



VANDEMOORTELE NV
public limited liability company (naamloze vennootschap) under Belgian law
(the “Issuer”)

Public offer in Belgium of

3.060 per cent. fixed rate bonds with a denomination of EUR 1,000 due 10 June 2022

Issue Price: 101.875 per cent.

Yield (gross actuarial return): 2.762% (on an annual basis) – Net yield: 2.005% (on an annual basis)

The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the interest rate of 3.060% per annum and is based on the assumption that the Bonds will be held until 10 June 2022 when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until their maturity date. The net yield reflects a deduction of Belgian WHT at the rate of 25 per cent. (Investors should consult the Section IX “Taxation” of this Prospectus for further information about Belgian taxation.)

ISIN BE0002227933, Common Code 122911462 (the “Bonds”).

for an expected minimum principal amount of EUR 75,000,000 and a maximum principal amount of EUR 100,000,000

Issue Date: 10 June 2015

Subscription Period: from 22 May 2015 until (and including) 2 June 2015 (subject to early closing)

An application has been submitted for listing of the Bonds on the regulated market of Euronext Brussels.

Global Coordinator



Joint Lead Managers



Co-lead Managers



Offering and listing prospectus dated 19 May 2015

These Bonds constitute debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on an annual basis and to reimburse the principal on the maturity date. In case of bankruptcy or default by the Issuer, however, investors may not recover the amounts they are entitled to and risk losing all or a part of their investment. These Bonds are intended for investors who are capable of evaluating the interest rates in light of their knowledge and financial experience. Each decision to invest in these Bonds must be based solely on the information contained in this Prospectus (including the section Risk Factors beginning on page 15 of the summary and page 20 of this Prospectus). In particular, reference is made to the risk factor that the Bonds are unsecured obligations of the Issuer which do not benefit from any guarantee and are structurally subordinated to the creditors of the Issuer’s subsidiaries.

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 an expected minimum principal amount of EUR 75,000,000 and a maximum principal amount of EUR 100,000,000 3.060 per cent. fixed rate bonds, due 10 June 2022. The denomination of the Bonds shall be EUR 1,000. The Bonds are offered to the public in Belgium (the “**Bond Offering**”).

An application has been made with Euronext Brussels to list the Bonds on Euronext Brussels’ 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 of Euronext Brussels and admitted to trading on Euronext Brussels’ regulated market. Euronext Brussels’ regulated market is 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. (As of 3 January 2017, Directive 2004/39/EC will be replaced by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.) Prior to the offering of the Bonds referred to in this Prospectus, there was 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

This Prospectus has been prepared in connection with the Bond Offering and with the listing on the official list of Euronext Brussels and the admission to trading on Euronext Brussels’ regulated market. 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 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**”) (each, a “**Relevant Member State**”) other than the offer in Belgium (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 Joint Lead Managers, the Co-lead Managers and the Global Coordinator (together 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, 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 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 (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 neither 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 Managers, nor the Issuer are taking any action to permit a public offering of the Bonds in any jurisdiction outside Belgium. 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 authorised 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 authorised 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 authorised 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 Euronext Brussels 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 made public in accordance with article 34 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 gereguleerde 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 “**Prospectus Law**”). 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. For instance, with respect to the Lipids business the following reports are available in the “Business to Consumer” segment of retail brands and private labels: Nielsen and GfK (Belgium), IRI and GfK (the Netherlands), Nielsen (France) and GfK and IRI (Germany). With respect to the “Business to Business” segment only internal market data is used. For the Bakery Products, the market data and other industry data is mainly the Group’s internal strategic review based on various reports and studies (such as, Gira, GfK, Eurostat, Nielsen, Insee, Xerfi, and others) given that there is no comprehensive or up to date external data available. 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 the Prospectus Directive and the Prospectus Law. This Prospectus has been prepared in accordance with the Prospectus Law and the Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended (the “**Prospectus Regulation**”), and the English version of this Prospectus has been approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Markten en Diensten / Autorité des services et marchés financiers*, the “**FSMA**”) on 19 May 2015. This approval does not imply any opinion by the FSMA on the economic and financial soundness of the Bond Offering and the quality or solvency of the Issuer, and the FSMA assumes no responsibility in this regard.

AVAILABILITY OF THE PROSPECTUS

The Prospectus is available in English, which is the version approved by the FSMA, and in Dutch. The summary of the prospectus is also available in French. The Issuer has verified and is responsible for the consistency between the respective versions. In case of differences between the English version, the Dutch version and the French summary, the English version shall prevail.

The Prospectus (in English and in Dutch) and the translation of the summary in 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 (0)78 152 153 (in English), on +32 (0)78 152 153 (in Dutch) and +32 (0)78 152 154 (in French), Belfius Bank SA/NV on +32 2 222 12 02 (in English), on +32 2 222 12 02 (in Dutch) and +32 2 222 12 01 (in French), BNP Paribas Fortis SA/NV on +32 2 433 41 34 (in English), on +32 2 433 41 34 (in Dutch) and +32 2 433 41 31 (in French), ING Bank N.V. on +32 2 464 60 04 (in English), on +32 2 464 60 01 (in Dutch) and +32 2 464 60 02 (in French), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) on +32 3 289 28 88 (in English), on +32 3 289 28 88 (in Dutch) and +32 3 289 29 99 (in French) and Bank Degroof NV/SA on +32 2 287 91 56 (in English), on +32 2 287 91 56 (in Dutch) and +32 2 287 91 56 (in French). They are also available on the websites of the Issuer (www.vandemoortele.com), KBC Bank NV (www.kbc.be/Vandemoortele), Belfius Bank SA/NV (www.belfius.be/vandemoortele), BNP Paribas Fortis SA/NV (www.bnpparibasfortis.be/emissies or www.bnpparibasfortis.be/emissions), ING Bank N.V. (www.ing.be (beleggen – obligaties) or www.ing.be (investor - obligations), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) (www.rabobank.be/nl/beleggen/particulier/obligaties and www.rabobank.be/fr/investir/particulier/obligations), Bank Degroof NV/SA (www.degroof.be).

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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 of an expected minimum principal amount of EUR 75,000,000 and a maximum principal amount of EUR 100,000,000 3.060 per cent. fixed rate bonds due 10 June 2022 (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 May 2015 and ending on 2 June 2015 (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.
	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 22 May 2015 and ending on 2 June 2015. 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, the high unemployment rate in certain developed markets and the potentially negative effects of austerity measures on the buying power of the consumers in the markets where the Group operates, 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 with 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 European frozen bakery industry is highly competitive, still fragmented and mainly national and/or regional.</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 2014, the Issuer realised consolidated revenues of approximately EUR 1.2 billion with approximately 4,700 employees working in 32 production and 17 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 qualifications	Not applicable; there are no qualifications in any auditor report on the historical financial information included in the Prospectus.

Section B – Issuer

B.12	Selected Historical Key Financial Information/material adverse changes	Income Statement Key Financial Information 31.12.2013 and 31.12.2014		
		in millions of EUR	31.12.2013	31.12.2014
		Revenue	1,278	1,269
		Recurring Operational Cash Flow (REBITDA)	90	110
		Recurring depreciation, amortisation and write-offs	(45)	(44)
		Recurring Operational Profit (REBIT)	45	66
		Non-recurring items	(9)	(10)
		Impairment	0	(2)
		Operational Profit (EBIT)	36	54
		Net financial income / (expense)	(15)	(10)
		Result according to the equity method	(4)	0
		Pre-Tax Current Profit / (Loss)	17	44
		Income tax expense	(7)	(12)
		Profit / (Loss) from Continuing Operations	10	32
		Profit / (loss) from discontinued operations	0	0
		Profit / (Loss) (EAT)	10	32

Balance Sheet Key Financial Information 31.12.2013 and 31.12.2014

	in millions of EUR	31.12.2013	31.12.2014
	Net fixed assets (NFA)	455	465
	Working capital need (WCN)	19	24
	Capital Employed	474	489
	Equity	335	354
	Provisions and others	7	11
	Subordinated debt	63	66
	Senior net financial debt (NFD)	69	58
	Capital Provided	474	489

There has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2014.

There have been no significant changes in the financial or trading position since 31 December 2014.

