rights would likely be costly and would divert resources that would otherwise be used to operate and develop the Group's business. The Group markets certain margarines under the Alpro brand pursuant to a 25-year agreement of which 22 are remaining. If this long-term Alpro trademark licensing agreement were to be terminated prior to its termination date, the Group would no longer be in a position to market certain margarines under the Alpro brand.

If the Group were unable to protect its intellectual property rights against infringement or misappropriation, its financial results and growth might be adversely impacted.

(b) *Risks related to compliance with environmental, food safety and other regulations*

Spread over various European countries, the Group's activities are subject to extensive regulation in each country in which it operates, including corporate governance, labour, tax, competition, environment and health and safety regulations. Failure to comply with existing laws and regulations might result in fines and penalties being levied against the Group or the loss of its operating licenses and might adversely affect the Group's reputation. Compliance with applicable regulatory requirements might result in material costs for the Group.

Compliance with future material changes in food safety or health-related regulations might result in material increase in operating costs and might require interruptions in the Group's operations to implement such regulatory changes. Increased governmental regulation of the food industry, such as proposed requirements designed to enhance food safety, impose health-related requirements or to regulate imported ingredients, might increase the Group's costs and adversely affect its profitability. Although the Group has budgeted for future capital and operating expenditures to maintain compliance with environmental and health and safety regulations, there can be no assurance that such provisions would be sufficient.

The Group does not exclude future governments' action against the food industry in connection with rising obesity levels, for example by levying additional taxes on specific products. Such changes might have an adverse impact on the Group's financial results.

(c) *Risks related to pending and future litigation*

Group companies are now and may in the future be parties to various legal proceedings arising out of the normal course of business, including on the basis of product liability.

Accounting provisions for commercial, social and tax litigations may appear to be insufficient in case of adverse outcomes of these litigations.

(d) *Risks related to the upstreaming of cash-flows from the Issuer's subsidiaries*

Since the Issuer is a holding company that conducts operations through subsidiaries, its ability to repay the Bonds is subject to the ability of its Subsidiaries to upstream their revenues through dividends, intercompany receivables, management fees and other payments. The Issuer's Subsidiaries may not be able to pay dividends to the Issuer.

5. Financial Risks

In the normal course of its business, the Group is exposed to liquidity, foreign exchange rates, interest rates and counterparty risk. The Group has implemented an organization enabling it to manage, in a centralized manner, all such financial risks. A description thereof is presented in Note 17 to the consolidated financial statements for the financial year 2011 (available at www.vandemoortele.com).

(a) *Risks related to the Group's credit and liquidity risk*

The ability to pay the principal amount of, and interest on, the Bonds and other financial indebtedness depends on the Group's future operating performance. The future operating performance depends on market, strategic, operational and legal risks which are often beyond the control of the Group. Consequently, the Group cannot provide any assurance that it will have sufficient cash flow available to repay the principal amount of, and interest on, its financial indebtedness.

The Group covers its liquidity and working capital needs through supplier credit, overdraft facilities and bank loans. In this context, the Group depends on the willingness of banks to provide credit lines or loans. It cannot be excluded that the willingness of banks to provide credit lines and loans declines in the future in light of the current macroeconomics trends or the performance of the Group. The issuance of the Bonds partially aims at reducing and minimizing the Group's dependence on banks and ensuring a better mix of short-term and long-term funding.

The Senior Facilities Agreement, Subordinated Facility Agreement and Intercreditor Agreement (as such terms are defined in Section V.J of this Prospectus) impose operating and financial restrictions on the business (See "*Material Contracts*" in Section V.J of this Prospectus). These provisions may negatively affect the Group's ability to react to changes in market conditions or in the industry in which it operates, take advantage of business opportunities it believes to be desirable, pursue its strategy, obtain future financing, fund needed capital expenditures, or withstand a continuing or future downturn in its business.

The net financial debt of the Group amounts to EUR 159 million as at 30 June 2012 and based on management projections, the Group's leverage ratio as at the date hereof, calculated as the ratio of the Group's aggregate net financial indebtedness over the Group's REBITDA, is equal to approximately 2.3:1. The issuance of the Bonds will not increase the net financial debt of the Group as the proceeds of the Bonds will serve to repay Facility A term loans and a portion of Facility B term loans of the Senior Facilities Agreement.

In the future, the Group may from time to time incur additional indebtedness, and such indebtedness may be secured (See "*Risks relating to the Bonds*" in Section II.B of this Prospectus). In this case, the risks to which the Group is exposed as a result of its existing indebtedness could further intensify. It is further not certain that any additional financial indebtedness or debt refinancing will be available, and, if available, on attractive terms. Consequently, the Group's financing costs may increase, which would have a negative influence on the Group's profitability.

(b) *Risks related to counterparties' credit risk*

Although the Group deals with banks with a minimum A⁻ rating, spreads its dealings over different banks and has taken out credit insurance, the Group is exposed to the risk of its counterparties being unable to perform their contractual obligations, from a risk of default under the Group's trade receivables to a risk of non-performance of the counter-party under the derivatives transactions entered into by the Group to hedge commodity, foreign exchange or interest risks.

(c) *Foreign exchange risk*

The Group has operations and interests outside the euro zone for an aggregate portion of approximately 12.1% of the Group's total revenues, and is thus subject to adverse movements in foreign currency exchange rates, both in terms of its trading activities and the translation of its financial statements. The Group has hedge policies in place to manage its exposures to foreign currencies. There can be no assurance, however, that such policies will be able to successfully mitigate such foreign exchange exposure, particularly over the long-term. In particular, concerns regarding the euro zone sovereign debt crisis may result in increased volatility of euro exchange rates.

(d) *Interest rate risk*

The Group uses debt issuance and bank borrowings as a source of funding, of which the Senior Facilities Agreement is at variable interest rates, which exposes it to changes in such interest rates. The Group entered into several interest rate swaps to hedge the floating interest rate due under its financial indebtedness.

(e) *Risks related to the absence of audited financial information after 31 December 2011*

The Prospectus does not contain audited financial information for the period after 31 December 2011. The Prospectus contains financial information extracted from the consolidated interim financial statements as of and for the period ended as of 30 June 2012. These consolidated interim financial statements have been reviewed by the Issuer's external auditors, by way of a limited review in accordance with the international standards on review engagements (ISRE 2410).

6. Pension Risk

The Group has a number of defined benefit and defined contribution pension schemes.

A defined benefit plan is a post-employment benefit plan that defines an amount of pension benefit that an employee will receive on retirement. The liability recognised in the balance sheet for a defined benefit retirement plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. Independent actuaries, using the projected unit credit method, calculate the defined benefit obligation annually. Past service cost is the increase in the present value of the defined benefit obligation or other long-term employee benefits. Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period (the vesting period). In this case, the past service costs are amortised on a straight-line over the vesting period.

A defined contribution plan is a post-employment plan under which the Group pays fixed contributions into a separate entity (a fund or insurance company) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. However, if under a defined contribution plan, there remains a legal or constructive obligation for the Group to guarantee a certain return, the plan is treated as a defined benefit plan.

Assumptions related to future costs, return on investments, interest rates and other actuarial assumptions have a significant impact on the Group's funding requirements related to these plans. These estimates and assumptions may change based on actual return on plan assets, changes in interest rates, inflation, any changes in governmental regulations and general economic conditions. Therefore, the Group's funding requirements may change and additional contributions could be required in the future. If, as of a balance sheet date, the fair value of any plan assets of a defined benefit plan is lower

than the defined benefit obligations (determined based on actuarial assumptions), the Group bears an “underfunding risk” at that moment in time. At the end of 2011, the Group recognised a net underfunding liability of defined benefit plans of EUR 11 million.

In relation to Belgian employees, the board of directors of the Issuer has resolved, and communicated to the employees, that it will replace the defined benefit plan by a defined contribution plan as of 1 January 2013.

7. Financial Reporting Risk

Effective internal control over financial reporting is necessary for the Group to provide reasonable assurance with respect to the Group’s financial reports and to prevent fraud effectively. The existing internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risks that the control may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate. If the Group fails to maintain the adequacy of its internal controls, including any failure to implement required new or improved controls, or if it experiences difficulties in its implementation of internal controls, its business and operating results could be harmed and the Group could fail to meet its reporting obligations, which could lead to claims or a discontinuation in the trust by its stakeholders.

B. Risks relating to the Bonds

1. The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2. Independent Review and Advice

Each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

3. The Issuer may not have the ability to repay the Bonds

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds upon the occurrence of an Event of Default (as defined in Condition III.9 (*Events of Default*)). If the Bondholders were to ask the Issuer to repay their Bonds upon the occurrence of an Event of Default (as defined in Condition III.9 (*Events of Default*)), the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its Subsidiaries) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Issuer's failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

4. The Bonds are unsecured obligations of the Issuer which do not benefit from any guarantee

The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed and will effectively be subordinated to any secured and guaranteed indebtedness of the Issuer, which the Issuer is allowed to incur. In the event of liquidation, dissolution, reorganisation, bankruptcy or similar

procedure affecting the Issuer, the holders of secured indebtedness will be repaid first with the proceeds of the enforcement of such security.

Moreover, certain subsidiaries of the Issuer have provided and may in the future provide guarantees for the benefit of holders of other indebtedness incurred by the Issuer, including (without limitation) under the existing Senior Facilities Agreement (see Section V.J.2 “*Senior Facilities Agreement*”). In the event of liquidation, dissolution, reorganisation, bankruptcy or similar procedure affecting the Issuer, the holders of any indebtedness which benefit from guarantees from Group members may recover their claims through payments by such Group members under the guarantees provided by them, whereas such right will not be available to the Bondholders.

There are no limitations on the amount of any such guaranteed or secured indebtedness which the Issuer may incur, except that if guarantees or security are provided by the Issuer or other Group companies in respect of other bonds, notes or similar securities issued by the Issuer or other Group companies, the Bonds will have to benefit from similar guarantees or security.

5. The Bonds do not benefit from the subordination of claims granted by a creditor of the Issuer

In an insolvency, winding-up or liquidation of the Issuer, the creditors under the Subordinated Facility Agreement (as described in Section V.J.3), the Senior Facilities Agreement (as described in Section V.J.2) and the Bondholders will share pro rata their respective outstanding obligations in the enforcement proceeds (if any) as unsecured creditors. However, in such events and if there is a shortfall for the creditors under the Senior Facilities Agreement, the lenders under the Subordinated Facility Agreement are contractually required to handover their part of the proceeds received only to the lenders under the Senior Facilities Agreement (or the liquidator will reallocate the pro rata share of the subordinated creditors to the senior creditors accordingly) and not to any other creditors (including the Bondholders).

6. The Issuer may incur additional indebtedness

In the future, the Issuer could decide to incur additional indebtedness or further increase its indebtedness. This could have an impact on its ability to meet its obligations under the Bonds or could cause the value of the Bonds to decrease. The Conditions do not limit the amount of unsecured or secured debts that the Issuer can incur.

7. The Issuer and the Bonds do not have a credit rating, and the Issuer currently does not intend to request a credit rating for itself or for the Bonds at a later date. This may render the price setting of the Bonds more difficult

The Issuer and the Bonds do not have a credit rating at the time of the Bond Offering, and the Issuer currently does not intend to request a credit rating for itself or the Bonds at a later date. This may impact the trading price of the Bonds. There is no guarantee that the price of the Bonds and the other Conditions at the time of the Bond Offering, or at a later date, will cover the credit risk related to the Bonds and the Issuer. In addition, there can be no assurance that, should a rating be requested in respect of the Issuer or the Bonds, an investment grade rating would be assigned.

8. There is no guarantee to an active trading market for the Bonds

The only manner for the Bondholders to convert his or her investment in the Bonds into cash before their maturity date is to sell them at the applicable market price at that moment. The price can be less than the nominal value of the Bonds. The Bonds are new securities which may not be widely traded and for which there is currently no active trading market. The Issuer has filed an application to have the Bonds listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. If the Bonds are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest

rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

Therefore, investors may not be able to sell their Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. In the event that put options are exercised in accordance with Condition III.6(b) (*Redemption at the Option of Bondholders*), liquidity will be reduced for the remaining Bonds. Furthermore, it cannot be guaranteed that the admission to listing and trading once approved will be maintained.

9. The Bonds are exposed to market interest rate risk

The Bonds provide a fixed interest rate until the Maturity Date. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The longer the maturity of bonds, the more exposed bonds are to fluctuations in market interest rates. An increase in the market interest rates can result in the Bonds trading at prices lower than the nominal amount of such Bonds.

10. The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors

The value of the Bonds may be affected by the creditworthiness of the Issuer and the Group and a number of additional factors, such as market interest and exchange rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such investor.

11. The Bonds may be redeemed prior to maturity

In the event of (i) the occurrence of an Event of Default (as defined in Condition III.9 (*Events of Default*)) or (ii) if the Issuer would choose to repay all outstanding Bonds if Bondholders have submitted Change of Control Put Exercise Notices in respect of at least 85 per cent. of the aggregate principal amount of the Bonds, in accordance with Condition III.6(b), the Bonds may be redeemed prior to their maturity in accordance with the Conditions. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds. Investors need to be aware that in the event of a redemption prior to maturity in accordance with the Conditions, they might receive a redemption amount which is lower than the Issue Price.

12. The Bonds may be redeemed prior to maturity in the event of a Change of Control

Each Bondholder will have the right to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of an Early Redemption Event, as such terms are defined herein, and in accordance with the Conditions of the Bonds (the "**Change of Control Put**").

Accordingly, the put option may arise, at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds. Potential investors should be aware that the Change of Control Put can only be exercised upon the occurrence of an Early Redemption Event as defined in the Conditions, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer. In particular, it should be noted that a Change of Control for purposes of the conditions shall only have occurred if (i) any person not affiliated with the Reference Shareholders (as defined in the Conditions) or (ii) a group of persons not affiliated with the Reference

Shareholders, Acting in Concert, gain(s) Control of the Issuer, both as defined in Condition III.6(b) (*Redemption at the Option of Bondholders*). Once given, a Change of Control Put Exercise Notice is irrevocable and Bondholders will be required to undertake in the Change of Control Put Exercise Notice not to sell or transfer the relevant Bonds until the relevant Change of Control Put Date.

Bondholders deciding to exercise the Change of Control Put shall have to do this through the bank or other financial intermediary through which the Bondholder holds the Bonds (referred to for purposes of this risk factor as the “**Financial Intermediary**”) and are advised to check when such Financial Intermediary would require to receive instructions and Change of Control Put Exercise Notices from Bondholders in order to meet the deadlines for such exercise to be effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant Bondholders. Qualified Investors exercising their put option by giving notice of such exercise to any paying agent in accordance with the standard procedures of the NBB, Euroclear or Clearstream, Luxembourg in lieu of depositing a Change of Control Put Exercise Notice with a Financial Intermediary are also advised to check by when the relevant securities settlement system would require to receive notices in order to meet the deadlines for such exercise to be effective.

In the event that the Change of Control Put right is exercised by holders of at least 85 per cent. of the aggregate principal amount of the Bonds, the Issuer may, at its option, redeem all (but not less than all) of the Bonds then outstanding pursuant to Condition III.6(b) (*Redemption at the Option of Bondholders*). However, Bondholders should be aware that, in the event that (i) holders of 85 per cent. or more of the aggregate principal amount of the Bonds exercise their option under Condition III.6(b) (*Redemption at the Option of Bondholders*), but the Issuer does not elect to redeem the remaining outstanding Bonds, or (ii) holders of a significant proportion, but less than 85 per cent. of the aggregate principal amount of the Bonds exercise their option under Condition III.6(b) (*Redemption at the Option of Bondholders*), Bonds in respect of which the Change of Control Put is not exercised may be illiquid and difficult to trade.

13. The Bonds may be affected by the turbulence in the global credit markets

Potential investors should be aware of the turbulence in the global credit markets which has led to a general lack of liquidity in the secondary market for instruments similar to the Bonds. The Issuer cannot predict when these circumstances will change and if and when they do there can be no assurance that conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will not return in the future.

14. Eurozone crisis

Potential investors should be aware of the crisis affecting the eurozone, the turbulence in the global credit markets and the general economic outlook. The Issuer cannot predict when these circumstances will change and potential investors need to be aware of the significant uncertainty about future developments in this regard.

15. Modification to the Conditions of the Bonds can be imposed on all Bondholders upon approval by defined majorities of Bondholders

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

16. The Bonds may be exposed to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or

currency unit (the “**Investor’s Currency**”) other than the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Euro would decrease (1) the Investor’s Currency-equivalent yield on the Bonds, (2) the Investor’s Currency equivalent value of the principal payable on the Bonds, and (3) the Investor’s Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

17. Risk of inflation

The inflation risk is the risk of future value of money. The actual yield of an investment in the Bonds is being reduced by inflation. The higher the rate of inflation, the lower the actual yield of a Bond will be. If the rate of inflation is equal to or higher than the nominal output of the Bonds, then the actual output is equal to zero, or the actual yield will even be negative.

18. Certain payments in respect of the Bonds may be impacted by the EU Savings Directive

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”), member states of the European Union (the “**EU Member States**” and each a “**EU Member State**”) are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in other EU Member States. However, for a transitional period, the Grand Duchy of Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a paying agent established in any state which applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Agent nor any other person would be obliged to pay additional amounts to the Bondholders or to otherwise compensate Bondholders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

19. Payments made in respect of the Bonds may be subject to Belgian or Luxembourg withholding tax

Potential investors should be aware that neither the Issuer, the NBB, the Agent nor any other person will be liable for or otherwise obliged to pay, and the relevant Bondholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Bonds.

If the Issuer, the NBB, the Agent or any other person is required by law to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

Belgian withholding tax, currently at a rate of 21%, will in principle be applicable to the interest on the Bonds held in a non-exempt securities account (an “**N account**”) in the X/N System, as further described in Section IX (Taxation). For Belgian resident individuals, an additional levy of 4% may apply to the interest on the Bonds, also as further described in Section IX (Taxation).

Luxembourg withholding tax may apply to payments made in respect of the Bonds, either under the Luxembourg laws implementing the EU Savings Directive (please also refer to the Section “Certain payments in respect of the Bonds may be impacted by the EU Savings Directive” here above) or under the law of 23 December 2005 as amended. Luxembourg withholding tax issues are further described in Section IX (Taxation).

In addition, potential investors should be aware that any relevant tax law or practice applicable as at the date of this Prospectus and/or the date of purchase or subscription of the Bonds may change at any time (including during any subscription period or the term of the Bonds). Any such change may have an adverse effect on a Bondholder, including that the liquidity of the Bonds may decrease and/or the amounts payable to or receivable by an affected Bondholder may be less than otherwise expected by such Bondholder.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

20. Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to seek the advice of a tax professional regarding their individual tax liabilities with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus. Such taxes or documentary charges could also be due in case of a possible change of the statutory seat of the Issuer. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

21. Changes in governing law could modify certain Conditions

The Conditions are based on the laws of Belgium in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Belgium, the official application, interpretation or the administrative practice after the date of this Prospectus.

22. Relationship with the Issuer

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the Conditions. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced, but it may not have a direct claim against the Issuer with respect to such prejudice.

23. The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the X/N System

The Bonds will be issued in dematerialised form under the Belgian Company Code and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the X/N System. Access to the X/N System is available through its X/N System participants whose membership extends to securities such as the Bonds. X/N System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Transfers of interests in the Bonds will be effected between the X/N System participants in accordance with the rules and operating procedures of the X/N System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the X/N System participants through which they hold their Bonds. The Issuer and the Agent will have no responsibility for the proper performance by the X/N System or the X/N System participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the X/N System to receive payments under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the X/N System.

24. The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the X/N System

The Conditions of the Bonds and the Agency Agreement (as defined below) provide that the Agent (as defined below) will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, directly or through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds. In the event that the Agent were subject to insolvency proceedings at any time when it held any such amounts, Bondholders would not have any further claim against the Issuer in respect of such amounts, and would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency laws, because the Conditions provide that the payment obligations of the Issuer will be discharged by payment to the Agent in respect of each amount so paid.