B.13	Recent Events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	On 10 March 2015 the Issuer and Vandemoortele Coordination Center NV entered into the EUR 200,000,000 revolving facility (the " Revolving Facility "). The Revolving Facility was used to refinance the existing EUR 300,000,000 term and revolving facilities agreement dated 3 June 2010. The Revolving Facility was also used to finance the acquisition of LAG (Lanterna-Agritech) in March 2015, the market leader in frozen focaccia and bread in Italy. On 31 March 2015, the net financial debt of the Group (including the amount drawn under the Revolving Facility to finance the acquisition of LAG as well as to finance general corporate purposes) amounts to EUR 170.1 million.
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 also acts as purchase agent for raw materials and provides IT, general procurement, tax and legal services to the 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.

Section B – Issuer

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.
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Section C – Securities

C.1	Description of type and class of the Bonds and security identification numbers	3.060 per cent. fixed rate bonds due 10 June 2022 denominated in euro (the “ Bonds ”). ISIN BE0002227933; Common Code 122911462.
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, senior, unconditional, unsubordinated and (subject to the Negative Pledge) unsecured obligations of the Issuer and rank and will at all times rank <i>pari passu</i> , 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 3.060 per cent. per annum per Specified Denomination (the “ Interest Rate ”).
	Interest Payment Date	10 June in each year starting with 10 June 2016 up to and including the Maturity Date (each an “ Interest Payment Date ”).
	Maturity Date	10 June 2022
	Redemption Amount at Maturity Date	The Bonds will be redeemed at 100 per cent. of the nominal amount.
	Early Redemption	<ul style="list-style-type: none"> • The Bonds may be redeemed early following an Event of Default (see below) (at 100 per cent. of the nominal amount and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant redemption date). • Bonds will be redeemable at the option of the bondholders at the Put Redemption Amount (see below) 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”).

Section C – Securities

Put Redemption Amount	<p>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”).</p> <p>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.</p> <p>“Redemption Rate” means MIN (101%; 100% x Exp (T x 0.74720148386%)), rounded down to the 9th decimal.</p> <p>“T” means the time, expressed in decimals of a year, elapsed from (and including) the Issue Date until (and including) the relevant redemption date.</p> <p>“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.</p> <p>“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.</p>
Events of Default	<p>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.</p>
Yield	<p>Gross actuarial yield: 2.762 per cent. (on an annual basis)</p> <p>Net yield: 2.005 per cent. (on an annual basis)</p> <p>The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the interest rate of 3.060% per annum and is based on the assumption that the Bonds will be held until 10 June 2022 when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until their Maturity Date. The net yield reflects a deduction of Belgian WHT at the rate of 25 per cent. (Investors should consult Section IX: “Taxation” of this Prospectus for further information about Belgian taxation.)</p>
Representative of bondholders / Meeting of bondholders	<p>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.</p>
C.10 Derivative component in the interest payment	<p>Not applicable; the Bonds have no derivative component in the interest payment.</p>

Section C – Securities

C.11	Listing and admission to trading	An application has been made with Euronext Brussels to list the Bonds on Euronext Brussels' regulated market.
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Section D – Risks

D.2	Key risks specific to the Issuer	<p>The Issuer believes that the factors described below represent the principal risks, each of which may affect its business or financial condition, and therefore the its ability to fulfill its obligations under Bonds. The inability of the Issuer to pay any amounts in connection with any Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on the information currently available to it or which it may not currently be able to anticipate. The sequence in which the risk factors are listed is not an indication of their likelihood to occur or of the extent of their consequences.</p>
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These factors include amongst others, the following risks:

- The Issuer's business is exposed to the risk of a decrease in consumer spending in light of the overall economic trends in the Issuer's principal geographic markets. As a result, the Issuer's business may be exposed to a decrease in demand for its products.
- 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.
- 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 consumer driven business, the Issuer also depends on its ability to anticipate the tastes of consumers and to offer products that appeal to their preferences. It is not always predictable how competitors will react to changing demands and to what extent they will change their product portfolio.
- 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.

D.3	Key risks specific to the Bonds	<p>The Issuer believes that the factors described below represent the principal risks in relation to the Bonds, which are material for the purpose of assessing the risks associated with the Bonds. The sequence in which the risk factors are listed is not an indication of their likelihood to occur or of the extent of their consequences.</p>
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Section D – Risks

These factors include, without limitation, the following risks:

- The Issuer may not have the ability to repay the Bonds. In addition, the Issuer may incur additional indebtedness.
- The Bonds are unsecured obligations of the Issuer which do not benefit from any guarantee and are structurally subordinated to the creditors of the Subsidiaries. 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 (among which the Managers) 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).
- There is no guarantee to an active trading market for the Bonds. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, the market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors. 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.
- The Bonds may be redeemed prior to maturity and in the event of a change of control. In such case an investor may not be able to reinvest the repayment (if any) at a yield comparable to that of the Bonds.
- The Issuer, the Agent and the Managers have engaged and may further engage in transactions adversely affecting the interests of the bondholders. More specifically the Issuer entered into a EUR 200 million revolving loan facility with the Managers. The Issuer has also entered into bilateral credit agreements with some of the Managers. The creditors under the aforementioned credit facilities benefit from certain guarantees, securities and privileges from which the Bondholders do not benefit. Furthermore, the proceeds of the Bonds will be used to repay part or all of the outstanding debts under the aforementioned revolving loan facility. The Bondholders should also be aware that the Managers or the Agent, in their capacity as creditor of the Issuer or an affiliated business thereof (or in any other capacity whatsoever), have no obligation to protect the Bondholders' interests.
- The Bond Offering may be wholly or partially retracted or cancelled in accordance with the provisions of the Placement Agreement as further specified in part X.B "*Conditions to which the Bond Offering is subject*". In this case, investors who paid the Issue Price for the Bonds prior to the notification of retraction or cancellation of the Bond Offering 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

Section D – Risks

the Issue Price for the Bonds.

Section E – Offer

E.2b	Reason of the Offer and use of proceeds	The net proceeds of the Bond Offering will be predominantly used to prepay the outstanding amount under the Revolving Facility (which was used to finance the acquisition of LAG as well as to finance general corporate purposes). At the date of this Prospectus, the outstanding amount under the Revolving Facility amounts to EUR 95,000,000. In addition, the remaining part of the net proceeds of the Bond Offering – together with the Issuer’s cash flows and existing financing – will be used to further finance the Issuer’s business development (including, the extension or optimisation of production capacities in Seneffe, Eeklo and Arras, and the construction of a new plant in Poland) as well as general corporate purposes (including refinancing of existing debt) and financing of future acquisitions. With this Bond Offering, the Issuer aims to further reduce its reliance on bank financing by achieving an optimal global balance between the Issuer’s existing bank financing and financing through the debt capital markets, as well as to extend the maturity of its funding.
E.3	Terms and conditions of the Offer	
	<i>Issue Date</i>	10 June 2015 (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 May 2015 to 2 June 2015 (subject to early closing).
	<i>Joint Bookrunners and Joint Lead Managers</i>	KBC Bank NV and Belfius Bank SA/NV.
	<i>Co-lead Managers</i>	BNP Paribas Fortis SA/NV, ING Bank N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) and Bank Degroof NV/SA (together with KBC Bank NV and Belfius Bank SA/NV, the “ Managers ”).
	<i>Domiciliary, Paying, Calculation and Listing Agent</i>	KBC Bank NV
	<i>Public offer jurisdictions</i>	Belgium.
	<i>Conditions to which the offer is subject</i>	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 Euronext Brussels 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, (v) the

Section E – Offer

extraordinary shareholders' meeting of the Issuer having convened on 22 May 2015 and approved the amendments to the articles of association, as included in the agenda of the convening notice published in the Official Belgian State Gazette on 7 May 2015, and the Board of Directors of the Issuer subsequently ratifying all corporate actions and decisions taken in respect of the Bond Offering, and (vi) 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. If the terms of the Bond Offering and the subsequent issuance of the Bonds are not met on the Issue Date (subject to waiver by the Managers of the conditions that could not be fulfilled) or any Manager terminates the Placement Agreement in one of the circumstances above, the Bonds will not be issued. Termination of the Placement Agreement by one of the Managers, does not trigger the termination of the Placement Agreement for the other Managers, but there is no obligation for the non-terminating Managers to place the Bonds assigned to the terminating Manager.

Cross Default

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:

- (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

Section E – Offer

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 May 2015 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 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 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, Germany, 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.