25. The Issuer, the Agent and the Managers may engage in transactions adversely affecting the interests of the Bondholders

The Agent and the Managers might have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Agent, the Calculation Agent or/and each of the Managers and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Agent, the Calculation Agent and each of the Managers may hold from time to time debt securities, shares or/and other financial instruments of the Issuer.

Within the framework of normal business relationship with its banks, the Issuer entered into loans and other facilities (the “**Funding Transactions**”) with each of the Managers (via bilateral transactions or/and syndicated loans together with other banks including the Senior Facilities Agreement). The terms and conditions of these Funding Transactions differ from the terms and conditions of the proposed Bonds and certain of the terms and conditions of the Funding Transactions are stricter or more extensive than the terms and conditions of the proposed Bonds. The terms and conditions of these Funding Transactions contain financial covenants, different from or not included in the conditions of the proposed Bonds. In addition, as part of the Funding Transactions, the lenders have the benefit of guarantees granted by operational companies of the Group, whereas the Bondholders will not have the benefit from similar guarantees. This results in the Bondholders being structurally

subordinated to the lenders under such Funding Transactions. Reference is made to Section V.J of this Prospectus for a further description of the relevant transactions.

As set out under Section VIII “Use of Proceeds”, the net proceeds of the Bond Offering, which are expected to amount up to EUR 75,000,000, will be used to prepay Facility A Loans and a portion of the Facility B Loans of the Senior Facilities Agreement in amounts of, respectively, EUR 53.5 million and EUR 21.5 million. With this Bond Offering, the Issuer aims to achieve an optimal global balance between short-term and long-term debt, as well as between bank financing and financing through the debt capital markets.

The Bondholders should be aware of the fact that the Managers, when they act as lenders to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that they are under no obligation to take into account the interests of the Bondholders.

26. Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Bonds. The investors should consult their legal advisers to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

27. Risk of withdrawal or cancellation of the Bond Offering

As from the date of this Prospectus and at any time prior to the Issue Date of the Bonds, the Bond Offering may be wholly or partially retracted or cancelled in accordance with the provisions of the Placement Agreement. In this case, investors who paid the issue price for the Bonds prior to the notification of retraction or cancellation of the offer shall receive the total amounts of funds already paid by them as issue price for the Bonds. However, such investor may not receive the interest on such amount they otherwise could have earned if they had not paid the issue price for the Bonds.

28. The Domiciliary, Paying, Calculation and Listing Agent does not assume any fiduciary duties or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect their interests

KBC Bank NV will act as the Issuer’s Domiciliary, Paying, Calculation and Listing Agent and Calculation Agent. In its capacity as Domiciliary, Paying, Calculation and Listing Agent, it will act in accordance with the Conditions of the Bonds in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Domiciliary, Paying, Calculation and Listing Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Domiciliary, Paying, Calculation and Listing Agent may rely on any information that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Domiciliary, Paying, Calculation and Listing Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Domiciliary, Paying, Calculation and Listing Agent of any amount due in respect of the Bonds or (ii) any determination made by the Domiciliary, Paying, Calculation and Listing Agent in relation to the Bonds or interests, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Domiciliary, Paying, Calculation and Listing Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Domiciliary, Paying, Calculation and Listing Agent proving to have been

incorrect or incomplete or (ii) any relevant information not being provided to the Domiciliary, Paying, Calculation and Listing Agent on a timely basis.

29. Belgian insolvency laws

The Issuer is incorporated, and has its registered office, in Belgium and is, consequently, as a rule, subject to insolvency laws and proceedings in Belgium.

III. TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Bonds save for the paragraphs in italics that shall be read as complementary information.

The issue of the 5.125 per cent. fixed rate Bonds due 13 December 2017 for a maximum principal amount of EUR 75,000,000 (the **Bonds**) was authorised by a resolution of the Board of Directors of Vandemoortele NV (the **Issuer**) passed on 8 November 2012. The Bonds are issued subject to and with the benefit of a domiciliary, paying, calculation and listing agency agreement dated 19 December 2012 entered into between the Issuer and KBC Bank NV acting as domiciliary, paying, calculation and listing Agent (the **Agent**, which expression shall include any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Agreement (as defined below). Copies of the Agency Agreement and the Clearing Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Havenlaan 2, B-1080 Brussels, Belgium. The Bondholders are bound by and deemed to have notice of all the provisions of the Agency Agreement applicable to them.

References herein to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

1. FORM AND DENOMINATION

(a) *Form*

The Bonds are issued in dematerialised form in accordance with Article 468 *et seq.* of the Belgian Company Code (*Wetboek van vennootschappen / Code des Sociétés*) and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **X/N System**). The Bonds can be held by their holders through participants in the X/N System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the X/N System.

The Bonds are accepted for clearance through the X/N System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the X/N System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the **X/N System Regulations**). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an **Alternative Clearing System**).

(b) *Denomination*

The Bonds will have a denomination of EUR 1,000 each (the **Specified Denomination**).

2. STATUS OF THE BONDS

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer. The Bonds rank and will at all times rank *pari passu*, without any priority among themselves, and equally with all other existing and future unsecured

obligations of the Issuer that are unsubordinated to the Bonds, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

3. NEGATIVE PLEDGE

(a) *So long as any Bond remains outstanding, the Issuer:*

- (i) will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction (**Security**) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt of the Issuer or a Subsidiary or to secure any guarantee of or indemnity in respect of any Relevant Debt of the Issuer or a Subsidiary;
- (ii) will procure that no Subsidiary creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt of the Issuer or a Subsidiary or to secure any guarantee of or indemnity in respect of a Relevant Debt of the Issuer or a Subsidiary; and
- (iii) will not give, and will procure no Subsidiary (determined at the time of incurrence) gives any guarantee of, or indemnity in respect of any of the Relevant Debt of the Issuer or a Subsidiary;

unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are secured equally (including, without limitation, with respect to (i) the ranking of such Security and (ii) terms governing the provision of additional Security and the release of Security) therewith or benefit from a guarantee or indemnity in substantially identical terms thereto (including, for the avoidance of doubt, terms governing the provision of additional guarantees and indemnities and the release of such guarantees and indemnities), as the case may be, or have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by a general meeting of the Bondholders. The Issuer shall be deemed to have satisfied any such obligation to provide Security, a guarantee or indemnity on substantially the same terms if the benefit of such Security, guarantee or indemnity is equally granted to an agent or trustee on behalf of the Bondholders or through any other structure which is customary in the debt capital markets (whether by way of supplement, guarantee agreement, deed or otherwise).

(b) *The prohibition contained in this Condition 3 (Negative Pledge) does not apply to Security either:*

- (i) existing prior to any entity becoming a Subsidiary (provided that such Security was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the Issuer and that the principal amount of such Relevant Debt is not subsequently increased); or
- (ii) coming into existence pursuant to a modification of any mandatory provision of an applicable law.

4. DEFINITIONS

In these Conditions, unless otherwise provided:

Adjusted EBITDA means, for each Relevant Period, EBITDA for that Relevant Period provided that if during any period for which consolidated EBITDA is being determined, the Issuer or a Subsidiary has completed an acquisition or divestiture then consolidated EBITDA shall include the pro forma effect of that acquisition or divestiture as if that transaction had occurred at the beginning of the Relevant Period.

Alternative Clearing System has the meaning provided in Condition 1 (*Form and Denomination*).

Auditors means PricewaterhouseCoopers Bedrijfsrevisoren CVBA (or such auditor or statutory auditor of the Issuer as may be appointed from time to time).

Board of Directors means the board of directors of the Issuer or any committee thereof duly authorised to act on behalf of the board of directors.

Bondholder means the person entitled thereto in accordance with the Belgian Company Code and the X/N System Regulations.

Business day means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Brussels.

Calculation Agent has the meaning provided in Condition III.6(b) (*Redemption at the Option of Bondholders*).

Cash means, at any time, cash in hand and demand deposits.

Cash Equivalent Investments means, at any time, highly liquid instruments that are readily convertible into Cash and for which a recognised trading market exists.

Change of Control has the meaning provided in Condition III.6(b) (*Redemption at the Option of Bondholders*).

Change of Control Notice has the meaning provided in Condition III.6(b) (*Redemption at the Option of Bondholders*).

Change of Control Period shall commence on the date of the Change of Control, and shall end 60 days after the date of the Change of Control which period shall be extended following consummation of a Change of Control for so long as any Rating Agency has publicly announced within the period ending 60 days after the Change of Control that it is considering a possible Rating Downgrade, provided that the Change of Control Period shall not extend more than 60 days after the public announcement of such consideration.

Change of Control Put Exercise Period means the period commencing on the date of an Early Redemption Event and ending 60 calendar days following the Early Redemption Event, or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition III.6(b) (*Redemption at the Option of Bondholders*).

Change of Control Put Date has the meaning provided in Condition III.6(b) (*Redemption at the Option of Bondholders*).

Change of Control Put Exercise Notice has the meaning provided in Condition III.6(b) (*Redemption at the Option of Bondholders*).

Change of Control Resolutions means one or more decisions validly taken by the general meeting of shareholders of the Issuer approving Condition III.6(b) (*Redemption at the Option of Bondholders*).

Clearing Agreement means the clearing services agreement (*Overeenkomst van dienstverlening inzake de uitgifte van gedematerialiseerde obligaties*) to be dated on or about the Issue Date between the Issuer, the Agent and the NBB.

Clearstream, Luxembourg means Clearstream Banking, *société anonyme*, Luxembourg, 42, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Compliance Certificate has the meaning provided in Condition 11 (*Compliance Certificate*).

Early Redemption Event has the meaning provided in Condition III.6(b) (*Redemption at the Option of Bondholders*).

EBITDA means, solely for the purpose of the definition of Adjusted EBITDA and the definition of Material Subsidiary in these Conditions, for each Relevant Period, the aggregate (without duplication) of the Issuer's:

- (i) consolidated profit for that Relevant Period;
- (ii) income tax expense for that Relevant Period;
- (iii) net finance expense for that Relevant Period;
- (iv) depreciation, amortisation and write-offs made in relation to that Relevant Period;
- (v) before taking into account any Exceptional Items,

all determined on a consolidated basis on the level of the Issuer in accordance with IFRS.

EUR, euro or **€** means the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Euroclear means Euroclear Bank SA/NV, Koning Albert II-laan, 1210 Brussels, Belgium.

Event of Default has the meaning provided in Condition 9 (*Events of Default*).

Exceptional Items means any exceptional, one off, non-recurring or extraordinary item.

Extraordinary Resolution has the meaning provided in the Agency Agreement.

Financial Condition Step-Down Change means following a Financial Condition Step-Up Change, the circumstance where it appears from the most recent Compliance Certificate delivered pursuant to Condition 11 (*Compliance Certificate*) that the Senior Leverage for the Relevant Period does not exceed 3.50:1

Financial Condition Step-Up Change means the circumstance where it appears from the most recent Compliance Certificate delivered pursuant to Condition 11 (*Compliance Certificate*) that the Senior Leverage for the Relevant Period exceeds 3.50:1.

Group means the Issuer and its Subsidiaries.

IFRS means international accounting standards within the meaning of IAS Regulation 1606/2002.

Indebtedness means any indebtedness (other than trade credit incurred in the ordinary course of trading) for or in respect of:

- (i) the liabilities for borrowed money and redemption obligations with respect to mandatorily redeemable Preferred Stock;

- (ii) the liabilities for the deferred purchase price of property acquired by a member of the Group (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);
- (iii) all liabilities appearing on the balance sheet of a member of the Group in accordance with IFRS in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (iv) all liabilities for borrowed money secured by any Security with respect to any property owned by a member of the Group (whether or not it has assumed or otherwise become liable for such liabilities);
- (v) all liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its accounts by banks and other financial institutions (whether or not representing obligations for borrowed money) other than with respect to any such letters of credit or instruments entered into by a member of the Group in the ordinary course of business; and
- (vi) any guarantee given by a member of the Group with respect to liabilities of a type described in any of clauses (i) to (v) (inclusive) above.

Interest Payment Date has the meaning provided in Condition 5(a) (*Interest Rate and Interest Payment Dates*).

Interest Period has the meaning provided in Condition 5(a) (*Interest Rate and Interest Payment Dates*).

Investor Agent means GIMV NV, Karel Oomstraat 37, 2018 Antwerp.

Issue Date means 13 December 2012.

Material Subsidiary means each member of the Group, but excluding the Issuer, whose gross assets or EBITDA (in each case calculated on an unconsolidated basis, in accordance with applicable IFRS) represents 5 per cent. or more of the consolidated gross assets or EBITDA (as the case may be) of the Group (all as calculated by reference to the latest publicly available annual audited or semi-annual consolidated financial statements of the Issuer available at the time of the calculation).

Maturity Date means 13 December 2017.

Month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (i) Subject to paragraph (iii) below if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that Calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (ii) If there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (iii) If an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

NBB has the meaning assigned to it in Condition 1 (*Form and Denomination*).

Ordinary Shares means fully paid ordinary shares in the capital of the Issuer currently with no-par value.

Preferred Stock means any class of shares of the Group that is preferred over any other class of shares of such member of the Group as to the payment of dividends or the payment of any amount upon liquidation or distribution of such member of the Group.

Put Redemption Amount has the meaning provided in Condition III.6(b) (*Redemption at the Option of Bondholders*).

Rating Agency means Standard & Poor's Credit Market Services Europe Limited and its successors, Moody's Investors Service Ltd. and its successors and Fitch Ratings Ltd. and its successors or any other rating agency of comparable international standing registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Rating Downgrade means a downgrade of any rating of the Issuer by any Rating Agency.

Reference Shareholder means Safinco NV (which expression shall include any successor or other vehicle substituted to it and controlled (within the meaning of Article 5 of the Belgian Company Code) by the descendants of Mr. Constant Vandemoortele).

Relevant Period means each period of 12 Months ending on the last day of a financial year of the Issuer.

Relevant Date means, in respect of any Bond, whichever is the later of:

- (a) the date on which payment in respect of it first becomes due; and
- (b) if any amount of the money payable is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 14 (*Notices*) that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

Relevant Debt means any Indebtedness of the Issuer or any Subsidiary in the form of, or represented by, bonds, notes, debentures or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market.

Security has the meaning provided in Condition 3(a) (*Negative Pledge*).

Senior Leverage means in respect of any Relevant Period, the ratio of Total Net Senior Debt on the last day of that Relevant Period to Adjusted EBITDA in respect of that Relevant Period.

Shareholders means the holders of Ordinary Shares.

Specified Denomination has the meaning provided in Condition 1 (*Form and Denomination*).

Subordinated Facility Agreement means the EUR 75,000,000 facility agreement between, amongst others the Issuer and the Investor Agent, as amended.

Subsidiary means a subsidiary within the meaning of Article 6, 2° of the Belgian Company Code.

TARGET Business Day means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro.

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto.

Taxes has the meaning provided in Condition 8 (*Taxation*).

Total Net Debt means, at any time, the aggregate consolidated Indebtedness of the Group minus Cash and Cash Equivalent Investments of members of the Group.

Total Net Senior Debt means, at any time, Total Net Debt less (i) the aggregate principal amount outstanding under the Subordinated Facility Agreement and (ii) any capitalised interest under the Subordinated Facility Agreement.

X/N System has the meaning provided in Condition 1 (*Form and Denomination*).

X/N System Regulations has the meaning provided in Condition 1 (*Form and Denomination*).

A reference to **any act or statute or any provision of any act or statute** shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

A reference to a “**person**” shall include any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

5. INTEREST

(a) *Interest Rate and Interest Payment Dates*

- (i) **Applicable Rate of Interest:** Each Bond bears interest from (and including) the Issue Date at the rate of 5.125 per cent. per annum per Specified Denomination (the **Standard Rate of Interest**) plus any applicable changes as a result of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change in accordance with Condition (iii) (Financial Condition Step-Up Change and Financial Condition Step-Down Change),

(the Standard Rate of Interest together with any such changes, as the case may be, the **Applicable Rate of Interest**).

Interest on the Bonds is payable annually in arrears on 13 December in each year (each an **Interest Payment Date**), commencing with the Interest Payment Date falling on 13 December 2013.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, the interest amount payable for each Bond shall be calculated by multiplying the product of the Applicable Rate of Interest and the Specified Denomination with (i) the actual number of days in the relevant Interest Period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

- (ii) **Interest Period** means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.
- (iii) **Financial Condition Step-Up Change and Financial Condition Step-Down Change:** The Applicable Rate of Interest will be adjusted from time to time in the event of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change, as follows:
 - (i) in the event of a Financial Condition Step-Up Change, the Applicable Rate of Interest shall be increased by 0.50 per cent. per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Up Change occurred, provided that, at no time, as a result of such increase, the Applicable Rate of Interest shall exceed 5.625 per cent. per annum; and
 - (ii) in the event of a Financial Condition Step-Down Change following a Financial Condition Step-Up Change, the Applicable Rate of Interest shall be decreased by 0.50 per cent. per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Down Change occurred, provided that, at no time, as a result of such decrease the Applicable Rate of Interest shall be less than 5.125 per cent. per annum; and

No Financial Condition Step-Down Change will occur, unless prior to such a Financial Condition Step-Down Change there has been a Financial Condition Step-Up Change.

- (iv) **Notices:** The Issuer will cause the occurrence of an increase or decrease in the Applicable Rate of Interest in accordance with this Condition (a) (*Interest Rate and Payment Dates*) to be notified to the Agent and (in accordance with Condition 14 (*Notices*)) the Bondholders in no event later than the tenth Business Day before the beginning of the next Interest Period.

(b) *Accrual of Interest*

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the Applicable Rate of Interest specified in Condition (a) (*Interest Rate and Payment Dates*) and which is applicable on the relevant due date for redemption (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

The amount of interest payable on the first Interest Payment Date shall be EUR 51.25 in respect of each Bond. The amount of interest payable on any other Interest Payment Date shall be EUR 51.25 in respect of each Bond, subject to any increase (or subsequent decrease) of the Applicable Rate of Interest in accordance with Condition (a) (*Interest Rate and Payment Dates*).

6. REDEMPTION AND PURCHASE

(a) *Final Redemption*

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at 100 per cent. of their Specified Denomination on the Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Maturity Date in accordance with Condition (b) (*Redemption at the Option of Bondholders*).

(b) *Redemption at the Option of Bondholders*

For the purpose of this Condition, a **Change of Control** shall be deemed to have occurred if (i) any person not affiliated with the Reference Shareholder or (ii) a group of persons not affiliated with the Reference Shareholder, Acting in Concert, gain(s) Control of the Issuer, whereby:

- (A) **Control** means (i) the acquisition or the holding of more than 50 per cent. of the voting rights in the Issuer, (ii) the right to nominate, pursuant to the articles of association or pursuant to agreements known by the Issuer, the majority of the directors of the Issuer or (iii) the acquisition or the holding of a number of voting rights, even if such number is less than 50 per cent. of the outstanding voting rights in the Issuer, if such acquisition or holding has resulted in a mandatory public offer over the whole of the outstanding shares of the Issuer; and
- (B) **Acting in Concert** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

- (i) Upon a Change of Control

In the event that

- (i) a Change of Control occurs at the time the Issuer is not rated; or
- (ii) a Change of Control occurs at the time the Issuer is rated and within the Change of Control Period, a Rating Downgrade resulting (in whole or in part) from that Change of Control occurs,

(each an **Early Redemption Event**), then:

each Bondholder will have the right to require the Issuer to redeem all or any part of its Bonds on the Change of Control Put Date at the Put Redemption Amount.

To exercise such right, the relevant Bondholder must complete and deposit with the bank or other financial intermediary through which the Bondholder holds Bonds (the **Financial Intermediary**) for further delivery to the Issuer (with a copy to the specified office of the Agent) a duly completed and signed notice of exercise in the form for the time being obtainable from the specified office of the Agent (a **Change of Control Put Exercise Notice**), at any time during the Change of Control Put Exercise Period, provided that the Bondholders must check with their Financial Intermediary, as applicable, when such Financial Intermediary would require to receive instructions and Change of Control Put Exercise Notices in order to meet the deadlines for such exercise to be effective. The **Change of Control Put Date** shall be the fourteenth TARGET Business Day after the expiry of the Change of Control Put Exercise Period. By delivering a Change of Control Put Exercise Notice, the Bondholder shall undertake to hold the Bonds up to the Change of Control Put Date.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

If, as a result of this Condition (b), Bondholders submit Change of Control Put Exercise Notices in respect of at least 85 per cent. of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, having given not less than 15 nor more than 30 days notice to the Bondholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

For the purposes of this Condition (b):

Calculation Agent means KBC Bank NV or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 14 (*Notices*);

Put Redemption Amount means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to the nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant redemption date; and

Redemption Rate means MIN (101%; $100\% \times \text{Exp} (T \times 0.74720148386\%)$), rounded down to the 9th decimal.