In addition, turmoil in East Europe (in particular, the conflict in Ukraine) might have a negative effect on the macro-economic climate in the Group's principal geographic markets. Such turmoil, if it further escalates, might have an adverse effect on the Group's business and financial results.

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 utilisation of raw materials in bio-fuels, 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 over the last six years. 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.

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. In Belgium, for instance, due to the non-functioning of several nuclear reactors the supply of electricity may be affected and even interrupted. Such shortages of supply of electricity may further increase the price for electricity or even cause a shortage of electricity which might adversely affect the Group's operations.

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 top-5 of the Group's suppliers represent 52.7% (EUR 369 million) of the Group's purchasing costs. 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. The top-5 of the Group's customers represent 16.3% (EUR 207 million) of the Group's revenues. 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 25% 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-28 continues to at best be stable or even slightly decline.

In addition, the Group's success also depends to some degree on its ability to enhance its product portfolio by adding new products in fast growing, profitable categories, as well as increasing market share in its existing product categories. In this respect, it is important to timely and correctly identify changing consumer preference. Anticipating consumer trends and preferences requires research and development and marketing initiatives. If the Group's new products fail to meet consumers' preferences, then the return on its investments will be less than anticipated and its strategy to grow net sales and profits may not be successful. Also, it is not always predictable how competitors will react to changing demands and to what extent they will change their product portfolio.

(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 with 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.

In January 2015, the Group announced the acquisition of LAG (Lanterna-Agritech), the market leader in frozen focaccia and bread in Italy, from LAG's management and private equity funds Yarpa and LBO France. With this acquisition, the Group aims to strengthen its bakery products business in Italy and to extend its product range with typical Italian products such as focaccia and ciabatta. The acquisition closed in March 2015. Although the prime focus is on organic growth and internal efficiency improvements, the Group does not exclude further acquisitions. As with any acquisition, there is a risk that corporate cultures will not match, expected synergies will not materialize fully or at all, restructurings will prove to be more costly than initially anticipated, acquired companies will prove to be more difficult to integrate than foreseen, the integration of the assets may meet unexpected difficulties or the acquired businesses may not develop as expected. No assurances can therefore be given that any expected advantages or synergies from possible acquisitions will materialize. Furthermore, as the Group grows further through acquisitions, one of the key challenges consists of the integration of the managerial, operational and financial systems. If the Group fails to address these challenges, this may have a material adverse effect on its business, financial condition and/or results of operations.

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.

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 production, storage and distribution facilities, transportation infrastructure or modes of transportation*

The Group's business is highly dependent on production, storage and distribution facilities and transportation services to ensure smooth operation. The production, storage and distribution facilities, as well as transportation infrastructure and modes of transportation the Group uses are subject to being partially or completely shut down, temporarily or permanently, as a result of a number of circumstances, such as adverse weather conditions, catastrophic events, environmental remediation, equipment or machinery breakdowns, strikes, lockouts or other events. Damage to any of these facilities, any significant or prolonged interruption at these facilities or inability to transport products to or from these facilities for any reason would create a bottleneck in the flow of the Group's business operations and impact the Group's ability to serve its customers. If the Group experiences disruptions or interruptions of these types and is unable to quickly identify and resolve them, the Group's reputation, business, financial condition and/or results of operations could be adversely affected and there is a risk the Group may lose customers as a result.

(e) *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. The Group has mainly outsourced its IT systems to an external third party which exposes the Group to failure by such third party to operate the key software applications or communication networks, as well as overrun of costs by such third party provider. 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.

(f) *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, introduce claims or join class action claims, and ultimately have a material adverse effect on the Group's operations and financial condition. In addition, any actual or alleged violations of food safety rules may expose the Group to class actions in accordance with applicable law (including, in Belgium, the law of 1 September 2014). The Group's quality assurance systems may not be fully effective in mitigating all risks relating to food safety.

In addition, claims or liabilities of this sort might not be covered by the Group's insurance or by any rights of indemnity or contribution that the Group may have against others. There can be no assurance that the Group will not incur claims or liabilities for which the Group is not insured or that exceed the amount of its insurance coverage, resulting in significant cash outlays that could materially and adversely affect the Group's results and financial condition.

(g) *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.

(h) *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.

(i) *Approvals, labels, licenses, permits and certificates*

Various approvals, labels, licenses, permits and certificates related to the quality, conditions and characteristics of the Group's products, production standard, environmental efforts and corporate social responsibility efforts, are required by the Group's customers or to operate its business and facilities. The Group may be required to renew these approvals, labels, licenses, permits and certificates or to obtain new approvals, labels, licenses, permits and certificates. The Group cannot guarantee that in the future the relevant authorities, customers and organisations will issue or renew any required approvals,

labels, licenses, permits or certificates in a timely manner or at all. Failure to renew, maintain or obtain the required approvals, labels, licenses, permits and certificates may reduce the Group's sales, drive customers or potential customers away, interrupt its operations or delay or prevent the implementation of any capacity expansion or other new projects and may have a material adverse effect on the Group's business, financial condition and/or results of operations.

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 19 years 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. The production of margarines and fats as well as the production of bakery products in the EU is subject to a notification to the competent authorities, but only in certain circumstances (such as the use in food products of vitamins, minerals, novel food products, gmo's, etc). 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.

(e) *Taxation*

The Group is intermittently subject to ordinary-course tax-related audits by the fiscal authorities in multiple jurisdictions. In connection with ongoing and future audits, fiscal authorities may assess fiscal regulations and tax-related matters differently than the Group has done. For instance, this may happen with any of the Group's measures or practices, which have not been approved by an advance tax ruling. Although the Group would retain the right to appeal any such adverse conclusions, the Group cannot provide assurance that these audits would not entail adverse results, for instance, in a reduction of the Group's carry-forward tax losses or in the immediate payment of taxes. Therefore, it is possible that as a result of audits conducted, tax breaks and other tax advantages may not be honoured (even if recorded as deferred tax assets in the financial statements) and additional taxes may become due (even if respective tax provisions or liabilities are not shown in the financial statements). An audit could also result in having to pay additional taxes in the form of any interest and fines due.

Changes in fiscal regulations or the interpretation of tax laws by the courts may have adverse effects on the Group's business, for example because certain tax exemptions no longer apply or products become less attractive to customers for tax reasons. With regard to the latter example, it is to note that the Belgian government currently considers a potential tax shift from taxing labour to consumption which may lead to an increased VAT rate applicable to the Group's products.

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 26 to the consolidated financial statements for the financial year 2014 (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, factoring, 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 aims at a further diversification of the funding of the Group and at the same time an extension of the duration of this funding.

The EUR 200,000,000 Revolving Facility (to be repaid in full on 10 March 2020), the EUR 75,000,000 Subordinated Facility Agreement (to be repaid in full on 30 September 2019), the Intercreditor Agreement and the EUR 75,000,000 Existing Bonds (to be repaid in full on 13 December 2017) (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 123.9 million as at the end of 2014 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 1.1:1. The issuance of the Bonds will not increase the net financial debt of the Group as the proceeds of the Bonds will serve to prepay the outstanding amount under the Revolving Facility, which was used to finance the acquisition of LAG (as described in Section V.I. (“*Recent Developments*”)) as well as to finance general corporate purposes. At the date of this Prospectus, the outstanding amount under the Revolving Facility amounts to EUR 95,000,000. In addition, the remaining part of the net proceeds of the Bond Offering – together with the Issuer’s cash flows and existing financing – will be used to further finance the Issuer’s business development (including, the extension or optimisation of production capacities in Seneffe, Eeklo and Arras, and the construction of a new plant in Poland) as well as general corporate purposes (including refinancing of existing debt) and financing of future acquisitions.

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 aims at a minimum A⁻ rating for its core banks, 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 (including the forward contracts) 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 15.2% 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 key foreign currencies are the US Dollar, the British Pound, the Swiss Franc, the Czech Kroner, the Hungarian Florint and the Polish Zloty.

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, bank borrowings and leasing as a source of funding, of which some are at variable interest rates, which exposes it to changes in such interest rates. The cost of some working capital instruments is also based on a variable market rate. The Group entered into several interest rate swaps to hedge the floating interest rate due under its financial indebtedness. There is a discrepancy between the maturity of the financing and the interest rate swaps contracts.

(e) *Risks related to the absence of audited financial information after 31 December 2014*

The Prospectus does not contain audited financial information for the period after 31 December 2014. The Prospectus contains financial information extracted from the consolidated audited financial statements as of and for the period ended on 31 December 2014.

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 2014, the Group recognised a net underfunding liability of defined benefit plans of EUR 20.2 million.

In relation to Belgian and Dutch employees, the defined benefit plan has been replaced by a defined contribution plan as of, respectively, 1 January 2013 and 1 January 2015.

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.

A potential investor should not participate in the Offering and invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential investor's overall investment portfolio. Investors should note that they may lose all or part of their investment.

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 and are structurally subordinated to the creditors of the Subsidiaries*

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 Revolving Facility (see Section V.J.2 "*Revolving Facility*"). 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.

Because the Issuer is mainly a holding company and to a large extent dependent on dividends and other revenue streams from its Subsidiaries, the Bondholders are structurally subordinated to the banks and other creditors of these Subsidiaries. In addition, as described above, 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. These Subsidiaries will often hold more operational assets than the Issuer. In the event of enforcement against all or any part of these assets, it may occur that there are insufficient assets remaining which can be distributed to and used by the Issuer to repay the Bonds and/or the interest payments. In case of liquidation of any Subsidiary (or other company included in the consolidation of the Issuer) or in case of insolvency of such an entity the collateral of the Bonds will be reduced.

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 Revolving Facility (as described in Section V.J.2), the lenders under various bilateral credit agreements 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 Revolving Facility or the lenders under various bilateral credit agreements, the lenders under the Subordinated Facility Agreement are contractually required to handover their part of the proceeds received only to the lenders under the Revolving Facility and under various bilateral credit agreements (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 (including, without limitation, to finance capital expenditure, acquisitions or share buy-backs). 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. The Conditions further do not prevent the Issuer from granting Security in respect of any indebtedness of the Issuer or a Subsidiary other than Relevant Debt, without any obligation for the Issuer to equally secure at the same time or prior thereto the Issuer's obligations under the Bonds.

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. *Certain of the Group's financing agreements and the terms and conditions of the Bonds contain covenants that restrict the Group's ability to engage in certain transactions and may impair its ability to respond to changing business and economic conditions*

The Group's financing agreements (see Section V.J "Material Contracts") and the terms and conditions of the Bonds as well as the Existing Bonds include a number of restrictive covenants. These covenants may restrict, among other things, the Group's ability to: incur additional indebtedness, provide guarantees, create security interests, pay dividends, redeem share capital, sell assets, make investments, merge or consolidate with another company and engage in transactions with affiliates. In addition, the terms and conditions of the Existing Bonds provide that in certain circumstances the applicable interest rate of the Existing Bonds will be increased. Although subject to significant qualifications and exceptions, these covenants could limit the Group's ability to plan for or react to market conditions or to meet capital needs or engage in activities that may be in the Group's interest. The Group's ability to comply with these covenants may be affected by events beyond its control, and it may have to curtail some of its operations and growth plans to maintain compliance.

9. *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. An application has been submitted for admission of the Bonds to trading on the regulated market of Euronext Brussels. 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.

10. *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.

11. *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.

12. *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.

13. *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.

14. *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.

15. *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.

16. *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.

17. *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.

18. *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.

19. *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, Austria is instead required (unless during that period it elects 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).

On 24 March 2014 a revised EU Savings Directive was adopted which strengthens the existing rules on exchange of information. The scope of the EU Savings Directive has been extended to financial products having characteristics similar to debt claims but which are not legally classified as such. Moreover, the amended EU Savings Directive also applies a “look through approach” to certain EU as well as non-EU interposed entities or legal arrangements.

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.

20. *Payments made in respect of the Bonds may be subject to Belgian 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 25%, 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*).

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.

21. *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.

22. *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.

23. *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.

24. *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.

25. *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. In such case, it may occur that there are insufficient assets remaining which can be distributed to and used to pay the Bondholders.

26. *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 the Managers (via bilateral transactions or/and syndicated loans together with other banks including the Revolving Facility). 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 (subject to Condition 3 (*Negative Pledge*)). This results in the Bondholders being structurally subordinated to the lenders under such Funding Transactions. The Funding Transactions have repayment dates falling before the Maturity Date of the Bonds and consequently the credit risk for the Managers could be reduced and shifted to the Bondholders. 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 minimum EUR 75,000,000 and maximum EUR 100,000,000, will be

predominantly used to prepay the outstanding amount under the Revolving Facility (which was used to finance the acquisition of LAG as well as to finance general corporate purposes). At the date of this Prospectus, the outstanding amount under the Revolving Facility amounts to EUR 95,000,000. In addition, the remaining part of the net proceeds of the Bond Offering – together with the Issuer’s cash flows and existing financing – will be used to further finance the Issuer’s business development (including, the extension or optimisation of production capacities in Seneffe, Eeklo and Arras, and the construction of a new plant in Poland) as well as general corporate purposes (including refinancing of existing debt) and financing of future acquisitions. With this Bond Offering, the Issuer aims to further reduce its reliance on bank financing by achieving an optimal global balance between the Issuer’s existing bank financing and financing through the debt capital markets, as well as to extend the maturity of its funding.

The Bondholders should be aware of the fact that the Managers or the Agent, 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.

27. *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.

28. *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 as further specified in part X.B “*Conditions to which the Bond Offering is subject*”. In this case, investors who paid the Issue Price for the Bonds prior to the notification of retraction or cancellation of the Bond Offering 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.

29. *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.

30. *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. The application of these insolvency laws may substantially affect the Bondholders' claim to obtain repayment (partial or in full) of the Bonds, *e.g.*, as the result of a suspension of payments, a stay on enforcement measures or an order providing for partial repayment of the Bonds.

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 3.060 per cent. fixed rate Bonds due 10 June 2022 for an expected minimum principal amount of EUR 75,000,000 and a maximum principal amount of EUR 100,000,000 (the “**Bonds**”) was, and will be, authorised by resolutions of the Board of Directors of Vandemoortele NV (the “**Issuer**”) passed on 1 April 2015 and 22 May 2015 (as further specified in part VII.A of this Prospectus) and approved during a general shareholders’ meeting on 12 May 2015. The Bonds are issued subject to and with the benefit of a domiciliary, paying, calculation and listing agency agreement dated 19 May 2015 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, senior, 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:

“**Affiliate**” means an affiliate (“*met een vennootschap verbonden vennootschappen*”) within the meaning of Article 11, 1° of the Belgian Company Code.

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

“**Auditors**” means Deloitte 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 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 6(b) (*Redemption at the Option of Bondholders*).

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

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

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

“**Clearing Agreement**” means the service contract concerning the issue of dematerialized bonds 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 6(b) (*Redemption at the Option of Bondholders*).

“EBITDA” means, solely for the purpose of 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.

“GAAP” means:

- (i) in respect of the Issuer, IFRS for consolidation purposes and accounting policies and principles generally accepted in Belgium for its statutory stand alone accounts; and
- (ii) in respect of any other member of the Group, accounting policies and principles generally accepted in its jurisdiction of incorporation.

“Group” means the Issuer and its Subsidiaries.

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

“Indebtedness” means (without double counting) any indebtedness (other than any trade credit received from suppliers in the ordinary course of business of the Group) for or in respect of:

- (i) moneys borrowed and debt balances at banks or other financial institutions;
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;

- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for derecognition under GAAP);
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (viii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (ix) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (viii) 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 10 June 2015.

“**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 10 June 2022.

“**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 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 and each period of 12 Months ending on the last day of a financial half 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*).

“**Shareholders**” means the holders of Ordinary Shares.

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

“**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*).

“**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) “**Interest Rate**”: Each Bond bears interest from (and including) the Issue Date at the rate of 3.060 per cent. per annum per Specified Denomination (the “**Interest Rate**”).

Interest on the Bonds is payable annually in arrears on 10 June in each year starting with 10 June 2016 up to and including the Maturity Date (each an “**Interest Payment Date**”).

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 Interest Rate 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.

(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 Interest Rate specified in Condition 5(a) (*Interest Rate and Payment Dates*) (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 each Interest Payment Date shall be EUR 30.6 in respect of each Bond.

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 of EUR 1,000 each (adding any accrued but unpaid interest of such Bond to (but excluding) the relevant redemption date) 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 6(b) (*Redemption at the Option of Bondholders*).

(b) *Redemption at the Option of Bondholders*

For the purpose of this Condition 6(b) (*Redemption at the Option of Bondholders*), 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:

- (i) “**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
- (ii) “**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.