T means the time, expressed in decimals of a year, elapsed from (and including) the Issue Date until (and including) the relevant redemption date.

For the avoidance of any doubt, “**Exp**” means the exponential function meaning the function e^x , where e is the number (approximately 2.718) such that the function e^x equals its own derivative.

The Put Redemption Amount applicable in the case of, or following, the Early Redemption Event referred to under Conditions 6.2 (i)(a), reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date in accordance with the “Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing” (Royal decree of 26 May 1994 on the deduction of withholding tax) (the Royal Decree). The Royal Decree indeed requires that in relation to Bonds that can be traded on N accounts, if investors exercise a right to have the Bonds redeemed early, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity, by more than 0.75 points.

(ii) Change of Control Notice

Within 5 Business Days following an Early Redemption Event, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 14 (*Notices*) (a **Change of Control Notice**). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition (b) (*Redemption at the Option of Bondholders*). Such notice shall be irrevocable.

The Change of Control Notice shall also specify:

- (i) to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;
- (ii) the last day of the Change of Control Put Exercise Period;
- (iii) the Change of Control Put Date; and

- (iv) the Put Redemption Amount.
- (iii) The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.
- (iv) Shareholder approval

The Issuer confirms that the terms of Condition (i) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change of Control*) above have been approved by a resolution of the shareholders of the Issuer in a general shareholders' meeting, and (ii) such resolution has been filed with the Clerk of the Commercial Court of Ghent (*griffie van de rechtbank van koophandel / greffe du tribunal de commerce*), and evidence of the filing of such resolution with the Clerk of the Commercial Court of Ghent (*griffie van de rechtbank van koophandel / greffe du tribunal de commerce*) has been provided to the Agent by the Issuer.

(c) *Purchase*

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

(d) *Cancellation*

All Bonds which are redeemed will be cancelled and may not be reissued or resold, except that Bonds purchased by any of the Subsidiaries of the Issuer may be held, reissued or resold at the option of the relevant Subsidiary, or surrendered to the Agent for cancellation.

(e) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 6 (*Redemption and Purchase*), the first of such notices to be given shall prevail.

7. PAYMENTS

(a) *Principal, and Interest*

Without prejudice to Article 474 of the Belgian Company Code, all payments of principal or interest in respect of the Bonds shall be made through the Agent and the X/N System in accordance with the X/N System Regulations. The payment by the Issuer under the Bonds to the X/N System discharges the Issuer.

(b) *Payments*

Each payment in respect of the Bonds pursuant to Condition (a) (*Principal and Interest*) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(c) *Payments subject to fiscal and other applicable laws*

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations.

(d) *Agents, etc.*

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent, (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the X/N System and (iii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 14 (*Notices*).

(e) *No Charges*

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

(f) *Fractions*

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

(g) *Non-TARGET Business Days*

If any date for payment in respect of the Bonds is not a TARGET Business Day, the Bondholder shall not be entitled to payment until the next following TARGET Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding TARGET Business Day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

8. TAXATION

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of Belgium, or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction of the Taxes is required by law.

9. EVENTS OF DEFAULT

If any of the following events (each an **Event of Default**) occurs and is continuing then any Bond may, by notice in writing given to the Issuer at its registered office with a copy to the Agent at its specified office by the Bondholder, be declared immediately due and repayable at its principal amount together with accrued interest (if any) to the date of payment, without further formality unless such event shall have been remedied prior to the receipt of such notice by the Agent:

- (i) **Non-payment:** the Issuer fails to pay the principal of or interest on any of the Bonds when due and such failure continues for a period of 5 Business Days in the case of principal and 10 Business Days in the case of interest;

- (ii) **Breach of other covenants, agreements or undertakings:** the failure on the part of the Issuer to observe or perform any provision, covenant, agreement or obligation relating to the Bonds (other than referred to under (a) above) set out in the Conditions, the Agency Agreement or the Clearing Agreement, which default is incapable of remedy, or if capable of remedy, is not remedied within 15 Business Days after notice of such default shall have been given to the Issuer by any Bondholder;
- (iii) **Cross-Default of the Issuer or a Material Subsidiary:**
 - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid on its due date or, as the case may be, within any applicable grace period;
 - (ii) such Indebtedness becomes due and payable prior to its stated due date by reason of an event of default (however described), provided that any applicable stand-still period has expired and there has been no waiver or discharge of the event of default;
 - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due, or as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness,

provided that the aggregate amount of the relevant Indebtedness, guarantees and indemnity in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds EUR 10,000,000 or its equivalent in any other currency or currencies;
- (iv) **Enforcement Proceedings:** an execution on the basis of an enforceable judgment (*uitvoerend beslag / saisie exécutoire*) is enforced against all or any part of the property or assets of the Issuer or any Material Subsidiary having an aggregate book value of at least EUR 25,000,000 (or its equivalent at time of execution) and is not discharged or stayed within three months;
- (v) **Security Enforced:** any Security created or assumed by the Issuer or any of its Material Subsidiaries in respect of any of its property or assets of which the book value at the time of enforcement is at least EUR 25,000,000 (or its equivalent at the time of enforcement) is enforced and the enforcement proceedings in relation to such Security are not suspended or dismissed within three months;
- (vi) **Unsatisfied judgment:** a judgment or order for the payment of an amount in excess of EUR 25,000,000 (or its equivalent in any other currency at the time of the judgement) is rendered against the Issuer or any of its respective Material Subsidiaries and no appeal or other legal remedy against such judgment or order that would suspend the payment obligation thereunder is possible and such judgment continues unsatisfied and unstayed for a period of three months after the date thereof or, if later, the date therein specified for payment; or
- (vii) **Insolvency:**
 - (i) the Issuer or any of its Subsidiaries is bankrupt or is unable to pay its debts as they fall due;
 - (ii) the Issuer or any Subsidiary initiates a bankruptcy proceeding or another insolvency proceeding or such proceedings are initiated against the Issuer or any Subsidiary, under applicable Belgian or foreign bankruptcy laws, insolvency laws or similar laws (including the Belgian Law of 8 August 1997 on bankruptcy proceedings and the Belgian Law of 31 January 2009 regarding judicial reorganisation), provided that if the Issuer or such Subsidiary defends itself in good faith against a proceeding

initiated against it and such defence is successful, the Event of Default shall only be deemed to occur within one month after the initiation of such proceedings;

- (iii) the Issuer or any Subsidiary is declared bankrupt by a competent court or a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) is appointed with respect to the Issuer or any Subsidiary, or a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) is appointed to take possession of all or a substantial part of the assets of the Issuer or any Subsidiary;
 - (iv) the Issuer or any Subsidiary stops, suspends or announces its intention to stop or suspend payment of all, or a material part of (or a particular type of) its debts;
 - (v) the Issuer or any of its Subsidiaries (in each case by reason of actual or threatened insolvency) commences out-of-the-ordinary-course negotiations with one or more of its creditors with the view of deferring, rescheduling or otherwise readjusting any of its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or of any Subsidiary;
- (viii) **Reorganisation, change, cessation or transfer of business or transfer of assets:**
- (i) a material change of the nature of the activities of the Group as a whole, as compared to the activities as these are carried out on the Issue Date, occurs; or
 - (ii) the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations or a reorganisation or transfer of the assets of the Group occurs resulting in:
 - (A) a material change or cessation of the nature of the activities of the Group as a whole; or
 - (B) a transfer of all or substantially all of the assets of the Group,

other than on terms approved by the general meeting of Bondholders or on a solvent basis and for as long the Group, as a whole, remains active in the food industry or food ingredients industry, and ancillary services and sectors;
- (ix) **Winding-Up:** a court order or an effective resolution passed for the winding-up or the liquidation of the Issuer or any of its Subsidiaries (except for, in the case of any of the Subsidiaries, a solvent winding-up or liquidation procedure);
- (x) **Unlawfulness:** it is or becomes unlawful for the Issuer to perform or comply with its obligations under or in respect of the Bonds;
- (xi) **Delisting of the Bonds:** the listing of the Bonds on the regulated market of the Luxembourg Stock Exchange is withdrawn or suspended for a period of at least 15 subsequent Business Days as a result of a failure of the Issuer, unless the Issuer obtains the listing of the Bonds on another regulated market of the European Economic Area at the latest on the last day of this period of 15 Business Days.

10. UNDERTAKINGS

- (a) The Issuer will procure that it shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction other than Belgium.
- (b) Upon the Bonds becoming listed on the regulated market of the Luxembourg Stock Exchange on or prior to the Issue Date, the Issuer undertakes to furnish to the relevant stock exchange all documents, information and undertakings and publish all advertisement or other material that may be necessary in order to effect and maintain such listing, and to cause such listing to be continued so long as any of the Bonds remain outstanding. If the Bonds are not or cease to be listed on the regulated market of the Luxembourg Stock Exchange, the Issuer undertakes to ensure admission of the Bonds to trading on another regulated market in the European Economic Area.

11. COMPLIANCE CERTIFICATE

On the date falling no later than 120 days after the end of each of its financial years 2012 up to and including 2015, the Issuer shall publish on its website, a duly executed Compliance Certificate to its Bondholders.

For the purpose hereof, **Compliance Certificate** means a certificate from the Issuer, substantially in the form as set out in Annex 1 of the Prospectus, signed by two persons having received the requisite powers from the board of directors of the Issuer (one of which must be its chief executive officer), (a) indicating (i) whether the Senior Leverage exceeds, equals or is below 3.50:1 for the Relevant Period, (ii) whether based on the calculation of the Senior Leverage in accordance with the Conditions, a Financial Condition Step-Down Change or a Financial Condition Step-Up Change has occurred and (iii) the Applicable Rate of Interest to be applied as from the next Interest Payment Date in accordance with Condition III.5(a) (*Interest Rate and Interest Payment Dates*) and (b) including a statement that the Auditors have confirmed in writing to the Issuer that the statement under (a)(i) is correct.

12. PRESCRIPTION

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

13. MEETING OF BONDHOLDERS, MODIFICATION AND WAIVER

- (a) *Meetings of Bondholders*

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 *sq.* of the Belgian Company Code with respect to bondholders meetings, provided however that the Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal of Ghent, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and, upon proposal of the Board of Directors, to modify or waive any provision of these

Conditions, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which amounts due in respect of the Bonds are payable; (iv) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Agency Agreement provides that a resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) *Modification and Waiver*

The Agent may agree, without the consent of the Bondholders, to any modification of the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement either (i) which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement, which is, in the opinion of the Agent, not materially prejudicial to the interests of the Bondholders.

Each such change is binding for all Bondholders and any such modification shall be notified to the Bondholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

(c) *Meetings of Shareholders and Right to Information*

The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with Article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

14. NOTICES

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the X/N System for communication by it to the participants of the X/N System Participants and (ii) if published in two leading newspapers having general circulation in Belgium (which are expected to be *L'Echo* and *De Tijd*). Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the X/N System and (ii) the publication of the latest newspaper containing such notice.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication

or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code, by an announcement to be inserted at least fifteen days prior to the meeting, in the Belgian Official Gazette (*Moniteur belge – Belgisch Staatsblad*) and in a newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice.

15. FURTHER ISSUES

Subject to Condition 3 (*Negative Pledge*), the Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures having the same terms and conditions either in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, premium, redemption and otherwise as the Issuer may determine at the time of their issue. The Agency Agreement contains provisions for convening a single meeting of the Bondholders.

16. GOVERNING LAW AND JURISDICTION

(a) *Governing Law*

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

(b) *Jurisdiction*

The courts of Brussels, Belgium are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Bonds (**Proceedings**) may be brought in such courts. The Issuer has in the Agency Agreement irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue. These submissions are made for the benefit of each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

IV. CLEARING

The Bonds will be accepted for clearance (settlement) through the X/N System under the ISIN number BE6245734015 and Common Code 085824210, and will accordingly be subject to the X/N System Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB.

Access to the X/N System is available through those of its X/N System participants whose membership extends to securities such as the Bonds.

X/N System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfer of interests in the Bonds will be effected between X/N System participants in accordance with the rules and operating procedures of the X/N System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the X/N System participants through which they hold their Bonds.

The Domiciliary Agent will perform the obligations of domiciliary agent set out in (i) the clearing services agreement that will be entered into on or about 13 December 2012 and entered into by the NBB, the Issuer and the Domiciliary Agent and (ii) the Agency Agreement.

The Issuer and the Domiciliary Agent will not have any responsibility for the proper performance by the X/N System or its X/N System participants of their obligations under their respective rules and operating procedures.

V. DESCRIPTION OF THE ISSUER

A. Overview

The Issuer is a public limited liability company (*naamloze vennootschap / société anonyme*) incorporated under Belgian law on 2 December 1986 for an indefinite term under the name “Vandemoortele International”, by deed of incorporation prepared by notary Jean-Pierre Hocke, published in the annexes to the Belgian Official Gazette on 1 January 1987. The articles of association of the Issuer have been amended several times, and most recently by a notarial deed of 8 November 2012. The Issuer’s corporate name was changed to “Vandemoortele” following amendments to the articles of association dated 8 April 1999, as published in the annexes to the Belgian Official Gazette on 6 May 1999.

The Issuer is the holding company of a Belgium-based integrated group producing and marketing food products, mainly in the segments of packed edible oils and fats (Lipids) and frozen bakery products (Bakery Products). In 2011, the Group realised consolidated revenues of EUR 1.273 billion with approximately 5,000 employees working in 34 production and 15 commercial sites across 12 European countries.

The Issuer’s registered office is located at Moutstraat 64, 9000 Ghent, Belgium, with enterprise number VAT BE 0429.977.343 RPR Ghent. Its telephone number is +32 9 242 45 11.

The Issuer is entirely family-owned. In March 2009, GIMV NV and GIMV-XL Partners Comm.VA (“**GIMV-XL Fund**”) extended a EUR 75 million subordinated credit facility to the Issuer. At this occasion, the Issuer also issued 129,058 warrants to GIMV NV and GIMV-XL Fund, entitling them to 23.58% (subject to anti-dilution adjustments) of the Issuer’s fully-diluted share capital upon exercise. GIMV-XL Fund is a fund sponsored by GIMV NV, a private equity company listed on NYSE Euronext Brussels, and the Flemish region. GIMV-XL Fund focuses on growth companies in Flanders. GIMV NV, GIMV-XL Fund and Adviesbeheer GIMV XL NV (GIMV-XL’s fund manager, which, on 31 March 2010, acquired 6,639 warrants) are referred to together as GIMV. They own respectively 46,468, 75,951 and 6,639 warrants of the Issuer. See also “*Share capital, transfer restrictions, certain exit rights and governance*” and “*Material Contracts*” in this Section V.

B. Corporate Purpose

The corporate purpose of the Issuer is defined in Article 3 of its articles of association and encompasses the following: (i) acquisition of participations in corporations, (ii) management, monetization and sale of such participations, (iii) participation in the management and supervision of corporations in which it holds a participation, (iv) financing, through the granting of loans or credit facilities or the provision of guarantees, and all other commercial and financial operations other than those legally reserved to regulated credit institutions, (v) rendering services, assistance and advice on administration and finance, sale, production and general management other than regulated investment advice, (vi) performance of management assignments, (vii) development, purchase, sale or license of patents, know-how and other rights, (viii) rendering accounting, financial management, cash management, production planning, logistical management and other services for affiliates and related companies, (ix) purchase, sale, import and export of goods, (x) research, development and production or commercialisation of new products, new technologies and their applications and (xi) acquisition, sale and all transactions on movable and immovable (real estate) assets.

The above enumeration is not limitative and must be construed in the widest sense. The Issuer may act in its own name as well as on behalf of other parties or in cooperation with them. The Issuer may perform all acts, of a commercial, industrial, immovable, movable or financial nature, directly or indirectly related to its purpose or essential to promote the achievement thereof. It may further aim to achieve its purpose, both in Belgium and abroad, in all manners or forms that it would deem suitable.

C. History and Development

Constant Vandemoortele founded the business in 1899 in Izegem, Belgium, as a family-owned business. Over more than a century, it has grown into a leading food group on a European scale with market leading positions in its two main activities:

- Lipids (EUR 604 million or 47.4% of the Group's revenues 2011); and
- Bakery Products (EUR 638 million or 50.1% of the Group's revenues 2011).

As the Issuer has not been under an obligation to present financial information per segment, the split between Lipids and Bakery Products is based on management reporting. As a result of the listing of the Bonds, the Issuer will prepare segment information in accordance with IFRS as of 30 June 2012.

Four main phases can be identified in the history of the Issuer (together with its subsidiaries, "**Vandemoortele**" or the "**Group**"):

- ***Founding and growth into national producer of bulk edible oils (1899-1945)***: The first factory was set up in 1899 in Izegem (Belgium) by Constant Vandemoortele and his son Adhémar. Vandemoortele grew from local manufacturer and supplier to the soap and cattle feed industries into a national producer of bulk edible oils.
- ***From national oil producer to European producer of oils and fats, bakery products and soy food (1946-1997)***: Vandemoortele expanded from a national manufacturer of edible oils into a European vertically integrated producer of oils and fats (crude oils, refined oils, bottled oils, margarines, fats and mayonnaise). The creation of Vamix in 1978 added a new segment to the Group, namely frozen bread and bakery products. With the creation of Alpro in 1980, Vandemoortele was able to expand into production of soy drinks and related products adding another important activity to the Group. Gradually, the Group established or acquired production units and commercial organizations in the major countries of the European Union.
- ***Focus on and expansion of three activities (1998-2008)***: Vandemoortele undertook a strategic realignment of its product portfolio and disposed, in 1998, of its low-margin upstream bulk activities (crushing and refining) and, in 2002-2003, of its oil bottling and mayonnaise production activities (except for Belgian brands). The focus was then directed on three core activities in which the Group already had or could aim at a market leadership position in Europe: *i.e.*, Soy Foods, Lipids (margarines and fats) and Bakery Products (frozen bakery products). From 2004 to 2008, Vandemoortele pursued a new phase of expansion through a combination of organic growth and acquisitions: Cottés, France (artisan bread - 2004), Colombus Food, Belgium (donuts - 2004), SoFine Foods, The Netherlands (tofu and meat replacers - 2006), Erkens Bakkerijen, The Netherlands (patisserie - 2006), Gourmand, Poland (bread and pastries - 2007) and Panavi, France (bread and pastries - 2008).
- ***Focus on Lipids and Bakery Products (since 2009)***: 2009 was an important year for Vandemoortele in which it conducted a strategic reorientation and reorganization, by selling its Alpro soya division and deciding to focus on Lipids and Bakery Products, renegotiating its then outstanding senior term and revolving facilities and attracting GIMV to invest in Vandemoortele with a subordinated credit facility. See "*Share capital, transfer restrictions, certain exit rights and governance*" and "*Material Contracts*" in this Section V.

The Group's aim remains to expand its two core activities through further organic growth and acquisitions. In 2010, Vandemoortele acquired the margarines and fats business of Van Dijk Food Products. Effective as of 2 January 2012, Vandemoortele sold the 'Gouda's Glorie' brand for sauces to Remia (while keeping the 'Gouda Glorie' brand for margarines and fats) and acquired the Remia semi-liquid oils and fats business in 2/3 liter cans for retail, both branded and private label. Through this acquisition Vandemoortele strengthened its leading position on the Dutch margarines and fats market.

In both Lipids and Bakery Products business lines, Vandemoortele holds a leading position in Europe. See also “*Core activities and markets*” in this Section V.

D. Share capital, transfer restrictions, certain exit rights and governance

Share Capital

The registered capital of the Issuer amounts to EUR 11,357,100 as of the date of the Prospectus, and is represented by 418,150 fully paid-up shares without par value. The Issuer has issued 129,058 warrants to GIMV, entitling it to 23.58% (subject to anti-dilution adjustments) of the Issuer’s fully-diluted share capital upon exercise. The warrants are exercisable into B shares at any time until 27 March 2017.