(A) 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 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 which are included in the Change of Control Put Exercise Notices as delivered on the Change of Control Put Date.

If, as a result of this Condition 6(b) (*Redemption at the Option of Bondholders*), 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 6(b) (*Redemption at the Option of Bondholders*):

“**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 $\text{MIN}(101\%; 100\% \times \text{Exp}(T \times 0.74720148386\%))$, 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.

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 Condition 6(b) (Redemption at the Option of Bondholders), 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 / Arrêté royal de 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier conformément (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.

(B) 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 6(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.
- (C) 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.
- (D) Shareholder approval

The Issuer confirms that the terms of Condition 6(b) (*Redemption at the option of Bondholders*) 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, any Affiliate or Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price. Voting rights attached to such repurchased Bonds shall be suspended in the event of a general meeting and such Bonds shall also be deemed not to remain outstanding for this purpose.

(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 Affiliates or Subsidiaries of the Issuer may be held, reissued or resold at the option of the relevant Affiliate or 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 7(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, 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 of EUR 1,000 each, 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 (i) 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:**
 - (A) 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;
 - (B) 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;
 - (C) 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:**
- (A) the Issuer or any of its Subsidiaries is bankrupt or is unable to pay its debts as they fall due;
 - (B) 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;
 - (C) 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;
 - (D) 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;
 - (E) 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:**
- (A) 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
 - (B) 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:
 - (I) a material change or cessation of the nature of the activities of the Group as a whole; or
 - (II) 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 Euronext Brussels 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 Euronext Brussels 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 Euronext Brussels, the Issuer undertakes to ensure admission of the Bonds to trading on another regulated market in the European Economic Area.

11. *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.

12. *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.

Any Bonds which are at the time of such meeting of Bondholders being held by or on behalf of either the Issuer, or any Affiliate or Subsidiary of the Issuer shall be disregarded and be deemed not to remain outstanding for this purpose.

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.

13. *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.

14. *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.

15. *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 BE0002227933 and Common Code 122911462, 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 19 May 2015 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 13 May 2014. 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). The Issuer also acts as purchase agent for raw materials and provides IT, general procurement, tax and legal services to the members and joint ventures of the Group. In 2014, the Group realised consolidated revenues of EUR 1.2 billion with approximately 4,700 employees working in 32 production and 17 commercial sites across 12 European countries. (See pages 2-4 of the Vandemoortele Corporate Governance Charter (available at www.vandemoortele.com) for a detailed description of the Group services provided by the Issuer.)

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 556 million or 43.8% of the Group's revenues in 2014); and
- Bakery Products (EUR 709 million or 55.9% of the Group's revenues in 2014).

The split between Lipids and Bakery Products is based on segment information in accordance with IFRS.

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 soy 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. Beginning of 2015, the Group acquired LAG, the market leader in frozen focaccia and bread in Italy. See also "*Recent Developments*" in this Section V.

In both Lipids and Bakery Products business lines, Vandemoortele holds a leading position in Europe.¹ 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. The A shares, B shares and C shares have identical rights, subject only to the class nomination, voting and share transfer arrangements as set forth in the articles of association of the Issuer (and as described in this Prospectus).

A total of 2,425 share options were issued in 2014 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 (or warrants entitling to 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, 18 October 2012 and 17 March 2014, the “**Subscription and Shareholders’ Agreement**”). Holders of A shares have a right of first refusal in case holders of B shares (or warrants entitling to B shares) wish to transfer their shares (or warrants), holders of B shares (or warrants entitling to 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 (or the warrants entitling to B shares) upon sale of the A shares. There are no transfer restrictions applicable to the C shares.

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 (or warrants entitling to 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 (or warrants entitling to 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 (or warrants entitling to B shares) shall have the right to initiate an organized sales process with a view to selling the B shares (or warrants entitling to 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 (or warrants entitling to B shares) to restricted third parties.

¹ Source: The Issuer’s internal strategic review of the Lipids and Frozen Bakery markets (based on both internal and, to the extent available, external market data).

Governance

Holders of A shares are entitled to propose six candidates to the Issuer's 14-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.

One executive director is proposed by the Issuer's compensation and remuneration committee.

The five other directors are independent directors.

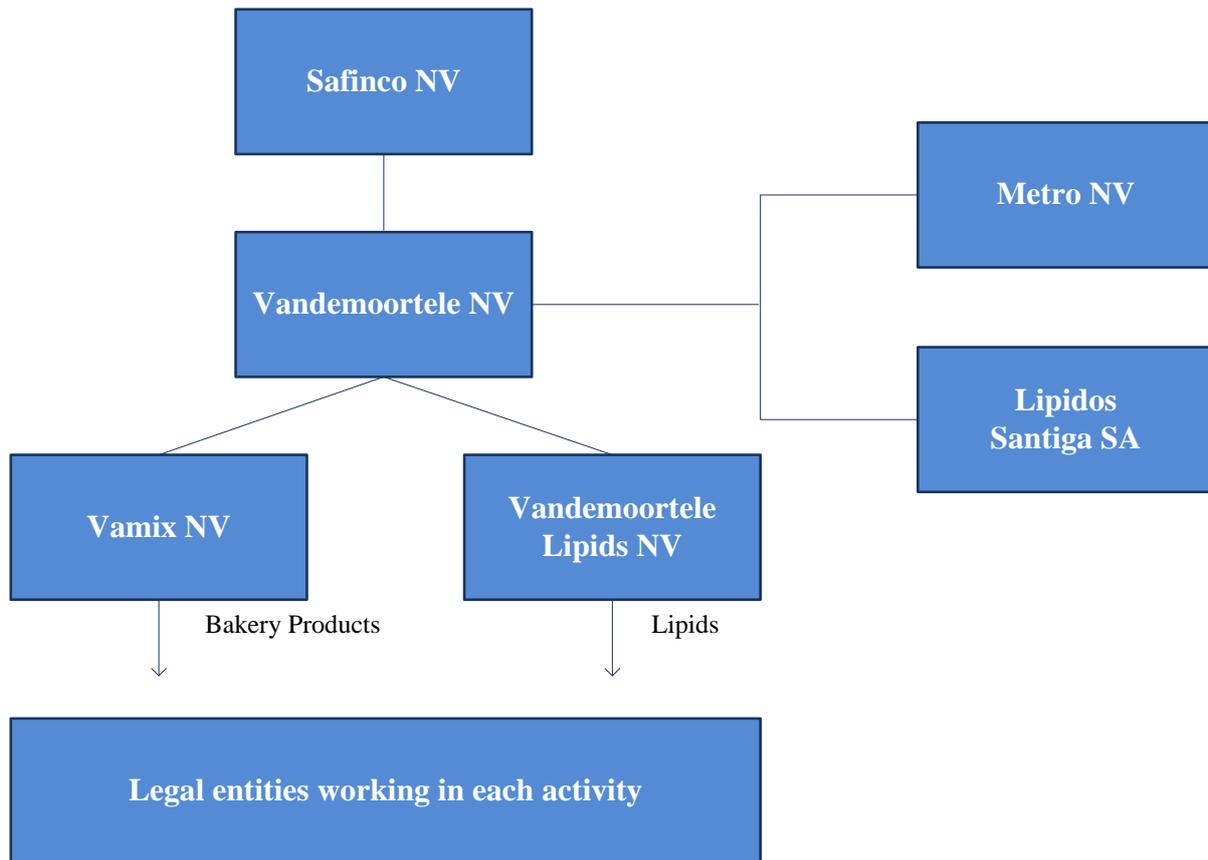
See "*Management and Corporate Governance*" in Section VII of this Prospectus.

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. (See Appendix 1 of the Vandemoortele Corporate Governance Charter (available at www.vandemoortele.com) for a detailed structure chart of the Group.)

The total liabilities of Vandemoortele UK Limited, Safinco Nederland BV, Vandemoortele Nederland BV and Vandemoortele Brunssum BV are fully guaranteed by the Issuer. Such guarantees relate to the exemption from the requirements to the audit of accounts pursuant to applicable law. See Note 33.3 to the consolidated financial statements for the financial year 2014 (available at www.vandemoortele.com).



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 (branch), 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 36 to the consolidated financial statements for the financial year 2014 (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). (See also the segment information on page 24 of the consolidated financial statements for the financial year 2014 (available at www.vandemoortele.com.) 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. (See also Section "Market and Industry Information" on page 5 of the Prospectus.)