The shares are divided into three categories. There are currently 417,323 A shares, which are held by the Issuer’s family owners (grouped in Safinco NV), and 827 C shares, which are held by the Issuer to service options held by the Issuer’s management. There are currently no B shares since GIMV has, to date, not exercised its warrants.

A total of 2,820 share options were issued in 2011 pursuant to a Stock Option Plan for members of the Executive Committee. The Issuer acquired 827 C shares to service these options. Pursuant to the terms and conditions of the Stock Option Plan, the Issuer has a call option on the shares acquired through exercise of the share options to ensure the stability of the Issuer’s shareholding structure.

Transfer restrictions and exit

The transfer of A shares and B shares is subject to restrictions as further described in the articles of association and in a subscription and shareholders’ agreement entered into between the Issuer, Safinco NV, and GIMV dated 27 March 2009 (as amended and restated on 30 June 2011 and 18 October 2012, the “**Subscription and Shareholders’ Agreement**”). Holders of B shares have a right of first refusal (or a tag-along right) in case holders of A shares wish to transfer their shares, and, in certain cases, holders of A shares have the right to drag along the B shares upon sale of the A shares. B shares (and warrants entitling to B shares) may, as a rule, not be transferred to third parties prior to 27 March 2013, except to other funds managed by GIMV or any affiliate thereof.

In accordance with Article 39 of the articles of association and Article 12.1 of the Subscription and Shareholders’ Agreement, the holders of the B shares (currently, GIMV) have as of 27 March 2015 the right to initiate discussions with the holders of the A shares and the Issuer regarding a possible full trade sale or IPO of the Issuer or an acquisition of the outstanding B shares by the holders of the A shares or any third parties (an “**Exit**”). If after a period of six months from the initiation of these discussions, no Exit has taken place, the holders of the B shares shall have the right to initiate an organized sales process with a view to selling the B shares then held by them to third parties, subject to the terms and conditions set forth in the articles of association and the Subscription and Shareholders’ Agreement, including a right of first refusal for the holders of the A shares with respect to contemplated sales of B shares to restricted third parties.

Governance

Holders of A shares are entitled to propose six candidates to the Issuer’s 13-members Board.

Holders of B shares or warrants have the right to propose (i) two candidates for as long as their equity interest or warrants (assuming their full exercise) in the Issuer represents no less than 10% of the Issuer’s capital (on a fully-diluted basis), and (ii) one observer for so long as their equity interest or warrants (assuming their full exercise) in the Issuer represents no less than 5% of the Issuer’s capital (on a fully-diluted basis).

The Lenders (as defined in the Subordinated Facility Agreement, as defined below), will be entitled to propose (i) two candidates for as long as the principal amount (including, for the avoidance of doubt, compounded interest) outstanding under the Subordinated Facility Agreement is equal to or exceeds EUR 50,000,000.00,

(ii) one candidate for as long as the principal amount (including, for the avoidance of doubt, compounded interest) outstanding under the Subordinated Facility Agreement is equal to any amount between EUR 25,000,000.00 and EUR 49,999,999.99, and (iii) one observer for as long as the principal amount (including, for the avoidance of doubt, compounded interest) outstanding under the Subordinated Facility Agreement is equal to any amount between EUR 15,000,000 and EUR 24,999,999, unless such Lenders are also holders of B Shares and/or warrants and have as a result the right to propose the representatives pursuant to the preceding paragraph.

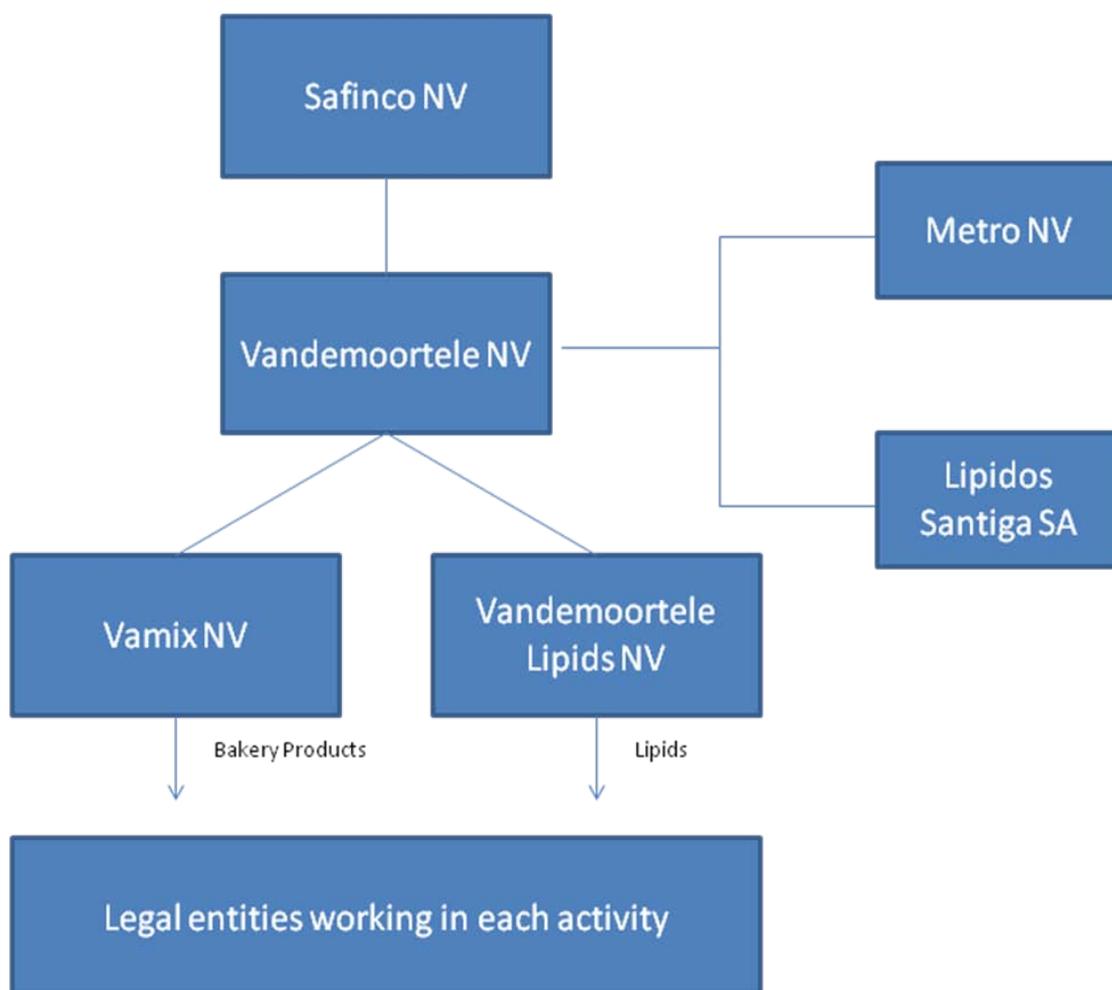
The five other directors are independent directors.

See “*Management and Corporate Governance*” in Section VII of this Prospectus.

E. Organisational structure

The Group is 100% owned by Safinco NV, the investment vehicle of the family shareholders (See “*Share capital, transfer restrictions, certain exit rights and governance*” in Section V.D of this Prospectus).

The Issuer is the holding entity of the Group. Its two Belgian subsidiaries (Vamix NV and Vandemoortele Lipids NV) are sub-holdings, holding the Bakery Products and Lipids business lines respectively. All subsidiaries, except for the 23.75% shareholding in Lipidos Santiga S.A. (Spain) and 30.71% shareholding in Val Fleuri SCI (France), are 100% owned, directly or indirectly, by the Issuer.



The Group is active, through separate legal entities (which host primarily production facilities or commercial units) in the following European countries (listed by alphabetical order): Austria, Belgium, Czech Republic, France, Germany, Hungary, Italy, Luxembourg, The Netherlands, Poland, Slovakia, Spain, Switzerland, and the

United-Kingdom. A complete list of the Issuer's Subsidiaries and entities in which the Issuer holds a participation can be found in Note 30 to the consolidated financial statements for the financial year 2011 (available at www.vandemoortele.com).

F. Core activities and markets

The Group supplies food products to professional and retail customers in Europe. The Group holds a leading position, as further described below, in its two core businesses, Bakery Products (frozen bakery products) and Lipids (margarines and fats). The Group's turnover is well spread over the seven Western European core countries which currently constitute the main focus of the Group: *i.e.*, Belgium, France, Germany, Italy, The Netherlands, Spain and the United Kingdom. Vandemoortele is further steadily increasing its presence in Central Europe.

The Group also has ancillary transport execution and management activities via its subsidiaries Metro NV (Belgium) and Panalog SAS (France), and a minority interest in Lipidos Santiga S.A., a leading Spanish oils and fats refiner.

1. Lipids Business Line (revenue EUR 604 million)

(a) The European lipids market

The European market for packed margarines and fats is important with a volume of 3,135 kT in the EU-27 and is in slight structural decline (between 1% and 2% per year) due to the economic crisis and to health food trends.

The market is fairly consolidated and characterized by overcapacity, resulting in intense price competition. Overall, Vandemoortele is one of Europe's leading producers in the EU-27, with an estimated market share of 14%. Belgium, France, Germany, The Netherlands and Spain are the core countries of the Group's Lipids business.

The retail channel represents the biggest part of the market with circa 1,657 kT, out of which the private labels represent circa 420 kT, a part that is growing. The second important channel is the industry channel with circa 840 kT, followed by the food service channel with circa 370 kT. The artisan bakery channel represents circa 268 kT.

- In the retail private label distribution channel, Vandemoortele is the leader in the EU-27 with Bunge as main competitor, followed by a number of smaller national players.
- In the industry, foodservice and artisan bakery channels, Vandemoortele holds strong positions and has CSM as main competitor, followed by a number of smaller national players.

The market continues to evolve towards healthier alternatives, and in the case of fats, these are often oils. This has a negative impact on Vandemoortele's packed fats volumes, which can partly be absorbed by developments in semi-liquid products. The latter provide a good balance for Vandemoortele's customers in terms of health, functionality and convenience. In the case of margarine, developments are towards healthier and more functional fats.

Vandemoortele expects that the general evolution in this market in the coming years is towards sustainability. Palm sustainability is rapidly moving towards segregation as the industry has committed itself to only supply segregated palm from 2015 onwards. Vandemoortele has started to buy 200 T/m of segregated palm from 1 October 2011 onwards and bought certificates of sustainable soy for the first time in 2011.

(b) *The Group's Lipids business line*

With its Lipids business line, Vandemoortele is mainly active in the market for professional users. It offers an extensive range of margarines and packed fats to the artisan bakery and foodservice channels and its products find widespread applications in the food manufacturing industry. Vandemoortele is also a privileged supplier of private label margarines and fats to the main European retailers.

The Lipids business line has six production sites in four countries. In Belgium, the two Izegem plants produce retail and professional margarines and fats. The Santa Perpetua (Barcelona, Spain) plant focuses on industry margarines. In Germany, operations are split between Hamburg (professional products) and Dresden (retail products). The plant in Zeewolde (The Netherlands) produces retail and foodservice semi-liquid oils, margarines and fats. The Lipids business line employs approximately 750 FTE (Fulltime-Equivalent).

As a result of strict cost control measures, the 2011 results of the Lipids business line were in line with budgeted expectations despite strong pressure on volumes due to the highly competitive environment.

To date, for 2012, the results of the Lipids business line are in line with expectations.

(c) *Products*

In retail, Vandemoortele has a broad range of margarines, oils, frying fats and dressings with various fat contents and for different applications. In Belgium, Vandemoortele offers this range under the brands 'Alpro' (registered trademark under licence by Alpro Comm.VA), 'Vitelma', 'Fama', 'Roda', 'Belolive', 'Vandemoortele', 'Blanc de Boeuf' and 'Resi'. 'Sojola' is the Issuer's brand of soy margarine in Germany. In The Netherlands, the Group is the number one player in semi-liquid frying oils and fats with the 'Diamant'-brand.

In artisan bakery, Vandemoortele has developed numerous products of which functionality, taste and flavour are adjusted to meet local demands. The most important brands are 'St Allery', 'St Auvent', 'Banquet d'Or' and 'Gold Cup', all targeted at the bakery professionals.

Vandemoortele also offers a wide range of products to the foodservice channel (catering sector), ranging from frying fats to margarine spreads, solid and semi-liquid fats and from single packs to economy-size packs. In the Benelux, the Group also offers oils and mayonnaises under the brands 'Risso' and 'Gouda's Glorie'.

Industrial clients active in the food manufacturing industry can choose between a range of standard products or opt for customized products. Customized products meet the individual demands of the customer as well as the specific needs of their production process.

(d) *Raw materials*

Over the last few years, the Group's Lipids business line has been exposed to an unprecedented volatility in prices of its main raw material. The increase in vegetable oil prices is driven by the growing demand from emerging markets and by the high energy prices that stimulate the demand for bio fuels.

2. Bakery Products business line (revenue EUR 638 million)

(a) *The European frozen bakery products market*

The BVP (*boulangerie, viennoiserie, patisserie*) consumption in Europe (EU-16) represents circa EUR 110 billion annual sales. 73% of the total bakery products consumption is consumption of fresh bakery products. Already 18% of the bakery products sold to the end consumer as fresh bakery products have

been produced industrially and are frozen semi-finished bakery products that are then 'prepared' (defrozen / proved / baked off) in the selling points before being served as fresh products to the end consumer.

Today, the European market for frozen bakery products represents around EUR 6.1 billion annual revenues. The most dynamic channels are the foodservice and retail (in-store bakery) channels.

The frozen bakery products market is growing with 2% to 3% per year. The market drivers remain strong. Due to the demand for convenience (user-friendliness) and variety (wide range of products), the Group expects the penetration of frozen bakery products to increase further.

The European frozen bakery industry is highly competitive, still very much fragmented and mainly national and/or regional. The most important national markets for frozen bakery products are France, Spain and Germany, where the Group is active. Vandemoortele is the only pan-European player operating in more than twenty countries. With EUR 640 million of revenues, the Group is one of the top-3 European operators, present in many countries and distribution channels with one of the broadest products ranges. Its competitors on European level are Aryzta and Lantmännen/Unibake.

The market is growing and the business is highly capital intensive. The industry is moving to a phase of consolidation.

(b) *The Group's Bakery Products business line*

Originally, the Group was focused on the artisan bakery channel with premium, high-end specialty products. In 2003, the focus shifted to the more dynamic channels of the market, in-store bakeries of mass retailers, bake-off chains and foodservice outlets, to whom Vandemoortele was already selling its specialties and high-end products. Since early 2006, the Group's strategy has been to build product category leadership positions with the main customers in certain frozen bakery product categories in certain countries.

The strategic adjustment has resulted in strong growth, showing that customers are responding positively to the new approach.

In this business line, the Group has 28 plants: 20 in France, three in Belgium, one in Germany and one in each of the following countries: the United-Kingdom, The Netherlands, Spain and Poland. The Bakery Products business line employs 4,000 FTE (Fulltime-Equivalent).

The Bakery Products business line has experienced a difficult 2011 financial year due to severe pressure on margins as a result of the sharp increase of the raw material prices (which, due to the competitive environment, could only be partly passed on to customers through the sale prices) and some inefficiencies in the supply chain. The 2011 results and adjusted prospects of the Bakery Products business led to an impairment of EUR 87 million of the assets of the business line, which represents a bit more than 20% of the value of the acquisitions that were made during the period 2004-2008 by the business line.

Currently the Issuer is focusing on restoring the profitability of the business in a sustainable way and once this is done it will continue to build out its European leadership in the frozen bakery products market.

It is expected that 2012 will already show a first improvement of the results of the business line.

(c) *Products*

The Group's Bakery Products business line offers a wide range of products such as bread, pastry, patisserie and American (type) products to professional users in the bakery and foodservice channels as well as to retailers.

Bread remains the core volume product category in most countries and distribution channels. Traditional bread types (mainly baguettes) play a prominent role in the Group's bread range and are commercialized, amongst others, under the brand names 'Banquet d'Or', 'Croustifrance' and 'Panavi'. Vandemoortele also offers a unique range of bread specialities, made according to a traditional recipe from the French Pyrenees, and sold under the brand name 'Les Pains Pères de Roland Cottes'. The acquisition of Panavi (France) in 2008 reinforced the Group's position as one of the European market leaders in the production and sale of basic frozen bread.

The Group further produces a broad assortment of pastry (from French croissants to Canadian maple pecan pastries or Belgian butter pastries) for different applications: ready to serve, ready to bake and ready to prove. These products are sold, amongst others, under the brand names 'Banquet d'Or', 'Panavi' and 'Croustifrance'.

The Group offers an extensive range of ready to serve patisserie products, such as bavaois, tray-baked cakes, round cakes and gâteau specialties, marketed in various packaging concepts – pre-sliced and un-sliced – under, amongst others, the 'Banquet d'Or' and 'La Patisserie du Chef' brands.

The American products are made on the basis of original American recipes and sold under, amongst others, the 'The Originals' brand. The key product is the donut, which the Group sells in over twenty European countries. As European leader, Vandemoortele produces over one million donuts every day. Muffins, cookies and brownies complement the range.

(d) *Raw Materials*

The main raw materials for the business line are flour and butter. The recent price increases have affected the profitability of the Bakery Products business line.

3. **Ancillary Activities**

(a) *Logistics*

The Group is also active in transport of refrigerated and frozen goods and in storage and distribution of frozen goods through, respectively, its Belgian and French subsidiaries, Metro NV and Panalog SAS.

Metro NV ("**Metro**") is specializing in temperature-controlled and ambient operations. Metro oversees all Vandemoortele's transports throughout Europe, and also organizes haulage on behalf of third-party customers. Through its large and modern fleet of 150 lorries, Metro provides daily services in all Western European countries. Metro realised a turnover of EUR 42 million in 2011, 31% of which resulted from third parties.

Panalogue SAS ("**Panalogue**") is specializing in the storage and distribution of frozen products in France. With 12 warehouses, 40 refrigerated large lorries and 120 small distribution vehicles, Panalog offers a frozen food network that covers the entire metropolitan French territory. Panalog realised a turnover of EUR 50 million in 2011.

The cost of logistics is key for the profitability of the different businesses of the Group. The Group considers owning its own logistics network and capabilities as a strategic asset.

(b) *Oils and fats refining activities*

The Group also has a 23.75% share in Lipidos Santiga S.A., the leading Spanish refiner, whose controlling shareholder is the Soler family. Lipidos Santiga refines all kinds of vegetable oils and fats in two refineries (Barcelona and Huelva plants) for a wide range of applications for customers, mainly located in Spain, Portugal and Southern France. Lipidos Santiga is an important supplier for Vandemoortele Iberica S.A.'s fat packing plant (a 100% subsidiary of the Group in Spain), which is situated on the same site as the Lipidos Santiga refinery in Barcelona.

Within the context of a generally weak economy in Spain, Lipidos Santiga has been through a debt restructuring in 2011. Lipidos Santiga achieved for the financial year 2011 a turnover of about EUR 453 million. Lipidos Santiga employs approximately 190 people. To date, in 2012 the results evolve in line with the financial plan.

The three shareholders of Lipidos Santiga (Soler, Vandemoortele and Cargill) have entered into an amended shareholders' agreement in 2010. Subject to the remaining provisions of the original shareholders' agreement between Soler and Vandemoortele, both shareholders have put options in the event of enduring major disagreement.

In view of the importance of Lipidos Santiga for the supply of Vandemoortele's Spanish operations, the Company intends to retain its 23.75% investment.

G. *Strategy of the Group*

The Group's strategy is to build leading, sustainable and profitable positions in the European markets of packed margarines and fats and of frozen bakery products.

The Group aims at achieving sustainable and profitable growth by means of a combination of organic qualitative growth (by improvement of product and customer mix) and improvement of the internal processes and the production and logistic footprints. Although the prime focus is on organic growth and internal efficiency improvements, the Group does not exclude further acquisitions.

H. *Competitive Advantages*

The Group considers that it is well positioned in the two markets of the food industry in which it operates and that it benefits from a unique combination of competitive strengths supporting the successful execution of its strategy.

1. *Leading market positions with broad product portfolio*

The Group is a European market leader in both the Lipids and frozen bakery industries with a broad and diversified product portfolio, which allows it to reach all market categories in most of the countries in which it operates.¹ This gives the Group the scale to substantially invest in product and operational innovation and in state of the art production sites which strengthens its competitive edge.

2. *European wide competitive production and logistic footprints*

The Group has in each business line a really European footprint with state of the art and highly competitive production units and logistic networks, which allow it to offer both competitive products and supply security throughout Europe.

¹ Source: The Issuer's internal strategic review of the Lipids and Frozen Bakery markets.

3. Direct access to its customers in 12 countries

The Group has own commercial organisations in 12 European countries, adapted to serve directly the customers in the different distribution channels. This allows the Group to establish close contacts and a close cooperation with all its customers and to understand very well the individual customer needs.

4. Good access to the raw materials markets

Being one of the biggest buyers in Europe of vegetable oils, flour and butter, which are the key raw materials in Lipids and Bakery Products, the Group has privileged access to the main raw material suppliers and a very deep knowledge and understanding of the evolutions in those key raw material markets.

5. Experienced management team

The Group's strong management team has proven industry expertise in the food industry. It has successfully developed and consolidated the Group's market leadership by its effective and rapid response to the constantly changing consumer demands and competitive environment in the markets in which the Group operates.

I. Recent Developments

Balance sheet & debt position (HY 2012)

As of 30 June 2012, shareholders' equity represented 37% of total assets. Senior Net Financial Debt (EUR 159 million) decreased versus the balance sheet as at 31 December 2011. The gearing ratio (senior net financial debt to equity) was 47.9%.

Cash flow statement (HY 2012)

Cash from operating activities before changes in working capital amount to EUR 27.51 million in the first half-year period of 2012. As of 30 June 2012, operating working capital decreased by EUR 7.38 million.

J. Material Contracts

1. Supply Agreements for the Lipids Business

Cargill and Lipidos Santiga S.A. are part of the Group's limited number of suppliers of crude and refined oils and fats. In accordance with the terms and conditions of these supply agreements, both Cargill and Lipidos Santiga S.A. have to supply the Group on a most favoured customer principle.

2. Senior Facilities Agreement

Overview

On 3 June 2010, the Issuer and Vandemoortele Coordination Center NV (a wholly-owned subsidiary of the Issuer), as original borrowers and original guarantors, Fortis Bank SA/NV, ING Belgium SA/NV and KBC Bank NV, as bookrunning mandated lead arrangers, Dexia Bank Belgium SA/NV and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank International"), as mandated lead arrangers, the financial institutions parties thereto, as original lenders, and KBC Bank NV, acting as agent, have entered into a term and revolving facilities agreement (such agreement, as amended and restated or otherwise modified from time to time, and the last time on 24 June 2011, the "**Senior Facilities Agreement**").

The facilities granted to the Issuer and Vandemoortele Coordination Center NV under the Senior Facilities Agreement are a EUR 75,000,000 Facility A term loan facility, a EUR 75,000,000 Facility B term loan facility

and a EUR 150,000,000 revolving loan facility; for an aggregate maximal amount of EUR 300,000,000 in principal.

Guarantee

The Issuer and the following subsidiaries thereof guarantee the due payment of all borrowers' obligations under the Senior Facilities Agreement, subject to certain limitations: Vandemoortele Coordination Center NV, Metro NV, Vamix NV, Vamo Mills NV, Vandemoortele Lipids NV, Vandemoortele Izegem NV, Vandemoortele Eeklo NV, Cottes Action SA, Cottes Usines SAS, Croustifrance SA, Panavi SA, Vandemoortele France SA, Vandemoortele Nederland B.V., Vandemoortele Brunssum B.V., Croustifrance Benelux NV, Vandemoortele Bakery Products Ghislenghien SA, Vandemoortele Seneffe SA, Panarmen SAS, and Panalog SAS.

Neither the above-mentioned facilities nor the guarantees granted by the above-mentioned entities are secured on the Group's or any third party's assets.

Repayment

The Facility A term loans (of an aggregate outstanding amount of EUR 63.6 million as at 30 June 2012) are to be repaid in quarterly instalments of EUR 5,000,000 from 30 June 2012 through and including 31 March 2015 and the then outstanding loans shall be repaid in full on 30 June 2015. On the date of this Prospectus, the outstanding amount of Facility A term loans amounts to EUR 53.5 million.

The Facility B term loans (of an aggregate outstanding amount of EUR 75 million as of the date of this Prospectus) are to be repaid in full on 3 December 2015.

The revolving loan facilities are to be repaid on the last day of each interest period.

Prepayment

The Senior Facilities Agreement is subject to mandatory prepayment, in whole or in part, in the following circumstances: (i) if it becomes illegal for a lender to perform any of its obligations relating to the Senior Facilities Agreement (in which case that lender must be prepaid); (ii) upon the occurrence of any flotation of any member of the Group, a change of control over the Issuer or upon the sale of all or substantially all Group's assets, in each case upon request by any lender, in which case, that lender must be prepaid; or (iii) upon certain disposals or upon debt issuance, such as this Bond Offering, by any member of the Group.

The Senior Facilities Agreement may further be voluntarily prepaid, in whole or in part, by the Issuer upon five business days' prior written notice, in a minimum amount of €5,000,000, subject to payment of break costs as the case may be.

Interest Rate

The interest rate margin (over EURIBOR) under the Senior Facilities Agreement fluctuates depending on the Issuer's leverage ratio. It is currently equal to 2.1% under the Facility A term loans (which will be reimbursed in entirety with the proceeds of the Bond Offering) and 1.95% under the Facility B term loans and revolving loans.

Representations, Undertakings, Covenants and Events of Defaults

The Senior Facilities Agreement is subject to customary representations and warranties, covenants (including financial covenants, limitations on financial indebtedness and negative pledge provisions) and events of default (including cross-default).

Subject to limited exceptions and unless prior written consent of lenders representing more than two-thirds of the total commitments under the Senior Facilities Agreement would have been obtained, no member of the

Group is entitled to incur additional financial indebtedness. Exceptions include, among others, financial indebtedness under the Subordinated Facility Agreement (as defined below), under foreign exchange transactions, under factoring agreement for a maximum amount of EUR 40,000,000 and a general basket of EUR 25,000,000 of additional financial indebtedness. The issuance of the Bonds has been approved by the requisite majority of lenders under the Senior Facilities Agreement.

The Group is further subject to various financial covenants under the Senior Facilities Agreement, including a maximum senior leverage ratio of 3.00, a minimum interest cover ratio of 3.00 and limitations on annual capital expenditures.

The Senior Facilities Agreement further allow the requisite majority of lenders to accelerate the Senior Facilities Agreement upon any borrower or guarantor being in a negative net assets position, taking into account contingent and prospective liabilities.

3. Subordinated Facility Agreement

Overview

On 27 March 2009, the Issuer, as borrower, GIMV NV, as original lender and as facility agent and the GIMV-XL Fund, as lender, entered into a EUR 75,000,000 subordinated facilities agreement (such agreement, as amended and restated or otherwise modified from time to time, and for the last time on 18 October 2012, the “**Subordinated Facility Agreement**”). See “*Overview*” and “*Share capital, transfer restrictions, certain exit rights and governance*” in Section V.A and V.D of this Prospectus.

Repayment

Subject to the terms of the Intercreditor Agreement, the Issuer must repay the loan made available under the Subordinated Facility Agreement in full on 30 September 2019.

Prepayment

Subject to the terms of the Intercreditor Agreement (as described in Section V.J.4 below), the Subordinated Facility Agreement is subject to mandatory prepayment, in whole or in part, in the following circumstances: (i) if it becomes illegal for a lender to perform any of its obligations relating to the Subordinated Facilities Agreement (in which case, that lender must be prepaid); or (ii) upon the occurrence of any flotation of any member of the Group, a change of control over the Issuer or upon the sale of all or substantially all Group’s assets, in each case upon request by any lender, in which case, that lender must be prepaid.

GIMV may further require that its portion of the loan be immediately repaid by way of set off between its claim for (partial) repayment of the subordinated loan and the aggregate exercise price of its warrants.

The Subordinated Facility Agreement may further be voluntarily prepaid, in whole or in part, by the Issuer upon five business days’ prior written notice, in a minimum amount of €5,000,000.

Interest Rate

The interest rate under the Subordinated Facility Agreement is equal to 8 per cent. per annum. Interest amount is compounded with the principal on each anniversary of the closing date. Subject to the terms and conditions of the Subordinated Facility Agreement, cash interest may be due per financial quarter.

Representations, Undertakings, Covenants and Events of Default

The Subordinated Facility Agreement is subject to substantially similar representations and warranties, covenants and events of default as those set forth in the Senior Facilities Agreement. In particular, the Subordinated Facility Agreement restricts the incurrence of additional financial indebtedness, except where such

financial indebtedness is permitted under the Senior Facilities Agreement. As mentioned above, the issuance of the Bonds has been approved by the requisite majority of lenders under the Senior Facilities Agreement.

4. Intercreditor Agreement

On 27 March 2009, the Issuer, the lenders under the Senior Facilities Agreement, the lenders under the Subordinated Facility Agreement, various lenders under various bilateral credit agreements, various hedge counterparties, KBC Bank NV, as senior agent, and GIMV NV, as facility agent under the Subordinated Facility Agreement, entered into an intercreditor agreement (such agreement, as amended and restated or otherwise modified from time to time, the “**Intercreditor Agreement**”). The bilateral credit agreements include, amongst others, credit line agreements with KBC Bank NV, ING Belgium SA/NV and Fortis Bank NV/SA.

The Intercreditor Agreement provides for contractual subordination of the lenders under the Subordinated Facility Agreement vis-à-vis the lenders under the Senior Facilities Agreement and under various bilateral credit agreements, sets forth priority of payments and imposes a standstill period to the lenders under the Subordinated Facility Agreement in specific circumstances. The Bondholders will not benefit from the subordination. See also Section II.B.5 (“*The Bonds do not benefit from the subordination of claims granted by a creditor of the Issuer*”).

5. Factoring Agreement

On 13 November 2012 Vandemoortele Lipids NV and Vamix NV entered into a factoring agreement with ING Commercial Finance Belux NV (“**ING ComFin**”). Subject to the terms and conditions of the agreement, Vandemoortele Lipids NV and Vamix NV will assign title to certain eligible receivables arising from the supply of goods and/or the provision of services to ING ComFin on a non-recourse basis and ING ComFin will purchase these receivables against payment of the nominal value of these receivable reduced by a discount. ING ComFin will pay immediately 95% of the nominal value of these receivables (the “**Initial Purchase Price**”). The remaining 5% of the nominal value is paid when ING ComFin receives payment under the receivables. The maximum aggregate Initial Purchase Price paid for these receivables shall be limited to EUR 40 million at any time.

During the term of the Factoring Agreement and until the debtors have fulfilled all of their obligations vis-à-vis ING ComFin, Vandemoortele Lipids NV and Vamix NV are not permitted to assign their receivables to any other party than ING ComFin or to pledge or encumber the same in any way to the benefit of any other party than ING ComFin.

K. Legal and Arbitration Proceedings

From time to time, the Issuer or a subsidiary is a party to legal proceedings arising out in the normal course of business.

However, neither the Issuer nor any of its subsidiaries is, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware) during the twelve months preceding the date of this Prospectus that may have or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

VI. SELECTED FINANCIAL INFORMATION

A. Overview of 2011 financial year

In 2011, the Group's turnover increased by 18% to EUR 1.273 billion. Due to the difficulty to pass on to customers the steep increase of raw materials prices, the results were, however, under heavy pressure and the recurring operating profit (REBIT) for the financial year 2011 was equal to approximately EUR 15 million, against approximately EUR 51 million in 2010.

The Lipids business line, which represents approximately 47.5% of the Group's total turnover, posted good results in a difficult market. The profitability of the frozen Bakery Products business line, on the other hand, was under pressure as a result of the difficulty to fully pass on to customers the increases in raw materials prices.

The results of the frozen Bakery Products business line and the changing market conditions led the Group, in line with the IFRS accounting policies, to depreciate the book value of the frozen Bakery Products business line by EUR 87 million. This impairment represents slightly more than 20% of the value of the Group's acquisitions made between 2004 and 2008 in the Bakery Products business line. This impairment has no cash impact.

B. Overview of the results of the half-year period ending on 30 June 2012

The first half of the fiscal year 2012 (period starting on 1 January 2012 and ending on 30 June 2012) showed revenues of EUR 611 million, in line with the EUR 610 million during the same period in 2011. The scope of consolidation remained unchanged during this period. The Group Recurring EBITDA (REBITDA) increased by EUR 3 million compared to the same period in 2011 but remained below expectations for the Bakery Products while Lipids has done better than expected. The Group Recurring EBIT (REBIT) improved to EUR 6 million from EUR 2 million during the same period in the previous year. The Group's consolidated net Result amounted to a negative EUR 8 million after financial results of EUR 11 million and income tax charges of EUR 1 million.

Next to the EBITDA, working capital need decreased at 30 June 2012 versus 31 December 2011.

The consolidated balance sheet of the Issuer as at 30 June 2012 shows equity of EUR 333 million, a subordinated loan of EUR 75 million and net senior financial debt of EUR 159 million compared to EUR 172 million at 31 December 2011. The decrease of net senior financial debt was triggered by cash flow generated from the operating activities of the two business lines (EUR 35 million (rounded) in total). This cash flow financed the investment activities for EUR 9 million, the paid net financial and tax expenses of EUR 6 million and a net dividend pay-out of EUR 7 million. The remainder of the cash flow reduced the net financial debt position. The senior financial debt is provided by a bank syndicate for a total of EUR 278 million with a yearly amortisation of EUR 20 million and a final maturity of December 2015.

In said half-year period, the Lipids Business increased slightly its volumes sold versus the same period in the previous year thereby generating revenues of EUR 296 million, at the same level as in 2011. The profitability improved versus 2011 mainly as a result of reduced production costs following the closure of the Nanterre site and the implementation of a supply chain optimisation programme.

The market for Bakery Products remains highly competitive with commodities markets and general economic conditions remaining challenging. Volumes sold are slightly behind the same half-year period in the previous year while revenues remained at the 30 June 2011 level of EUR 313 million. The margins remain under pressure because of difficulties to pass on higher raw material prices into the sales prices and because of some inefficiencies in the supply chain organisations. The logistical flows and costs as well as the factory production costs are under severe scrutiny to improve productivity as well as reduce the overhead costs.

C. Audited financial information

The full year end financial statements for the financial years 2010 and 2011 can be consulted on www.vandemoortele.com.

The key financial information for the financial years 2010 and 2011 is listed below.

Income Statement Key Financial Information 31.12.2010 and 31.12.2011

in millions of EUR	31.12.2010	31.12.2011
Revenue	1,079	1,273
Recurring Operational Cash Flow (REBITDA)	101	66
Recurring depreciation, amortisation and write-offs	(50)	(51)
Recurring Operational Profit (REBIT)	51	15
Non-recurring items	(9)	(11)
Impairment	0	(87)
Operational Profit (EBIT)	42	(82)
Net financial income / (expense)	(19)	(19)
Result according to the equity method	0	0
Pre-Tax Current Profit / (Loss)	23	(101)
Income tax expense	3	7
Profit / (Loss) from Continuing Operations	27	(94)
Profit / (loss) from discontinued operations	1	8
Profit / (Loss) (EAT)	28	(87)

Balance Sheet Key Financial Information 31.12.2010 and 31.12.2011

in millions of EUR	31.12.2010	31.12.2011
Net fixed assets (NFA)	607	496
Working capital need (WCN)	100	100
Capital Employed	707	595
Equity	463	350
Provisions and others	43	16
Subordinated debt	56	58
Senior net financial debt (NFD)	145	172
Capital Provided	707	595
Ratio's	31.12.2010	31.12.2011
Recurring operational cash flow (REBITDA) / Revenue	9.4%	5.2%
Recurring operational profit (REBIT) / Revenue	4.8%	1.2%
Net profit (loss) / Revenue	2.6%	(6.8%)
Senior NFD / Equity	31%	49%
Senior NFD / Recurring operational cash flow (REBITDA)	1.4	2.6
Recurring operational profit (REBIT) / Capital employed	7.3%	2.6%
Capital expenditures (in millions of EUR)	23	32

D. Unaudited interim financial information

The key figures as of and for the half year ended 30 June 2011 are unaudited. The key figures as of 30 June 2012 have been reviewed by the statutory auditor, by way of a limited review in accordance with the international standards on review engagements (ISRE 2410). The complete financial statement report can be consulted at www.vandemoortele.com.

The key financial information as of and for the half years ended 30 June 2011 and 30 June 2012 is listed below. For the Balance Sheet Key Financial Information a comparison is made between the key figures as of 31 December 2011 and 30 June 2012.

Income Statement Key Financial Information 30.06.2011 and 30.06.2012

in millions of EUR	30.06.2011	30.06.2012
Revenue	610	611
Recurring Operational Cash Flow (REBITDA)	27	30
Recurring depreciation, amortisation and write-offs	(26)	(24)
Recurring Operational Profit (REBIT)	2	6
Non-recurring items	0	(1)
Operational Profit (EBIT)	2	4
Net financial income / (expense)	(9)	(11)
Result according to the equity method	(1)	0
Pre-Tax Current Profit / (Loss)	(8)	(7)
Income tax expense	5	(1)
Profit / (Loss) from Continuing Operations	(3)	(8)
Profit / (loss) from discontinued operations	0	0
Profit / (Loss) (EAT)	(3)	(8)

Balance Sheet Key Financial Information 31.12.2011 and 30.06.2012

in millions of EUR	31.12.2011	30.06.2012
Net fixed assets (NFA)	496	481
Working capital need (WCN)	100	85
Capital Employed	595	566
Equity	350	333
Provisions and others	16	11
Subordinated debt	58	63
Senior net financial debt (NFD)	172	159
Capital Provided	595	566
Ratio's	30.06.2011	30.06.2012
Recurring operational cash flow (REBITDA) / Revenue	4.5%	5.0%
Recurring operational profit (REBIT) / Revenue	0.3%	1.0%
Net profit (loss) / Revenue	(0.5)%	(1.3)%
Senior NFD / Equity	49%	48%
Capital expenditures (in millions of EUR)	12	9

E. Definitions

Capital employed	Net fixed assets plus working capital need.
Capital provided	Equity, net financial debt and provisions.
EAT	Earnings after tax.
EBIT	Profit from operations.
EBITDA	Profit from operations before interest, tax, depreciation, amortisation, write downs and impairments.
Equity	For ratio calculations total equity includes equity attributable to owners of the parents and non-controlling interests.
Net financial debt	Nominal amount of borrowings minus cash and cash equivalents, mutual funds, current and non-current loans.
Net fixed assets	Goodwill, other intangible assets, property, plant & equipment, investments in associates and financial assets (excluding mutual funds).
Non recurring items	Operating income and expenses that are related to restructuring programs, impairment losses, environmental provisions or other events and transactions that are clearly distinct from the normal activities of the Group.
Operational working capital need	Inventories, trade receivables and trade payables.
Other working capital need	Other receivables (excluding current & non-current loans), other assets, current tax payables, other liabilities, current employee benefits and net commodity derivatives.
Provisions	Current and non-current provisions, non-current employee benefits, deferred tax liabilities minus deferred tax assets, derivatives (excluding commodity derivatives) and fair value adjustments on borrowings.
REBIT	Recurring EBIT = EBIT before non-recurring items.
REBITDA	Recurring EBITDA = EBITDA before non-recurring items.
Working capital need	Operational working capital need plus other working capital need.

F. Prospects

There has been no material adverse change in the prospects of the Issuer since 31 December 2011.