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 556 million for the year ending on 31 December 2014)*

(a) *The European lipids market*

The European market for packed margarines and fats is important with a volume of 2,900 kT in the EU-28 and is overall a stable market, however with big regional differences. The core market of Vandemoortele is slightly declining (between 0.50% and 1% per year). The market is fairly consolidated with intense price competition. Overall, Vandemoortele is one of Europe's leading producers in the EU-28, with an estimated market share of 14%.² 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 1,600 kT, out of which the private labels represent circa 380 kT, a part that is growing. The second important channel is the industry channel with circa 720 kT, followed by the food service channel with circa 350 kT. The artisan bakery channel represents circa 265 kT.

- In the retail private label distribution channel, Vandemoortele is the leader in the EU-28 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 and AAK (acquired in 2014 the CSM industry business) as main competitors, followed by a number of smaller national players.
- Vandemoortele is also active, as a challenger, in branding products for culinary oils and margarines. Such activity is most developed in the Benelux. The main competitor is Unilever.

The market continues to evolve towards healthier alternatives, and in the case of fats, these are often culinary 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 spreads, but also towards more tasty variants such as butter blends.

Vandemoortele expects that the general evolution in this market in the coming years is towards sustainability. In the course of 2015, Vandemoortele will supply all its palm oil based branded products with certified sustainable palm. Next to Round Table for Sustainable Palm Oil initiatives for a sustainable supply chain, Vandemoortele has also started an initiative for full traceability of palm which could in the end guarantee a fully zero-deforestation approach from 2020 onwards.

(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 five production sites in four countries. In Belgium, the Izegem site produces retail and professional margarines and fats. The Santa Perpetua (Barcelona, Spain) plant focuses on industry margarines. In Germany, operations are split between Hamburg (professional

² Source: The Issuer's internal strategic review of the Lipids and Frozen Bakery markets (based on both internal and, to the extent available, external market data).

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 940 FTE (Fulltime-Equivalent).

As a result of strict cost control measures, the results for the year ending on 31 December 2014 of the Lipids business line exceeded the budget expectations despite strong pressure on volumes due to the highly competitive environment.

To date, for 2015, 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, and has launched recently sunflower based oils under the Reddy 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', 'Gold Cup' and 'Opal', 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 'Vandemoortele'.

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. This tailor made approach is now branded under the overall 'Baker's margarine' brands.

(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 volatility in vegetable oil prices is driven by the growing demand from emerging markets, by the fluctuating demand for bio fuels (depending on the prices of mineral oils and the mandatorily blending rates), by geopolitical influences (e.g., Ukraine) and by production of the different crops.

2. *Bakery Products business line (revenue EUR 709 million for the year ending on 31 December 2014)*

(a) *The European frozen bakery products market*

The BVP (*boulangerie, viennoiserie, patisserie*) consumption in Europe (EU-28) represents circa EUR 130 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 7 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 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 one of the few pan-European players operating in more than twenty countries. With EUR 710 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.³ 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 27 plants: 19 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 approximately 3,800 FTE (Fulltime-Equivalent). The acquisition of LAG in Italy (March 2015) adds 3 plants, 300 FTE, roughly EUR 81 million turnover and provides an important entry into the growing savoury market.

As a result of strict cost control measures and the focus on certain product market combinations, the results for the year ending on 31 December 2014 of the Bakery Products business line were above budgeted expectations despite a modest increase on volumes due to the highly competitive environment.

(c) *Products*

The Group's Bakery Products business line offers a wide range of products such as bread, pastry, patisserie, sweet treats and savoury 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 specialties, made according to a traditional recipe from the French Pyrenees, and sold under the brand name 'Les Pains Pérènes de Roland Cottès'. The acquisition of Panavi (France) in 2008 reinforced the Group's position as one of the European market

³ Source: The Issuer's internal strategic review of the Frozen Bakery market (based on both internal and, to the extent available, external market data).

leaders in the production and sale of basic frozen bread. The acquisition of LAG in Italy brings instant market leadership in the Italian bread ISB market channels.

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 gateau 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 Bakery business line has a number of regional specialty products in its range, not in the least the famous “*Galettes des Rois*” (“*Driekoningentaart*”) which is delivered in huge volumes in just a couple of days in the beginning of January, which proves the real expertise of the business line’s knowhow to manage such a complex operation.

The sweet treats 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.

The savoury products are a growing category especially in applications of added value ingredients to bread specialties such as herbs, spices, vegetables (tomatoes, olives,...). With the acquisition of LAG, the Group strengthens its position in the savoury bakery products range, with focaccia as his flagship product.

(d) *Raw Materials*

The main raw materials for the business line are flour, butter, chocolate, sugar and egg yellow. Volatility is high and driven by different factors such as growing demand from emerging markets, geo-political influences (e.g., Ukraine) and production results of the different crops.

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 70 lorries, Metro provides daily services in all Western European countries. Metro realised a turnover of EUR 74 million in 2014, 14% of which resulted from third parties.

Panalog SAS (“**Panalog**”) is specializing in the storage and distribution of frozen products in France. With 10 warehouses, 25 refrigerated large lorries and 92 small distribution vehicles, Panalog offers a frozen food network that covers the entire metropolitan French territory. Panalog realised a turnover of EUR 39 million in 2014, 6% of which resulted from third parties.

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.

Lipidos Santiga achieved for the financial year 2014 a turnover of about EUR 423 million. Lipidos Santiga employs approximately 188 people. To date, in 2015 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 Issuer 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 margarines, culinary oils and fats and of frozen bakery products, mainly in the business to business relationship.

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 in both business lines.

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.⁴ 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 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.

⁴ Source: The Issuer's internal strategic review of the Lipids and Frozen Bakery markets (based on both internal and, to the extent available, external market data).

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.

6. *Continuous improvements*

The Group has a continuous improvement approach striving towards operational excellence across the business. This results in process and costs improvements.

I. *Recent Developments*

Acquisition of LAG

In January 2015, the Group announced the acquisition of the entire issued share capital of LAG (Lanterna-Agritech) ("**LAG**"), the market leader in frozen focaccia and bread in Italy, from LAG's management and private equity funds Yarpa and LBO France. With this acquisition, the Group aims to strengthen its bakery products business in Italy and to extend its product range with typical Italian products such as focaccia and ciabatta. LAG employs around 300 people with production operations in Genoa, Ravenna and Padua and an annual turnover of EUR 91.8M in 2014. The acquisition closed in March 2015.

Refinancing of debt

On 10 March 2015 the Issuer and Vandemoortele Coordination Center NV entered into the EUR 200,000,000 Revolving Facility (see "*Material Contracts*" in this Section V). The Revolving Facility was used to refinance the EUR 300,000,000 term and revolving facilities agreement dated 3 June 2010 as amended from time to time between amongst others the Issuer and Vandemoortele Coordination Center NV, Fortis Bank SA/NV (BNP Paribas Fortis SA/NV), ING Belgium SA/NV, KBC Bank NV, Belfius Bank SA/NV and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabobank**") (the "**Senior Facilities Agreement**"). The Revolving Facility was also used to finance the acquisition of LAG (see also Section VIII ("*Use of Proceeds*")) and to finance general corporate purposes. At the date of this Prospectus, the outstanding amount under the Revolving Facility amounts to EUR 95,000,000.

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. The agreement with Cargill (as amended) dates back to 1998. The agreement with Lipidos Santiga (as amended) dates back to 1996. 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. These agreements represent a substantial portion of the Group's supply of refined oils and fats.

2. Revolving Facility

Overview

On 10 March 2015, the Issuer and Vandemoortele Coordination Center NV (a wholly-owned subsidiary of the Issuer), as original borrowers and original guarantors, ING Bank N.V. and KBC Bank NV, as bookrunning mandated lead arrangers, BNP Paribas Fortis SA/NV, as mandated lead arranger, Belfius Bank SA/NV and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank"), as lead arrangers, KBC Bank NV, acting as agent, and ING Bank N.V., acting as coordinator, have entered into a revolving facility agreement (the "**Revolving Facility**").

Pursuant to the Revolving Facility, facilities for an aggregate total amount of EUR 200,000,000 can be granted to the Issuer and Vandemoortele Coordination Center NV by the lenders, with the possibility of up to EUR 30,000,000 ancillary facilities to be provided by the lenders.

The Revolving Facility replaces the EUR 300,000,000 Senior Facilities Agreement.

Guarantee

The Issuer and the following subsidiaries thereof guarantee the due payment of all borrowers' obligations under the Revolving Facility, subject to certain limitations: Vandemoortele Coordination Center NV, Metro NV, Vamix NV, Vandemoortele Lipids NV, Vandemoortele Izegem NV, Vandemoortele Eeklo NV, Cottes Action SA, Cottes Usines SAS, Panavi SAS, Vandemoortele France SAS, Vandemoortele Nederland B.V., Vandemoortele Brunssum B.V., Vandemoortele Ghislenghien SA, Vandemoortele Seneffe SA, Vandemoortele Reims 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.

Purpose

The Revolving Facility can be used for general corporate purposes, including working capital, the funding of permitted acquisitions, permitted one-off distributions, capital expenditure, repayment of the Subordinated Facility Agreement and repayment of the Existing Bonds (as defined below).

Repayment

Each facility is to be repaid on the last day of its interest period. The Revolving Facility is to be repaid in full on 10 March 2020.

Prepayment

The Revolving Facility 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 Revolving Facility (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 by any member of the Group.

The Revolving Facility 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 EUR 5,000,000, subject to payment of break costs as the case may be.

Interest Rate

The interest rate margin (over EURIBOR) under the Revolving Facility is fixed until 30 June 2015 at 0.80 and thereafter fluctuates between 0.60 and 1.55 depending on the Issuer's leverage ratio.

Representations, Undertakings, Covenants and Events of Defaults

The Revolving Facility 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 certain 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), financial indebtedness incurred by the Issuer and Vandemoortele Coordination Center NV to the extent the senior leverage at the time of incurrence is less than 2.50:1, financial indebtedness of Vandemoortele Lipids NV and/or the Issuer under the Irrevocable and Revolving Letter of Credit (as defined below), financial indebtedness under any derivative transaction, financial indebtedness under the Existing Bonds (as defined below), a general basket of EUR 50,000,000 of additional financial indebtedness in aggregate for all borrowers and guarantors (other than the Issuer and Vandemoortele Coordination Center NV) and a general basket of EUR 25,000,000 of additional financial indebtedness in aggregate for members of the Group which are not borrowers or guarantors. The issuance of the Bonds is permitted pursuant to the Revolving Facility as the senior leverage at the time of incurrence is less than 2.50:1.

The Group is further subject to various financial covenants under the Revolving Facility, including a maximum senior leverage ratio of 3.00 (subject to an agreed leverage spike of 3.25:1) and a minimum interest cover ratio of 3.00.

The Revolving Facility further allows the requisite majority of lenders to accelerate the Revolving Facility 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 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 EUR 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 representations and warranties, covenants and events of default in line with those set forth in the Revolving Facility. In particular, the covenants under the Subordinated Facility Agreement cross-refer to the covenants under the Revolving Facility such that what is permitted under the Revolving Facility is also permitted under the Subordinated Facility Agreement. For instance, the Subordinated Facility Agreement restricts the incurrence of additional financial indebtedness, except where such financial indebtedness is permitted under the Revolving Facility. As mentioned above, the issuance of the Bonds is permitted under the Revolving Facility.

4. *Intercreditor Agreement*

On 10 March 2015, the Issuer, the lenders under the Revolving Facility, 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 investor 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 BNP Paribas Fortis SA/NV.

The Intercreditor Agreement provides for contractual subordination of the lenders under the Subordinated Facility Agreement vis-à-vis the lenders under the Revolving Facility 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. *Existing bonds due 13 December 2017*

On 13 December 2012 the Issuer has issued EUR 75,000,000 5.125 per cent. fixed rate bonds due 13 December 2017 (the "**Existing Bonds**"). The Existing Bonds were offered to retail and institutional investors in Belgium and the Grand Duchy of Luxembourg and are listed on the Luxembourg Stock Exchange. The prospectus dated 19 November 2012 in relation to the Existing Bonds is available on the Issuer's website (www.vandemoortele.com).

The Existing Bonds constitute direct, unconditional, unsubordinated and (subject to the negative pledge condition) unsecured obligations of the Issuer. The terms and conditions of the Existing Bonds are substantially similar to the terms and conditions of the Bonds (except that the interest rate of the Existing Bonds is subject to a step-up in the event the Issuer's senior net debt exceeds certain thresholds whereas the terms and conditions of the Bonds do not contain such feature).

6. Factoring Agreements

ING Commercial Finance Belux NV

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 32,500,000 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.

The agreement entered into force on 13 November 2012 for an initial period of three (3) years, subject to tacit renewal for subsequent periods of one (1) year, unless terminated by either party upon six (6) months’ notice.

BNP Paribas Fortis

On 18 October 2013 Panavi S.A.S. and BNP Paribas Fortis Factor NV (“**BNPPFF**”) entered into a non-recourse factoring agreement. Subject to the terms and conditions of the agreement, Panavi S.A.S. will assign to BNPPFF title to certain eligible receivables arising from the supply of goods or the provision of services on a non-recourse basis and BNPPFF will purchase these receivables against payment of the nominal value of these receivable reduced by a discount. BNPPFF 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 BNPPFF receives payment under the receivables. The maximum aggregate Initial Purchase Price paid for these receivables shall be limited to EUR 32,500,000 at any time.

During the term of the factoring agreement Panavi S.A.S. is not permitted to assign its receivables to any other party than BNPPFF or to pledge or encumber the same in any way to the benefit of any other party than BNPPFF.

The agreement entered into force on 12 November 2013 for an initial period of three (3) years, subject to tacit renewal for subsequent periods of one (1) year, unless terminated by either party upon six (6) months’ notice.

7. Irrevocable and Revolving Letter of Credit

Vandemoortele Lipids NV, KBC Bank NV and a major supplier of Vandemoortele Lipids NV (the “**Supplier**”) have entered into an agreement pursuant to which the Supplier has the right to submit its invoices to KBC Bank NV which accepts to pay the Supplier (without recourse) pursuant to an irrevocable and revolving letter of credit issued by KBC Bank NV (the “**Irrevocable and Revolving Letter of Credit**”). The Irrevocable and Revolving Letter of Credit has an initial term from 30 April 2015 until 31 March 2016, subject to tacit renewal for one-year periods. KBC Bank NV accepts deferred repayment of these invoices by Vandemoortele Lipids NV. The Issuer, Vandemoortele Lipids NV and KBC Bank NV have on 15 April 2015 entered into a credit agreement in the amount of EUR 35,000,000 which can be used by Vandemoortele Lipids NV to issue letters of credit to the Supplier.

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 2014 financial year

The fiscal year 2014 showed revenues of EUR 1,269 million, in line with the EUR 1,278 million during 2013. The scope of consolidation remained unchanged during this period. The Group Recurring EBITDA (REBITDA) increased by EUR 19 million compared to 2013. Both the Bakery Products and Lipids business lines have done better than expected. The Group Recurring EBIT (REBIT) improved to EUR 66 million from EUR 45 million during the previous year. The Group's consolidated net result amounted to EUR 32 million after financial expenses of EUR 10 million and income tax charges of EUR 12 million.

Next to the EBITDA, the operational working capital (EUR 105.7 million) stays in line with 2013 (EUR 102 million). (The operational working capital is calculated as the sum of inventories and trade receivables minus trade payables.)

The consolidated balance sheet of the Issuer shows equity of EUR 353 million, a subordinated loan of EUR 75 million and net senior financial debt of EUR 58 million compared to EUR 69 million at 31 December 2013. The positive Free Group Cash Flow of EUR 22.4 million in 2014 is partially used for the payment of dividends and an investment in a leased plant construction. (The Free Group Cash Flow is defined as the cash flow from the operating activities minus the change in working capital minus interests and income taxes paid minus investing activities.) The remaining positive Free Group Cash Flow was used to decrease the Group's senior net financial debt with EUR 11 million between 2013 and 2014.

The Lipids business volume decreased slightly compared to previous year. The profitability improved slightly versus 2013 as the Group could benefit from the decreasing raw material prices during 2014 thanks to a good hedging strategy.

The market for Bakery Products remains highly competitive with commodities markets and general economic conditions remaining challenging. Volumes sold and revenue are above previous year. The margin improved substantially thanks to many optimization programs in logistics as well as improvement of the industrial footprint. Furthermore the Bakery Products could benefit of decreasing raw material prices and a good coverage policy.