VII. MANAGEMENT AND CORPORATE GOVERNANCE

A. Board of Directors

The Issuer's Board of Directors consists of thirteen members, five of which are independent within the meaning of Article 526ter of the Belgian Company Code and elected among candidates presented on a list pre-approved by the Board of Directors, six of which are elected among the candidates presented by Safinco NV as holder of the A shares and two of which are elected among the candidates presented by GIMV as holder of the warrants giving right to the B shares. The Lenders under the Subordinated Facility Agreement also have certain rights to present candidates and observers (after expiry of the warrants). See also "*Share capital, transfer restrictions, certain exit rights and governance*" in Section V.D above. For purpose of this Prospectus, the directors' business address is at Moutstraat 64, 9000 Ghent, Belgium.

	First appointed	Expiry of current term	Independent Director	Audit Committee	C&N Committee
Cyindus NV , represented by its permanent representative Mr. Michel Delloye*	2011	2014	X	X	X (Chairman)
Jean Baron Vandemoortele**	2009	2015			
Arval NV , represented by its permanent representative Mr. Christian Vandemoortele	2003	2014			
Mrs. Ann Deruyttere	2010	2013			
Retail Development Services SPRL , represented by its permanent representative Mrs. Chantal Heymans	2011	2014			
Countess Marie-Christine Casier – de Briey	1998	2014			
Arema SPRL , represented by its permanent representative Mr. François Casier	2001	2014		X	X
Mr. Peter Maenhout	2009	2015			X
Tom Baron Van de Voorde	2012	2015		X	
Consuco SA , represented by its permanent representative Mr. Alfred Bouckaert	2010	2013	X	X (Chairman)	

Euro Invest Management NV , represented by its permanent representative Mr. Philippe Haspeslagh	2002	2014	X
Mr. Michel Leonard	2010	2013	X
Wall & Waltz EBVBA , represented by its permanent representative Mr. Eddy Walraevens	2011	2014	X

* Chairman of the Board

** Executive Director

The powers of the Board of Directors are described in Book VIII, Title IV, Chapter I, Section I, Subsection II of the Belgian Company Code, Title III of the articles of association of the Issuer and Part III of the Vandemoortele Corporate Governance Charter (available at www.vandemoortele.com and www.bourse.lu).

The Board of Directors meets at least six times a year.

The following paragraphs set forth biographical information regarding the members of the Vandemoortele Board of Directors.

Michel Delloye, Chairman and Independent Director (representing Cytindus NV)

Mr. Michel Delloye (°1956) is the permanent representative of Cytindus NV, a management and consulting company that serves as Chairman and Independent Director of Vandemoortele since 2011. From 1998 to 1999, Mr. Delloye was CEO of Central European Media Enterprises, and from 1992 to 1996 he served as CEO of RTL Group, the European television and radio broadcaster. From 1984 to 1992, Mr. Delloye held numerous positions in both Belgium and the United States at Group Brussels Lambert, serving as General Manager prior to his departure. Mr. Delloye was Chairman of the Board at EVS Broadcast Equipment NV until 18 May 2010 and since 1 July 2010 he serves as Chairman of the Board at Compagnie du Bois Sauvage SA. He also serves on the boards of directors of, among other companies, Telenet Group Holding NV, Brederode NV, Matexi Group NV and Mediatrix NV. Mr. Delloye obtained a law degree from the Université Catholique de Louvain.

Jean Baron Vandemoortele, Executive Director

Jean Baron Vandemoortele (°1958) joined the Group in 1982 and spent his entire professional career with the Group. He currently serves as CEO of the Group. He holds a degree in Applied Economics from the Catholic University of Louvain and also an MBA from Insead.

Christian Vandemoortele, Director (representing Arval NV)

Mr. Christian Vandemoortele (°1960) represents Arval NV. He holds a Bachelor Degree in Law from the Catholic University of Louvain and has been active in several advertising agencies.

Ann Deruyttere, Director

Ms. Deruyttere (°1958) is director of companies.

Chantal Heymans, Director (representing Retail Development Services SPRL)

Mrs. Chantal Heymans (°1961) represents Retail Development Services SPRL. She currently serves as Managing Director at Cash Converters Belgium (since 2004). Prior to that she was Assistant-Manager at Materne-Döhler NV (1985-1987), held various posts (including Franchise Manager) at Mestdagh NV (1989-1998), worked at Laurus Belgium NV (1998-2001), was Development Manager at Laurus Belgium NV (1999-

2001), and participated in the real estate management of Decathlon Benelux SA (2001-2004). She holds a Degree in Business Administration from the University of Liège.

Marie-Christine Casier – de Briey, Director

Countess Marie-Christine Casier – de Briey (°1954) worked in a political party (UDRT) after a training period at the European Community, and is currently advisor to the AEMFE (Association Européenne de Micro-Crédits aux Femmes Entrepreneurs). She holds a Degree in Law from the Catholic University of Louvain.

François Casier, Director (representing Arema SPRL)

Mr. François Casier (°1957) represents Arema SPRL. He is founder and president of a Belgian NGO organization. He started his professional life in the marketing department of Procter & Gamble and subsequently became CEO of the Belgian subsidiary of a French company active in car accessories. He holds a Law Degree from the Catholic University of Louvain and an MBA from Insead. He is a board member of the De Duve Institute (international biomedical research center).

Peter Maenhout, Director

Mr. Peter Maenhout (°1965) was attaché to the Vice-Prime Minister and Budget Minister of Belgium (1990-1991), held various posts at the Generale Bank NV, including corporate finance officer and corporate research officer (1991-1997), held various posts at Petercam Bank NV, including managing director and associate director (1997-2007), was Managing Director of Amber Capital Benelux SPRL (2007-2009), and is currently Executive Vice-President Buyouts & Growth Belgium and Gimv-XL at Gimv (since 2009). He holds a Degree in International Relations from the University of Ghent, an MBA from the University of Chicago Booth Graduate School of Business and is a graduate of the Vlerick School.

Tom Baron Van de Voorde, Director

Tom Baron Van de Voorde (°1971) was Assistant Director Investment Banking, at Bank Degroof (1995-2002), Director Head of NIBC Advisory at NIBC Bank (2002-2007) and is currently Executive Investment Manager Buyouts & Growth Belgium at Gimv (since 2007). He holds a Degree in Commercial Engineer from the Catholic University of Leuven and an MBA from the University of Chicago Booth Graduate School of Business.

Alfred Bouckaert, Independent Director (representing Consuco SA)

Mr. Alfred Bouckaert (°1946) served as General Manager at The Chase Manhattan (1986-1989), General Manager at Credit Lyonnais (1989-1994), Managing Director European Operations at Credit Lyonnais (1994-1999), General Manager at AXA Belgium (1995-2005), EVP Northern Europe & Belgium at AXA Group (2005-2006), and EVP Northern & CEE Region, AXA Insurance & Manager AXA Bank Europe, and Member of the Group Executive Committee at AXA Group (2006 - 2010). He holds a Degree in Economics from the Catholic University of Leuven, a Degree in Fiscal Law from ICHEC and a Degree in Business Administration from CEPAC.

Philippe Haspeslagh, Independent Director (representing Euro Invest Management NV)

Mr. Philippe Haspeslagh (°1950) represents Euro Invest Management NV. On 1 September 2008 he became the Dean of the Vlerick Leuven Gent Business School. He is currently the Paul Desmarais Chaired Professor of Partnership and Active Ownership at INSEAD where he directs the Strategic Issues in Mergers and Acquisitions Programme and founded the International Directors Forum. He has served as a Professor in various capacities at INSEAD since 1979. He serves as Chairman of the board for Dujardin Foods, and Capricorn Venture Capital. He is a board member of Kinopolis, Quest for Growth and an advisory board member of Governance for Owners. He formerly served as Chief of Cabinet for the Ministry of Agriculture and SME (1997-1999). He holds an MBA and PhD. in Business Administration from Harvard Business School, a diploma in Clinical Psychology from Insead and is a graduate of the Vlerick School and Leuven University.

Michel Leonard, Independent Director

Mr. Michel Leonard (°1949) served as Product and Group Manager at the Danone Group (1971-1978), Marketing Director of Evian Water Company (1978-1982), General Manager of branch of the Prouvost Group (1982-1985), General Manager of Fromarsac at the Bongrain Group (1986-1991), General Manager of Western Europe at the Bongrain Group (1991-1996), Chairman of the Management Board of Bongrain Europe (1996-2001), Chairman of the Management Board of the Bongrain Group (2000-2003), and Chairman of the Management Board of the Lactalis Group (2003-2009). He holds a Degree of HEC and Insead.

Eddy Walraevens, Independent Director (representing Wall & Waltz EBVBA)

Mr. Eddy Walraevens (°1954) served as Manager PR Department at Zeekanaal NV (1978-1979), Production Manager at Publicarto (1979-1981), Account Executive New Business at Accent (1981-1983), held various posts at Vamix, including Product Manager Bakery Division, Senior Marketing Export Division, Commercial Director Benelux and General Manager Industrial (1983-1994), was General Manager at Dumeco (1994-2001), CEO of Belpan Holding (2002-2006), and Managing Director of Gudrun Group (since 2006). He holds a Degree in Chemical Engineering from the University of Ghent.

B. Executive Management: the Vandemoortele Group Executive

Name	Position	Appointed
Jean Baron Vandemoortele	CEO	7 October 2003
Mr. Dominique Eeman	CFO	7 October 2003
Mr. Jan Van Hootegem	Group HR Director	7 October 2003
Mr. Bart Bruyneel	Managing Director Lipids Business Line	4 September 2008
Lemon Comm.V., represented by its permanent representative Mr. Jules Noten	Managing Director Bakery Products Business Line	1 August 2012
Mr. Dirk Durez	Secretary General	7 October 2003

For purpose of this Prospectus, the members of the Vandemoortele Group Executive's business address is at Moutstraat 64, 9000 Ghent, Belgium.

The powers of the Vandemoortele Group Executive are described in Part VI of the Vandemoortele Corporate Governance Charter (available at www.vandemoortele.com and www.bourse.lu).

The Vandemoortele Group Executive meets on average twice a month.

The following paragraphs set forth biographical information regarding the members of the Vandemoortele Group Executive.

Jean Baron Vandemoortele, Chief Executive Officer

Jean Baron Vandemoortele (°1958) joined the Group in 1982 and spent his entire professional career with the Group. He holds a degree in Applied Economics from the Catholic University of Louvain and also an MBA from Insead.

Dominique Eeman, Chief Financial Officer

Mr. Dominique Eeman (°1957) joined the Group in 2002. He was previously employed at Recticel SA/NV (1992-2002) where he served in a variety of roles including CFO. Prior to that he was Senior Corporate Officer in charge of Corporate Banking at Generale Bank SA/NV (1988-1992) and Continental Illinois (1982-1988). He holds a degree in Applied Economics from the University of Antwerp and an MBA from the Vlerick Leuven Gent Management School.

Jan Van Hootegem, Group Human Resources Director

Mr. Jan Van Hootegem (°1959) joined the Group in 1995. He formerly served in a variety of local and international HR roles at Ford New Holland Belgium (1988-1994). He holds a degree in Clinical Psychology from the University of Ghent.

Bart Bruyneel, Managing Director Lipids Business Line

Mr. Bart Bruyneel (°1960) is since September 2008 the Managing Director responsible for the Lipids Business Line. He joined the Group in 1991 after having worked as a project engineer and manager at Radar, a Belgian producer of specialty animal compounds. At Vandemoortele, he has mainly been active in the Lipids business line where he has held several positions. From 2003 to 2007 he was Commercial Director of the combined Lipids and Bakery Products Business Line and since 2007 he was Business Unit Director Lipids in that same combined business line. He holds a degree in Chemistry and Agricultural Sciences from the University of Ghent and also an MBA from Insead.

Jules Noten, Managing Director Bakery Products Business Line (representing Lemon Comm.V.)

Mr. Jules Noten (°1960) joined the Group on 1 August 2012. Beforehand, he was Sales Member Foods Executive Europe and North America at Unilever (1993-1996), General Manager at Mora Benelux (1996-1999), General Manager at Van den bergh Foods (1999-2001), General Manager and Chairman at Unilever (2001-2003), CEO of Partners in Lighting International (2003-2008), Senior Advisor Consumer Goods Europe at 3i Group (2008-2009), and CEO at Balta Industries (2009-2012). He holds a degree in Commercial & Financial Sciences from Vlekho Business School and participated in an Advanced Management Programme at Harvard Business School.

Dirk Durez, Secretary General

Mr. Dirk Durez (°1955) is Secretary General for Vandemoortele and joined the Group in 1991. He formerly served as Deputy Managing Director for the Coordination Center of the Sabena Group (1987-1991). He holds a Law degree as well as a Criminology degree from the Vrije Universiteit Brussels. He also holds a post-graduate in financial management.

C. Committees of the Board of Directors

The Board of Directors has established two advisory committees: the Audit Committee and the Compensation and Nomination Committee.

1. Audit Committee

The composition of the Audit Committee complies with the requirements set forth in Article 526bis, §2 of the Belgian Company Code.

Name	Expiry of current term
Consuco SA (Chairman), represented by its permanent representative Mr. Alfred Bouckaert	2013
Arema SPRL, represented by its permanent representative Mr. François Casier	2014

Cytindus NV, represented by its permanent representative 2014
Mr. Michel Delloye

Tom Baron Van de Voorde 2015

The powers of the Audit Committee are described in Article 526bis, §4 of the Belgian Company Code, Article 23 of the articles of association of the Issuer and Part IV.3 of the Vandemoortele Corporate Governance Charter (available at www.vandemoortele.com and www.bourse.lu).

The Audit Committee has the following powers which are designed to bring specific problems to the attention of the Board:

- Risk management and internal audit:
 - To oversee the general internal audit systems;
 - To examine the general philosophy regarding identification and analysis of the risks inherent in the activities carried out;
 - To monitor the processes and procedures for following up risks identified by the management.
- Soundness and integrity of financial reporting:
 - Regular checking of the internal and external financial reporting and the IT systems;
 - Examining key accounting and reporting items, including significant changes in the valuation rules;
 - Examination of significant extra-business activities, agreements, undertakings, and other relationships with non consolidated legal entities or other persons which might have a significant impact on the Company, its subsidiaries, and affiliated enterprises;
 - Inspection of the annual financial accounts to make sure that they portray an accurate, honest, and comprehensible impression of the financial state of affairs, pursuant to the articles of association as well as from a consolidated point of view.
- Compliance with statutory and regulatory provisions, internal policies, procedures and Code of conduct:
 - The Audit Committee monitors the application of Vandemoortele's Code of conduct as well as the manner in which the management ensures compliance with the Code of conduct (attached to the Corporate Governance Charter);
 - The Audit Committee examines all cases of non compliance with the external regulatory principles and/or the internal policies and procedures which are reported to the Audit Committee by the manager of the internal audit department, the auditor(s), the Secretary General, the QESS manager, or any other person.
- Appointment, evaluation of the performance, powers and independence of the external auditors:
 - The Audit Committee is the body responsible for managing relationships with the external auditors, specifically including:

- Proposal to the Board regarding nomination and approval of the remuneration and services to the external auditors (without prejudice to the respective powers of the works councils and the general meeting of the shareholders);
 - Inspection of the external auditor's report to the Board and the management's response to it;
 - Examination of all audit problems or difficulties and the management's reaction to those problems and difficulties;
 - Assessment of the performances, powers, and independence of the external auditors.
- Performance of the internal audit operation:
 - Examination of the status reports of the internal audit department and follow-up of outstanding issues and action points with a view to concluding them;
 - Checking the effectiveness of the internal audit department;
 - Approval of the (re)appointment of Vandemoortele's internal auditor manager of the recommendation of the CEO.
- Annual meeting:
 - At least one member of the Audit Committee attends the Vandemoortele annual general meetings and is at the disposal of the Chairman to answer any questions from the meeting.
- Investigative powers:
 - In order to perform its task, the Audit Committee may request information from any director, manager, or employee and from any adviser, agent, or representative of Vandemoortele; the Board will urge these people to co-operate with the Audit Committee.

The Audit Committee meets at least three times a year.

2. Compensation and Nomination Committee

Although not legally required since the Issuer's shares are not listed, the composition of its Compensation and Nomination Committee complies with the requirements set forth in Article 526^{quater}, §2 of the Belgian Company Code.

Name	Expiry of current term
Cytindus NV (Chairman), represented by its permanent representative Mr. Michel Delloye	2014
Arema SPRL, represented by its permanent representative Mr. François Casier	2014
Mr. Peter Maenhout	2015

The powers of the Compensation and Nomination Committee are described in Article 23 of the articles of association of the Issuer and Part IV.2 of the Vandemoortele Corporate Governance Charter (available at www.vandemoortele.com and www.bourse.lu):

- With regard to (re)appointments:
 - Recruits and selects the CEO and submits the appointment to the Board;
 - Submits to the Board, on the recommendation of the CEO, the appointment of the members of the executive committee;
 - Recruits and selects the independent directors and recommends suitable candidates to the Board.
- With regard to performance review:
 - Assesses the performance of the CEO;
 - Discusses on the basis of the report of the CEO the performance review of the members of the executive committee;
 - Assesses the individual performances of the independent directors in the context of their reappointment.
- With regard to remuneration:
 - Lays down the general principles of the remuneration policy for staff on the basis of the proposal of the CEO and approves its global budget every year;
 - Fixes the remuneration of the members of the executive committee on the basis of the proposal of the CEO and fixes the remuneration of the CEO;
 - Transfers proposals to the Board about the remuneration of the Chairman of the Board of directors and the directors;
 - Exceptionally authorises the members of the executive committee to exercise an additional mandate or activity outside the executive committee, with or without the intention of making gain.

The Nomination and Remuneration Committee meets at least twice a year.

D. Corporate Governance

The Issuer attaches great importance to adequate corporate governance policies and, although not listed on any exchange or market to date, voluntarily adopted the 2004 Belgian Code on Corporate Governance of 9 December 2004 (Code Lippens), as replaced by the 2009 Belgian Code on Corporate Governance of 12 March 2009, as its frame of reference. The Board of Directors approved the first version of the corporate governance charter on 6 April 2006 and the latest version on 5 March 2012.

The Corporate Governance Charter can be consulted on the website of the Issuer (www.vandemoortele.com and www.bourse.lu).

E. Statutory Auditors

The statutory auditor of the Issuer (the “**Statutory Auditor**”) is PwC Bedrijfsrevisoren CVBA, with registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium, represented by Mr. Peter Opsomer and Mr. Emeric Seeuws.

PwC Bedrijfsrevisoren CVBA is a member of the Belgian *Instituut van de Bedrijfsrevisoren*.

The consolidated financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2011 have been audited and approved without qualifications by PwC Bedrijfsrevisoren CVBA.

F. Conflicts of Interests

In accordance with Article 523 of the Belgian Company Code, a member of the Board of Directors must give the other members prior notice of any agenda items in respect of which he or she has a direct or indirect conflict of interests of a financial nature with the Issuer, and, as soon as the Issuer has made the Bond Offer, should refrain from participating in the discussion of and voting on those items.

The Issuer is not aware of any potential conflicts of interest between the duties that any member of the administrative, management and supervisory bodies owes to the Issuer and such director's private interests or other duties, other than the following:

- certain members, directly or indirectly, hold a significant interest in the share capital of the Issuer; and
- the CEO and the Chairman have a conflict of interest with respect to any resolutions of the Board of Directors in relation to their remuneration.

VIII. USE OF PROCEEDS

The net proceeds of the Bond Offering, which are expected to amount up to EUR 75 million, will be used to prepay Facility A term loans and a portion of Facility B term loans of the Senior Facilities Agreement in amounts of EUR 53.5 million and EUR 21.5 million, respectively. With this Bond Offering, the Issuer aims to achieve an optimal global balance between short-term and long-term debt, as well as between bank financing and financing through the debt capital markets.

The expenses in connection with the Bond Offering are described under “The Bond Offering - Costs and Fees” (Section X.F).

IX. TAXATION

A. European Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system (hereinafter “**Source Tax**”) in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for applying the Source Tax and an amount of, or in respect of, Source Tax were to be withheld from that payment, neither the Issuer nor any Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such Source Tax.

B. Taxation in Belgium

The information below is of a general nature and is not intended to deal with all aspects of an investment in Bonds. In some cases other rules might apply. Moreover, the tax regulations and their interpretation can change over the course of time (possibly with retroactive effect). Potential investors who wish to have more detailed information concerning the tax consequences, both in Belgium and elsewhere, on the purchasing, holding and transfer of the Bonds, are urged to consult their financial and tax advisors who they usually consult.

1. Belgian withholding tax

(a) General rules

The payments of interest on the Bonds by or on behalf of the Issuer as a rule are subject to Belgian withholding tax on the gross amount of the interest. This withholding tax currently amounts to 21%. For Belgian resident individuals, an additional levy of 4% may be due on the interest component of the Bonds.

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) amounts paid by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer), and (iii) if the Bonds qualify as fixed income securities pursuant to Article 2, §1, 8 of the Belgian Income Tax Code 1992 (*Wetboek van de inkomstenbelastingen van 1992*; hereinafter: “**ITC 1992**”), in case of a sale of the Bonds between interest payment dates to any third party, excluding the Issuer, the *pro rata* of accrued interest corresponding to the detention period.

(b) The X/N clearing system of the NBB

The holding of the Bonds in the X/N System permits investors to collect interest on their Bonds free of Belgian withholding tax if and as long as at the moment of payment or attribution of interest the Bonds are held by certain investors (the “**Eligible Investors**”, see below) on a tax-exempt securities account (an “**X Account**”) opened by an institutional account holder that is directly or indirectly a participant (“**Participant**”) in the X/N System. Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

The holding of Bonds in the X/N System enables Eligible Investors to receive interest on their Bonds without incurring withholding tax and to trade the Bonds gross.

The Participants in the X/N System must enter the Bonds that they hold on account for Eligible Investors on an X Account. Eligible Investors are those entities referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing / arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*), which includes the following categories:

1. Belgian resident companies referred to in Article 2, §1, 5°, b) ITC 1992;
2. Without prejudice to Article 262, 1° and 5° ITC 1992, institutions, associations or companies referred to in Article 2, §3 of the Law of 9 July 1975 concerning the supervision of insurance companies other than those referred to in 1° and 3°;
3. Semi-governmental organizations for social security and equivalent organisations referred to in Article 105, 2° of the Royal Decree of 27 August 1993 implementing the BITC (“**RD ITC 1992**”);
4. Non-resident investors referred to in Article 105, 5° RD ITC 1992 whose holding of the Bonds is not connected to a professional activity in Belgium;
5. investment funds referred to in Article 115 RD ITC 1992;
6. Investors referred to in Article 227, 2° ITC 1992, subject to non-resident income tax (*belasting van niet inwoners / impôt des non-résidents*) in accordance with Article 233 ITC 1992 and whose Bonds are held as part of a business activity in Belgium;
7. The Belgian State, for its investments that are exempt from withholding tax in accordance with Article 265 ICT 1992;
8. Investment funds governed by foreign law (such as *fonds de placement / beleggingsfondsen*) that are an undivided estate managed by a management company, for the account of the participants, provided the funds units are not publicly issued in Belgium and are not traded in Belgium; and
9. Belgian resident companies, not referred to under 1. above, whose sole or principal activity consists of granting credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident individuals and Belgian non-profit organisations, other than those mentioned under 2. and 3. above (the “**Non-Eligible Investors**”).

The Participants in the X/N System must enter the Bonds which they hold on behalf of Non-Eligible Investors on a non-exempt securities account (an “**N Account**”). In this event (i) all interest payments to the holders of the N Accounts, and (ii) upon the transfer of Bonds by the holders of N Accounts, the *pro rata* accrued interest since the date of the previous interest payment are subject to a withholding tax of currently 21% (an additional levy of 4% may apply for Belgian resident individuals). This withholding tax is withheld by the NBB from the interest payment and paid to the tax authorities. For Belgian resident individuals, an additional levy of 4% may be due on the interest component of the Bonds.

When opening an X Account for holding the Bonds, the Eligible Investor will be required to certify its eligible status on a standard form approved by the Belgian Minister of Finance and send it to the Participant where this account is kept. This statement needs not be periodically reissued (although Eligible Investors must update their certification should their eligible status change). Participants are however required to make declarations to the NBB as to the eligible status of each investor for whom they hold the Bonds in an X account during the preceding calendar year.

These identification conditions do not apply to Bonds held by Eligible Investors through Euroclear or Clearstream Luxembourg as Participants in the X/N System, provided that Euroclear or Clearstream

Luxembourg (as well as their subparticipants) only hold X Accounts and are able to identify the holder of the account.

Transfers of Bonds between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N Account to an X Account gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer from an X Account to an N Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Bonds between two X Accounts do not give rise to any adjustment on account of withholding tax.
- Transfers of Bonds between two N Accounts give rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date, and to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the same interest amount.

2. Belgian income tax

2.1. *Belgian resident individuals*

For Belgian resident individuals (*i.e.*, individuals who have their residence or seat of wealth in Belgium) who hold Bonds as private investments, the payment of interest on the Bonds in Belgium will in principle be subject to a 21% withholding tax in Belgium. The investor must report such income in his annual income tax return, except if he opted to have the 4% additional levy on investment income withheld at source by the Belgian paying agent (see below).

Belgian resident individuals who receive qualifying investment income (qualifying interest and qualifying dividends) in an amount exceeding €20,020 (amount for income year 2012) per year will be subject to an additional levy on investment income of 4% on the income exceeding €20,020. Certain investment income is not subject to the additional levy on investment income, such as dividend income taxed at 25%, liquidation bonuses, the part of interest on regulated savings accounts taxed at 15%, the income from government bonds issued and subscribed between 24 November and 2 December 2011 and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts). However, this investment income is in principle first taken into account to determine whether the €20,020 threshold is exceeded, except for liquidation bonuses, the income from the above mentioned Belgian government bonds and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts). Interest on the Bonds will be taken into account to calculate the €20,020 threshold and will be subject to the 4% additional levy on investment income if and to the extent the threshold is exceeded.

Investors may opt to have the 4% additional levy on investment income withheld at source by a Belgian paying agent (together with the 21% Belgian withholding tax). In such case, investors are not obliged to report the interest income on the Bonds in their annual income tax return and the 21% withholding tax and the 4% additional levy on investment income withheld at source are final taxes with respect to such income.

Investors who have not opted to have the 4% additional levy on investment income withheld at source must report the interest income on the Bonds in their annual income tax return. The interest component will then be subject to Belgian income tax at a rate of 21% and, if and to the extent the €20,020 threshold is exceeded, an additional 4%. Belgian withholding tax already withheld at source may be offset against the final income tax due. The current version of the ITC 1992 provides that the 21% flat rate income tax will be increased with local

surcharges (ranging as a rule between 6% and 9%). The Minister of Finance has, however, announced draft legislation to amend the ITC 1992 so that no local taxes will be levied on such tax.

If the investors have not opted to have the 4% additional levy on investment income withheld at source, the Belgian paying agent must communicate the identity of the Bondholder and the amount of the interest income to a central contact point, which in turn will automatically communicate such information to the competent Belgian income tax authorities if the total amount of qualifying investment income communicated with respect to that holder in the relevant year exceeds the abovementioned threshold of €20,020.

In principle, capital gains realized upon the sale of the Bonds are tax exempt, except for the *pro rata* interest included in a capital gain on the Bonds, which is taxable as interest. Capital losses are in general not deductible for tax purposes.

Specific rules apply to Belgian resident individuals who hold Bonds outside the normal administration of their private estate, or within the framework of a professional activity.

2.2. *Belgian resident companies*

The interest that is attributed or paid to a Bondholder that is subject to Belgian corporate income tax, as well as the gains realised as a result of the transfer of the Bonds, are subject to corporate income tax at the rate of 33%, plus a 3% crisis surcharge, *i.e.*, 33.99%. The losses realised upon the transfer of the Bonds are tax deductible in accordance with the applicable rules.

2.3. *Belgian resident legal entities*

Belgian legal entities subject to the Belgian legal entities tax (*i.e.*, legal entities that are not companies subject to corporate income tax, and which have their registered office, main establishment or their seat of management or administration in Belgium), and which are Non-Eligible Investors, are subject to the withholding tax of 21% on the interest, which is a final tax.

Belgian legal entities qualifying as Eligible Investors will receive the interest without deduction of withholding tax, but, pursuant to Article 262, 1° ITC 1992, must themselves declare the income and pay the withholding tax.

In principle, capital gains realized upon the sale of the Bonds are tax exempt, except for the *pro rata* interest included in a capital gain on the Bonds, which is taxable as interest. Capital losses are in general not deductible for tax purposes.

2.4. *Non-residents*

Bondholders who are not resident in Belgium for Belgian tax purposes, who have not attributed the Bonds to a Belgian establishment, and who hold the Bonds as a private investment, will not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, holding or transfer of the Bonds, subject to the condition that they qualify as Eligible Investors and hold their Bonds on an X Account.

3. *Tax on stock exchange transactions*

Secondary market trades in respect of the Bonds will give rise to a stock exchange tax (*taxe sur les operation de bourse / taks op de beursverrichtingen*) if they are carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases is 0.09%. The tax is due separately from each party to any such transaction, *i.e.*, the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The amount of the transfer tax is, however, capped at EUR 650 per transaction per party.

However, the tax referred to above will not be payable by exempt persons acting for their own account including investors who are non-residents of Belgium, subject to the delivery of an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article

126/1, 2° of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taken*).

C. Taxation in the Grand Duchy of Luxembourg

The current legislation of Luxembourg contains the following provisions for the purchasing, holding and transferring of the Bonds. The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Candidate investors are therefore urged to consult their usual tax advisor to ascertain what tax treatment is applicable in their own specific case concerning the purchasing, holding and transferring of bonds.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidarité*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

1. Luxembourg Withholding tax

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the “**Savings Laws**”), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Bonds, nor on accrued but unpaid interest in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Bonds held by non-resident holders of Bonds.

2. Investors, individuals and certain other entities that are not tax residents of Luxembourg

Pursuant to the Savings Laws, as amended, (i) implementing the Savings Directive and (ii) ratifying the savings taxation agreements (the “**Agreements**”) entered into by Luxembourg and specific dependent or associated territories of the European Union (the “**Territories**”) concerning the savings taxation agreements entered into (the “**Agreements**”), a withholding tax will be levied on the interest and other income equated with interest. This withholding tax is applicable on interest or similar income paid or ascribed by paying agents established in Luxembourg to or for the immediate benefit of individual beneficial owners or entities of the residual category in the meaning of the Savings Directive or the Agreements who are tax residents of another Member State of the European Union or of the Territories. The rate of this withholding tax amounts to 35%. No withholding tax will be applied if the actual beneficiary (only the individuals who are tax residents in another Member State of the European Union or of one of the Territories) provides the paying agent in Luxembourg with a certificate in his or her name to the competent administration of his or her State of tax residence certifying that the income has been declared. Luxembourg has also accepted the principle of the exchange of information with the explicit permission of the actual beneficiary, *i.e.* the providing of the information to the competent authority of his or her state of residence (for individuals who are tax residents of another Member State of the European Union) or of the State in which it is incorporated (for the entities belonging to the residual category and which are incorporated in another Member State of the European Union or in one of the Territories).

3. Investors, individuals who are tax residents of Luxembourg

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Bonds, nor on accrued but unpaid interest in respect of Bonds, nor is any

Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg resident holders Bonds.

The Relibi Law has implemented a withholding tax on certain interest payments granted by a Luxembourg paying agent (according to the definition of the Savings Directive) to or for the benefit of an individual beneficial owner who is a tax resident of Luxembourg. The Luxembourg paying agent withholds a 10% withholding tax.

The withholding tax extinguishes the tax liability if the interest received by the individual beneficial owner or for its benefit is collected in the course of the management of his/her private wealth. Individual beneficial owners tax resident in Luxembourg who receive interest in the context of their professional activities must declare this income together with their other professional income in the context of taxation through tax returns. The interest is then subject to the normal system with a progressive scale, in which the withholding tax qualifies as advance payment at the time the tax to be paid is assessed.

In application of the Savings Laws and the Relibi Law, a withholding tax will be withheld by the Luxembourg paying agent in the sense of both these identified laws.

4. Income Taxation

(i) Non-Resident holders of Bonds

A non-resident holder of Bonds, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Bonds are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Bonds. A gain realised by such non-resident holder of Bonds on the sale or disposal, in any form whatsoever, of the Bonds is further not subject to Luxembourg income tax.

A non-resident corporate holder of Bonds or an individual holder of Bonds acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Bonds are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Bonds and on any gains realised upon the sale or disposal, in any form whatsoever, of the Bonds.

(ii) Resident holders of Bonds

Holders of Bonds who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

(iii) Luxembourg resident corporate holders of Bonds

A corporate holder of Bonds must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Bonds, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Bonds that is governed by the law of 11 May 2007 on family estate management companies, or by the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Bonds.

(iv) Luxembourg resident individual holder of Bonds

An individual holder of Bonds, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue

discounts, under the Bonds, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law or (ii) the individual holder of the Bonds has opted for the application of a 10% tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the Savings Directive. A gain realised by an individual holder of Bonds, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Bonds is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Bonds were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Bonds acting in the course of the management of a professional or business undertaking must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Bonds, in its taxable income for Luxembourg income tax assessment purposes. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

5. Wealth tax

Investors are not subject to wealth tax in Luxembourg, except if (i) the investor is a legal entity (capital company) that is fully taxable and does not benefit from a specific exemption and has its tax residence in Luxembourg, or if (ii) the Bonds are connected to a permanent establishment or a permanent representative of a company in Luxembourg to which the Bonds are attributable and that does not have its tax residence in Luxembourg.

6. Other taxes

An investor, legal entity or individual, in Luxembourg, is not liable to registration fees, stamp duty, or similar taxes with respect to the purchasing, holding or transferring of Bonds.

However, in the event of a voluntary registration, or legal proceedings (not limited to bankruptcy proceedings), or in the case Bonds must be produced before an official Luxembourg authority, a proportional fee or a fixed fee of EUR 12 may be due.

No VAT is levied in Luxembourg on payments related to interest payment, repayment of the principal amount, or the transfer of Bonds.

Where a holder of Bonds is a resident of Luxembourg for tax purposes at the time of his/her death, the Bonds are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Bonds if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

X. THE BOND OFFERING

KBC Bank NV (having its registered office at Havenlaan 2, B-1080 Brussels); Belfius Bank NV/SA (having its registered office at Pachecolaan 44, B-1000 Brussels) (together the “**Joint Lead Managers**” and each a “**Joint Lead Manager**”); Bank Degroof NV/SA (having its registered office at Nijverheidsstraat 44, B-1040 Brussels) and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank International”) (having its main business address at Croeselaan 18, 3521 CB Utrecht, The Netherlands) (together the “**Co-lead Managers**” and each a “**Co-lead Manager**”, and together with the Joint Lead Managers the “**Managers**” and each a **Manager**) have, pursuant to a placement agreement dated on 19 November 2012 (the “**Placement Agreement**”), agreed with the Issuer, subject to certain terms and conditions, to use best efforts to place the Bonds for a maximum principal amount of EUR 75,000,000 with third parties at the Issue Price and at the conditions specified below.

This section contains the terms and conditions of the Bond Offering of the Bonds by the Managers. Each offer and sale of the Bonds by a Financial Intermediary will be made in accordance with the terms and conditions as agreed between a Financial Intermediary and an investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor. The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Financial Intermediary and an investor. This Prospectus does not contain the terms and conditions of any Financial Intermediary. The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by a Financial Intermediary during the Subscription Period. The Issuer nor any Manager can be held responsible or liable for any such information.

A. Subscription Period

The Bonds will be offered to the public in Belgium and in the Grand Duchy of Luxembourg (the “**Bond Offering**”). The Bonds will be issued on 13 December 2012 (the “**Issue Date**”). However, in case a supplement to the Prospectus gives rise to withdrawal rights exercisable on or after the Issue Date of the Bonds in accordance with Article 13 of the Luxembourg Prospectus Law, the Issue Date will be postponed until the first Business Day (as defined in the Conditions) following the last day on which the withdrawal rights may be exercised.

The Bond Offering will start on 22 November 2012 at 9.00 a.m. (Brussels time) and end on 6 December 2012 at 4.00 p.m. (Brussels time) (the “**Subscription Period**”), or such earlier date as the Issuer may determine in agreement with the Joint Lead Managers. In this case, such closing date will be announced by or on behalf of the Issuer, on its website (www.vandemoortele.com), and on the website of the Managers, KBC Bank NV (www.kbc.be/vandemoortele), Belfius Bank NV/SA (www.belfius.be/vandemoortele), Bank Degroof NV/SA (<http://sitepublicadmin.degroof.be/sites/degroof/nl-BE/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in Dutch), <http://sitepublicadmin.degroof.be/sites/degroof/fr-BE/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in French) and <http://sitepublicadmin.degroof.be/sites/degroof/en-us/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in English)), and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank International”) (www.rabobank.be/nl/producten/vast-beleggen/obligaties/default.aspx (in Dutch) and www.rabobank.be/fr/produits/investissement-fixe/obligations/default.aspx?sl=fr (in French)).

Except in case of oversubscription as set out below under “*Oversubscription in the Bonds*”, a prospective subscriber will receive 100 per cent. of the amount of the Bonds validly subscribed to it during the Subscription Period.

Prospective subscribers will be notified of their allocations of Bonds by the applicable financial intermediary in accordance with the arrangements in place between such financial intermediary and the prospective subscriber.

No dealings in the Bonds on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as amended, may take place prior to the Issue Date.

After having read the entire Prospectus, the investors can subscribe to the Bonds via the branches of the following Managers appointed by the Issuer, using the subscription form provided by the Managers (if any): KBC Bank NV (including CBC Banque S.A. and KBC Securities NV (through www.bolero.be)), Belfius Bank NV/SA, Bank Degroof NV/SA (including its Luxembourg subsidiary, Banque Degroof Luxembourg S.A.) and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank International”).

The applications can also be submitted via agents or any other financial intermediaries in Belgium and in the Grand Duchy of Luxembourg. In this case, the investors must obtain information concerning the commission fees that the financial intermediaries can charge. These commission fees are charged to the investors.

B. Conditions to which the Bond Offering is subject

The Bond Offering and the issue of the Bonds is subject to a limited number of conditions set out in the Placement Agreement, which are customary for this type of transaction, and which include, amongst others: (i) the correctness of the representations and warranties made by the Issuer in the Placement Agreement, (ii) the Placement Agreement, the Clearing Agreement and the Agency Agreement have been executed by all parties thereto prior to the Issue Date, (iii) the admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange has been granted on or prior to the Issue Date, (iv) there having been, as at the Issue Date, no material adverse change (as defined in the Placement Agreement) affecting the Issuer or the Group and no event making any of the representations and warranties contained in the Placement Agreement untrue or incorrect on the Issue Date as if they had been given and made on such date and the Issuer having performed all the obligations to be performed by it under the Placement Agreement on or before the Issue Date, and (v) at the latest on the Issue Date, the Managers having received customary confirmations as to certain legal and financial matters pertaining to the Issuer.

These conditions can be waived (in whole or in part) by each of the Managers. The Placement Agreement does not entitle the Managers to terminate their obligations prior to payment being made to the Issuer, except in certain limited circumstances.

C. Issue Price

The issue price for the Bonds will be of 101.875 per cent. (the “**Issue Price**”).

The investors who are not qualified investors (as defined in the Luxembourg Prospectus Law, the “**Qualified Investors**”) (the “**Retail Investors**”) will pay the Issue Price.

The Qualified Investors will pay the Issue Price that includes a distribution commission of 1.875 per cent. less a discount, such resulting price being subject to change during the Subscription Period based among others on (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, and (iv) the amount of Bonds purchased by an investor, each as determined by each Joint Lead Manager in its sole discretion.

The yield of the Bonds is 4.696 per cent. on an annual basis. The yield is calculated on the basis of the Issue Price for Retail Investors and is based on the assumption that the Bonds will be held until their maturity date and there will be no change to the Applicable Rate of Interest.

The minimum amount of application for the Bonds is EUR 1,000. The maximum amount of application is EUR 75,000,000.

D. Aggregate Nominal Amount

The maximum principal amount of the issue is EUR 75,000,000.

As the case may be, upon the decision of the Issuer in consultation with the Managers (taking into account the demand from investors), the final aggregate nominal amount of the Bonds may be increased at the end (or upon

the early closing) of the Subscription Period. The criteria in accordance with which the final aggregate nominal amount of the Bonds will be determined by the Issuer are the following: (i) the funding needs of the Issuer, which could evolve during the Subscription Period for the Bonds, (ii) the levels of the interest rates and the credit spread of the Issuer on a daily basis, (iii) the level of demand from investors for the Bonds as observed by the Managers on a daily basis, (iv) the occurrence or not of certain events during the Subscription Period of the Bonds giving the possibility to the Issuer and/or the Managers to early terminate the Subscription Period or not to proceed with the offer and the issue and (v) the fact that the maximum principal amount of the Bonds is EUR 75,000,000.

The Issuer has reserved the right not to proceed with the issue of the Bonds if at the end of the Subscription Period, the aggregate principal amount of the Bonds that have been subscribed for is lower than EUR 75,000,000.

The final aggregate nominal amount shall be published as soon as possible after the end (or the early closing) of the Subscription Period by the Issuer, on its website (www.vandemoortele.com), and on the website of the Managers, KBC Bank NV (www.kbc.be/vandemoortele), Belfius Bank NV/SA, (www.belfius.be/vandemoortele), Bank Degroof NV/SA (<http://sitepublicadmin.degroof.be/sites/degroof/nl-BE/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in Dutch), <http://sitepublicadmin.degroof.be/sites/degroof/fr-BE/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in French) and <http://sitepublicadmin.degroof.be/sites/degroof/en-us/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in English)) and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank International”) (www.rabobank.be/nl/producten/vast-beleggen/obligaties/default.aspx (in Dutch) and www.rabobank.be/fr/produits/investissement-fixe/obligations/default.aspx?sl=fr (in French)).

E. Payment date and details

The payment date is 13 December 2012. The payment for the Bonds can only occur by means of debiting from a current account.

On the date that the subscriptions are settled, the X/N System will credit the custody account of the Agent according to the details specified in the rules of the X/N System.

Subsequently, the Agent, at the latest on the payment date, will credit the amounts of the subscribed securities to the account of the participants for onward distribution to the subscribers, in accordance with the usual operating rules of the X/N System.

F. Costs and fees

The net proceeds (before deduction of expenses) will be an amount equal to the aggregate nominal amount of the Bonds issued (the “**Aggregate Nominal Amount**”) multiplied by the Issue Price expressed in percentage, minus the total selling and distribution commission of 1.875 per cent. (borne by the subscribers; see also “Issue Price” above).

The Issue Price shall include the selling and distribution commission described below, such commission being borne and paid by the subscribers.

Expenses specifically charged to the subscribers:

- (a) the Retail Investors will bear a selling and distribution commission of 1.875 per cent., included in the Issue Price; and
- (b) the Qualified Investors will bear a distribution commission of 1.875 per cent., subject to the discount foreseen in this section under “Issue Price” above. The distribution commission paid by the Qualified Investors will range between 0 and 1.875 per cent.

G. Financial services

The financial services in relation to the Bonds will be provided free of charge by the Managers.

The costs for the custody fee for the Bonds are charged to the subscribers. Investors must inform themselves about the costs their financial institutions might charge them.

Investors must inform themselves about the costs the other financial institutions might charge them.

In addition, Bondholders should be aware that when they exercise the Change of Control Put via a financial intermediary (other than the Agent) they may have to bear additional costs and expenses that are imposed by such financial intermediary.

H. Early closure and reduction – allotment / oversubscription in the Bonds

Early termination of the Subscription Period will intervene at the earliest on 22 November 2012 at 5.30 pm (Brussels time) (the minimum Subscription Period is referred to as the “**Minimum Sales Period**”) (this is the third Business Day in Belgium following the day on which the Prospectus has been made available on the websites of the Issuer and the Managers (including the day on which the Prospectus was made available). This means that the Subscription Period will remain open at least one Business Day until 5.30 pm. Thereafter, early termination can take place at any moment (including in the course of a Business Day). In case of early termination of the Subscription Period, a notice will be published as soon as possible on the websites of the Issuer and the Managers. This notice will specify the date and hour of the early termination.

The Subscription Period may be shortened by the Issuer during the Subscription Period with the consent of the Joint Lead Managers (i) as soon as the total amount of the Bonds reaches EUR 75,000,000, (ii) in the event that a major change in market conditions occurs (among others, but not limited to, a change in national or international financial, political or economic circumstances, exchange rates or interest rates), or (iii) in case a material adverse change occurs with respect to the Issuer. In case the Subscription Period is terminated early as a result of the occurrence described under (ii) and (iii) in the preceding sentence, then the Issuer will publish a supplement to the Prospectus (see page 5 of the Prospectus, for further information with respect to the publication of supplements to the Prospectus).

The Issuer may shorten the Subscription Period if the total amount of the Bonds does not reach EUR 75,000,000, but the Issuer will then have to published a supplement to the Prospectus (see page 5 of the Prospectus), for further information with respect to the publication of supplement to the Prospectus).

In addition, the offer is subject to specific conditions negotiated between the Managers and the Issuer that are included in the Placement Agreement, and in particular, the obligations of the Managers under the Placement Agreement could terminate, inter alia, as set out above.

All subscriptions that have been validly introduced by the Retail Investors with the Managers before the end of the Minimum Sales Period (as defined above) will be taken into account when the Bonds are allotted, it being understood that in case of oversubscription, a reduction may apply, *i.e.* the subscriptions will be scaled back proportionally, with an allocation of a multiple of EUR 1,000, and to the extent possible, a minimum nominal amount of EUR 1,000, which corresponds to the denomination of the Bonds.

KBC Bank NV has the right to place an amount of EUR 25,000,000 (or 33,33 per cent. of the maximum aggregate nominal amount of the Bonds to be issued) exclusively with its own retail and private banking clients who are not Qualified Investors; Belfius Bank NV/SA has the right to place an amount of EUR 25,000,000 (or 33,33 per cent. of the maximum aggregate nominal amount of the Bonds to be issued) exclusively with its own retail and private banking clients who are not Qualified Investors (together, the “**Assigned Bonds**”); Bank Degroof NV/SA has the right to place an amount of EUR 5,000,000 (or 6.67 per cent. of the maximum aggregate nominal amount of the Bonds to be issued) exclusively with its own retail and private banking clients who are not Qualified Investors; Coöperatieve Centrale Raiffeisen-Boerenleenbank .BA. (“Rabobank

International”) has the right to place an amount of EUR 5,000,000 (or 6.67 per cent. of the maximum aggregate nominal amount of the Bonds to be issued) exclusively with its own retail and private banking clients who are not Qualified Investors; and both KBC Bank NV and Belfius Bank NV/SA together have the right to place an amount of EUR 15,000,000 (or 20.00 per cent. of the maximum aggregate nominal amount of the Bonds to be issued) exclusively with Qualified Investors as pot deal. This allocation structure can only be amended if agreed between the Issuer and the Managers except that such aspects of the allocation structure that concern Joint Lead Managers only can be amended if agreed between the Issuer and the Joint Lead Managers, and save as further set out in paragraphs (a) to (d) below.

At the end of the Minimum Sales Period, each of the Managers may publish a notice on its website to inform its clients that it will stop collecting subscriptions and will then send the same notice to the Issuer that will publish it on its website as soon as practicable. Such process will enable all the potential investors to know where the subscriptions are still open.

- (a) To the extent the Assigned Bonds allocated to one of the Joint Lead Managers are not fully placed by such Joint Lead Manager as observed at 4.00 p.m. (Brussels time) on the date being the first Business Day of the Subscription Period, then, upon notification to the Issuer and subject to its consent, the other Joint Lead Manager shall have the right (but not the obligation) to use its best efforts to place such Assigned Bonds with its own retail and private banking clients who are not Qualified Investors at the nominal value of a Bond multiplied by the Issue Price.
- (b) To the extent not all of the unplaced Assigned Bonds are placed pursuant to (a) above, the Joint Lead Managers together shall have the right (but not the obligation) to place the Assigned Bonds unplaced pursuant to (a) above exclusively to Qualified Investors at the nominal value of a Bond multiplied by the Issue Price less a discount, as a pot deal.
- (c) To the extent the Bonds allocated to one of the Co-lead Managers are not fully placed by such Co-lead Manager as observed at 4.00 pm (Brussels time) on the date being the first Business Day of the Subscription Period, then, upon notification to the Issuer and subject to its consent, the Joint Lead Managers shall have the right (but not the obligation) to place such Assigned Bonds at the Issue Price with its own retail and private banking clients who are not Qualified Investors. If both Joint Lead Managers wish to use this right, each shall have the right to place such Bonds pro rata the subscriptions received from its own retail and private banking clients at that time.
- (d) To the extent not all of the unplaced Bonds of the Co-lead Managers are placed pursuant to (c) above, the Joint Lead Managers together shall have the right (but not the obligation) to place such Bonds unplaced pursuant to (c) above exclusively to Qualified Investors, as a pot deal.

Subscribers may have different reduction percentages applied to them depending on the Manager through which they have subscribed.

The Managers shall in no manner whatsoever be responsible for the allotment criteria that will be applied by other financial intermediaries.

In case of early termination of the Subscription Period, the investors will be informed regarding the number of Bonds that have been allotted to them as soon as possible after the date of the early termination of the Subscription Period.

Any payment made by a subscriber to the Bonds in connection with the subscription of Bonds which are not allotted will be refunded within 7 Brussels Business Days after the date of payment in accordance with the arrangements in place between such relevant subscriber and the relevant financial intermediary, and the relevant subscriber shall not be entitled to any interest in respect of such payments.

I. Results of the Bond Offering

The results of the offer of the Bonds (including its net proceeds) shall be published as soon as possible after the end of the Subscription Period and on or before the Issue Date, by the Issuer, on its website (www.vandemoortele.com), and on the website of the Managers, KBC Bank NV (www.kbc.be/vandemoortele), Belfius Bank NV/SA, (www.belfius.be/vandemoortele), Bank Degroof NV/SA (<http://sitepublicadmin.degroof.be/sites/degroof/nl-BE/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in Dutch), <http://sitepublicadmin.degroof.be/sites/degroof/fr-BE/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in French) and <http://sitepublicadmin.degroof.be/sites/degroof/en-us/portrait/dernieresoperations/Pages/dernieres-operations.aspx> (in English)), and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank International”) (www.rabobank.be/nl/producten/vast-beleggen/obligaties/default.aspx (in Dutch) and www.rabobank.be/fr/produits/investissement-fixe/obligations/default.aspx?sl=fr (in French)). The same method of publication will be used to inform the investors in case of early termination of the Subscription Period.

In the event of the Bond Offering being completed, the Managers shall have the right, at their own expenses, to disclose their participation in the Bond Offering in investor presentations, reports or/and by way of placement of “tombstone” advertisements in financial or other newspapers or via any other communication means after prior approval of the Issuer. For the avoidance of doubt, it will not have the right to disclose the amounts placed or sold by the respective Managers.

J. Expected timetable of the Bond Offering

The main steps of the timetable of the Bond Offering can be summarised as follows:

- (a) 20 November 2012: publication of the Prospectus on the website of the Issuer;
- (b) 22 November 2012, 9.00 a.m. (Brussels time): opening date of the Subscription Period;
- (c) 6 December 2012, 4.00 p.m. (Brussels time): closing date of the Subscription Period (if not closed earlier);
- (d) Between 6 December 2012 and 13 December 2012: expected publication date of the results of the offer of the Bonds (including its net proceeds), unless published earlier in case of early closing;
- (e) 13 December 2012: Issue Date and listing of the Bonds on the Luxembourg Stock Exchange and admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange.

The dates and times of the Bond Offering and periods indicated in the above timetable and throughout this Prospectus may change. Should the Issuer decide to amend such dates, times or periods, it will inform investors through a publication in the financial press. Any material alterations to this Prospectus are to be approved by the CSSF, and will be, in each case as and when required by applicable law, published in a press release, an advertisement in the financial press, or a supplement to this Prospectus.

K. Costs

Each subscriber shall make his own enquiries with his financial intermediaries on the related or incidental costs (transfer fees, custody charges, etc.), which the latter may charge him with.

L. Transfer of the Bonds

Subject to compliance with any applicable selling restrictions, the Bonds are freely transferable. See also “Selling Restrictions” below.

M. Selling Restrictions

1. Countries in which the Bond Offering is open

The Bonds are being offered only to investors to whom such offer can be lawfully made under any law applicable to those investors. The Issuer has taken necessary actions to ensure that Bonds may lawfully be offered to the public in Belgium and the Grand Duchy of Luxembourg. The Issuer has not taken any action to permit any offering of the Bonds in any other jurisdiction outside of Belgium and the Grand Duchy of Luxembourg.

The distribution of this Prospectus and the subscription for and acquisition of Bonds may, under the laws of certain countries other than Belgium and the Grand Duchy of Luxembourg, be governed by specific regulations or legal and regulatory restrictions. Individuals in possession of this Prospectus, or considering the subscription for, or acquisition of, Bonds, must inquire about those regulations and about possible restrictions resulting from them, and comply with those restrictions. Intermediaries cannot permit the subscription for, or acquisition of, Bonds for clients whose addresses are in a country where such restrictions apply. No person receiving this Prospectus (including trustees and nominees) may distribute it in, or send it to, such countries, except in conformity with applicable law.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, or an offer to sell or the solicitation of an offer to buy Bonds in any circumstances in which such offer or solicitation is unlawful. Neither the Issuer nor the Managers have authorised, nor do they authorise, the making of any offer of Bonds (other than in the Bond Offering in Belgium and the Grand Duchy of Luxembourg) in circumstances in which an obligation arises for the Issuer or the Managers to publish a prospectus for such offer.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

2. Selling restriction in the EEA

The Issuer has not authorised any offer to the public of Bonds in any Member State of the European Economic Area, other than Belgium and the Grand Duchy of Luxembourg. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), an offer to the public of any Bonds may not be made in that Relevant Member State, other than the offer in Belgium and the Grand Duchy of Luxembourg contemplated in this Prospectus once this Prospectus has been approved by the CSSF, passported into Belgium, and published in Belgium and the Grand Duchy of Luxembourg in accordance with the Prospectus Directive as implemented in Belgium and the Grand Duchy of Luxembourg, respectively, except that an offer to the public in that Relevant Member State of any Bonds may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are qualified investors as defined under the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Bonds shall result in a requirement for the Issuer or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the provisions above, the expression an offer to the public in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Bond Offering and the Bonds to be offered so as to enable an investor to decide to purchase any Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

3. United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the Financial Services and Markets Act)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the Financial Services and Markets Act does not apply to the Issuer; and
 - it has complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

4. United States

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (“**Regulation S**”). Terms used in this paragraph have the meaning given to them in Regulation S.

The Managers have agreed that they will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Bond Offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons, and that they will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration (if any) to which they sell Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after the commencement of the Bond Offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the Bond Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

XI. GENERAL INFORMATION

1. So far as the Issuer is aware, other than the Managers and the finance parties under the Senior and Subordinated Facilities Agreement, no person involved in the Bond Offering has any interest, including conflicting ones, that is material to the issue of the Bonds and the Bond Offering.
2. Subject to statements in this Prospectus with respect to market and other industry data based on statistics and other information from independent industry publications and reports by research firms or other published independent sources, the Prospectus does not contain any statement or report sourced from third parties, except the audit opinions and review reports of the Statutory Auditor. The Issuer confirms that (a) the Statutory Auditor has agreed to the incorporation in the Prospectus of its audit opinions for the fiscal years ended 2010 and 2011 and its review report of the consolidated interim financial statements as of and for the period ended as of 30 June 2012, and (b) such audit opinions have been accurately reproduced and as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from such audit opinions no facts have been omitted that would render them inaccurate or misleading in any material respect.
3. During the Bond Offering and for the life of the Bonds, copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted), at the specified office of the Issuer at Moutstraat 64, 9000 Ghent, Belgium:
 - (a) the articles of association of the Issuer;
 - (b) the Corporate Governance Charter of the Issuer;
 - (c) the audited consolidated historical financial information of the Issuer for the financial years ended on 2010 and 2011;
 - (d) the unaudited consolidated historical financial information of the Issuer for the half-year 2011 and 2012;
 - (e) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Prospectus; and
 - (f) the Prospectus and any supplement to this Prospectus.

XII. Documents incorporated by reference

The following documents that have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF shall be incorporated by reference in this Prospectus. The information so incorporated by reference herein shall form an integral part of this Prospectus, save that any statement contained in a document that is incorporated by reference herein, shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified shall not, except as so modified or superseded, constitute a part of this Prospectus. The Issuer confirms that it has obtained the consent from its auditors to incorporate by reference in this Prospectus the statutory auditor's reports for the financial years ended 31 December 2010 and 31 December 2011, as well as the limited review report in relation to the consolidated interim financial statements as of and for the six months ended 30 June 2012.

A. The consolidated financial statements of the Issuer are incorporated by reference in this Prospectus, as follows:

1. The unaudited, consolidated interim financial statements as of and for the six months ended 30 June 2012 of the Issuer, on which a limited review was performed, set out in the "Condensed Consolidated Financial Statements", set out at pages 1-18 inclusive of such report, including:

- consolidated income statement	p. 1
- consolidated statement of comprehensive income	p. 2
- consolidated balance sheet	p. 3
- consolidated cash flow statement	p. 4
- consolidated statement of changes in equity	p. 5
- notes to the consolidated financial statements	p. 6-17
- review report of the statutory auditor	p. 18

2. The auditor's report and audited consolidated annual financial statements as of and for the year ended 31 December 2011 of the Issuer set out in the "2011 Financial Statements", set out at pages 5-70 inclusive of such report, including:

- consolidated income statement	p. 5
- consolidated statement of comprehensive income	p. 6
- consolidated balance sheet	p. 7
- consolidated cash flow statement	p. 8
- consolidated statement of changes in equity	p. 10
- notes to the consolidated financial statements	p. 11-60
- report of the statutory auditor	p. 61-63
- combined report of the board of directors	p. 64-70

3. The auditor's report and audited consolidated annual financial statements as of and for the year ended 31 December 2010 of the Issuer set out in the "2010 Financial Statements", set out at pages 1-57 inclusive of such report, including:

- combined report of the board of directors	p. i-viii
- consolidated income statement	p. 1
- consolidated statement of comprehensive income	p. 2
- consolidated balance sheet	p. 3
- consolidated cash flow statement	p. 4-5
- consolidated statement of changes in equity	p. 6
- notes to the consolidated financial statements	p. 7-50 and 55-57
- report of the statutory auditor	p. 51-52

The non-incorporated parts of the “2010 Financial Statements” are not relevant for the investors as these contain the Dutch translation of the report of the statutory auditor (p. 53-54).

B. The Corporate Governance Charter of the Issuer.

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only. All documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. The above documents will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.vandemoortele.com).

**ANNEX 1
COMPLIANCE CERTIFICATE**

To: the Bondholders
From: VANDEMOORTELE NV
Moutstraat 64
B-9000 Ghent
Belgium

Dated:

Dear Sirs

Vandemoortele NV – Public offer in Belgium and the Grand Duchy of Luxembourg of 5.125 per cent. fixed rate bonds due 2017 as set out in the prospectus dated 19 November 2012 (the Prospectus)

We refer to the Prospectus. This is a Compliance Certificate. Terms defined in the Prospectus have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

We confirm that, as at [*relevant testing date*],

- (i) based on the calculations made in accordance with the Conditions, the ratio of Senior Leverage[exceeds/falls below] 3.50:1;
- (ii) [no/a] Financial Condition Step-Down Change / Financial Condition Step-Up Change has occurred;
- (iii) the Applicable Rate of Interest to be applied as from the next Interest Payment Date in accordance with Condition III.5.(a) of the Prospectus is [●];and
- (iv) the Auditors have confirmed in writing to us that the statement under (i) is correct.

Signed by:

[●]
Chief Executive Officer
of Vandemoortele NV

[●]

THE ISSUER

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STATUTORY AUDITOR TO THE ISSUER

PwC Bedrijfsrevisoren CVBA

represented by Mr. Peter Opsomer and Mr. Emeric Seeuws

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