As of the fiscal year 2014, the Group has applied a number of new and revised International Financial Reporting Standards (IFRSs), including the amendments to IAS 39 "Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting". The current interpretation of IAS 39 provides flexibility for the use of the "Own use scope exception of IAS 39" in the event that raw materials are used for own production. In this respect, the Issuer uses the purchased crude oils exclusively to convert into refined oils that are used in its own production process in order to deliver finished products. No restatements of the opening balance were made, since the impact on the financial statements was immaterial. The impact on the consolidated financial statements of the financial year 2014 (reversal of balance sheet of 31 December 2013) amounted to EUR 197,350 on the net equity (gross impact of EUR 298,970 with a deferred tax effect of EUR -101,620) and to EUR -559,941 on the net P&L (gross impact of EUR -848,267 with deferred tax effect of EUR 288,326). The accounting policies applied in the consolidated financial statements have been updated in this regard and a description thereof is presented in Notes 2 and 3 to the consolidated financial statements for the financial year 2014 (available at www.vandemoortele.com).

B. Audited financial information

The full year end financial statements for the financial years 2013 and 2014 can be consulted on www.vandemoortele.com.

The key financial information for the financial years 2013 and 2014 is listed below.

Income Statement Key Financial Information 31.12.2013 and 31.12.2014

<i>in millions of EUR</i>	31.12.2013	31.12.2014
Revenue	1,278	1,269
Recurring Operational Cash Flow (REBITDA)	90	110
Recurring depreciation, amortisation and write-offs	(45)	(44)
Recurring Operational Profit (REBIT)	45	66
Non-recurring items	(9)	(10)
Impairment	0	(2)
Operational Profit (EBIT)	36	54
Net financial income / (expense)	(15)	(10)
Result according to the equity method	(4)	0
Pre-Tax Current Profit / (Loss)	17	44
Income tax expense	(7)	(12)
Profit / (Loss) from Continuing Operations	10	32
Profit / (loss) from discontinued operations	0	0
Profit / (Loss) (EAT)	10	32

Balance Sheet Key Financial Information 31.12.2013 and 31.12.2014

<i>in millions of EUR</i>	31.12.2013	31.12.2014
Net fixed assets (NFA)	455	465
Working capital need (WCN)	19	24
Capital Employed	474	489
Equity	335	354
Provisions and others	7	11
Subordinated debt	63	66
Senior net financial debt (NFD)	69	58
Capital Provided	474	489
Ratio's		
Recurring operational cash flow (REBITDA) / Revenue	7.0%	8,7%
Recurring operational profit (REBIT) / Revenue	3.5%	5.2%
Net profit (loss) / Revenue	0.8%	2.5%
Senior NFD / Equity	21%	16%
Senior NFD / Recurring operational cash flow (REBITDA)	0.8%	0.5%
Recurring operational profit (REBIT) / Capital employed	9.5%	13.5%
Capital expenditures (in millions of EUR)	34	57

C. 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 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.

D. *Prospects*

There has been no material adverse change in the prospects of the Issuer since 31 December 2014.

VII. MANAGEMENT AND CORPORATE GOVERNANCE

A. Board of Directors

The Issuer's Board of Directors consists of fourteen members, five of which are external (which are independent directors within the meaning of Article 526ter of the Belgian Company Code, not applying Article 526ter, 2° 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, two of which are elected among the candidates presented by GIMV as holder of the warrants giving right to the B shares and one of which is elected among the candidates proposed by the Compensation and Nomination Committee. 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.

	<u>First appointed</u>	<u>Expiry of current term</u>	<u>External Director</u>	<u>Audit Committee</u>	<u>C&N Committee</u>
Jean Baron Vandemoortele ^{(1) (A)}	2009	2015		X	X (Chairman)
Financière des Cytises NV , represented by its permanent representative Mr. Michel Delloye ^{(2) (3)}	2011	2017	X	X (Chairman)	X
Arval NV , represented by its permanent representative Mr. Christian Vandemoortele ^(A)	2003	2017			
Mrs. Ann Deruyttere ^(A)	2010	2016			
Retail Development Services SPRL , represented by its permanent representative Mrs. Chantal Heymans ^(A)	2011	2017			
Countess Marie-Christine de Briey – Casier ^(A)	1998	2017			
Arema SPRL , represented by its permanent representative Mr. François Casier ^(A)	2001	2017		X	X
Mr. Peter Maenhout ^(B)	2009	2015			X
Tom Baron Van de Voorde ^(B)	2012	2015		X	
Mr. Gerbrand Visser	2015	2016	X		
Euro Invest Management NV , represented by its permanent representative Mr. Philippe Haspeslagh	2002	2017	X		
Mr. Michel Leonard	2010	2016	X		
Wall & Waltz EBVBA , represented by its permanent representative Mr. Eddy	2011	2017	X		

	<u>First appointed</u>	<u>Expiry of current term</u>	<u>External Director</u>	<u>Audit Committee</u>	<u>C&N Committee</u>
Walraevens					
Jules Noten Comm.V. , represented by its permanent representative Mr. Jules Noten ⁽⁴⁾	2014	2017			

⁽¹⁾ Chairman of the Board

⁽²⁾ Appointed as successor of Cytindus NV on 1 January 2015 until expiry of the initial term of Cytindus NV

⁽³⁾ Vice-Chairman of the Board

⁽⁴⁾ CEO and Executive Director

^(A) nominated by holders of A shares

^(B) nominated by holders of B shares or warrants

At the date of this Prospectus the articles of association of the Issuer provide that five members of the Board of Directors need to be independent directors in the meaning of Article 526ter of the Belgian Company Code (as if such Article were legally applicable to the Issuer, which it is not). In its current composition, the Board of Directors only has four members which meet this requirement of the articles of association of the Issuer. The Issuer has convened an extraordinary meeting of shareholders of the Issuer which will take place on 22 May 2015 to amend the articles of association of the Issuer with a view to amend the eligibility criteria for directors to be considered as independent directors and their maximum number of re-elections, as included in the agenda of the convening notice published in the Official Belgian State Gazette on 7 May 2015. More in particular, the requirement of Article 526ter, 2° of the Belgian Company Code providing that an independent director can only be re-elected twice with a maximum term of twelve years, will no longer be applicable to the Issuer following the approval of the relevant proposals at the extraordinary meeting of shareholders of the Issuer of 22 May 2015. As a result thereof the current composition of the board of directors of the Issuer will be in line again with the articles of association of the Issuer. The Board of Directors of the Issuer will subsequently ratify all corporate actions and decisions taken in respect of the Bond Offering.

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).

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.

Jean Baron Vandemoortele, Chairman

Jean Baron Vandemoortele (°1958) joined the Group in 1982 and spent his entire professional career with the Group. Prior to his appointment on 13 May 2014 as Chairman, he served as CEO of the Group since 2003. He holds a degree in Applied Economics from the Catholic University of Louvain and also an MBA from Insead.

Michel Delloye, Vice-Chairman and Independent Director (representing Financière des Cytises NV)

Mr. Michel Delloye (°1956) is the permanent representative of Financière des Cytises NV, a management and consulting company that serves as Vice-Chairman and Independent Director of Vandemoortele since 2015. (From 2011 until 2015, Cytindus NV, with permanent representative Mr. Michel Delloye served as Independent Director and as Chairman (until 13 May 2014) of Vandemoortele.) 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. He also serves on the boards of directors of, among other companies, Telenet Group Holding NV, Brederode SA and Matexi Group NV. Mr. Delloye obtained a law degree from the Université Catholique de Louvain.

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

Mrs. 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 on the board of directors of Cash Converters Belgium Holding SA and Woké LLN SA. Prior to that she was Assistant-Manager at Materne-Döhler NV (1985-1987), held various posts (including Franchise Manager) at Mestdagh NV (1989-1998), was Development Manager at Laurus Belgium NV (1998-2001), participated in the real estate management of Decathlon Benelux SA (2001-2004) and served as CEO at Cash Converters Belgium (2004-2014). She holds a Degree in Business Administration from the University of Liège.

Countess Marie-Christine de Briey – Casier, Director

Countess Marie-Christine de Briey - Casier (°1954) worked in a political party (UDRT) after a training period at the European Community, and is currently vice-president of 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 Managing Partner, Head Consumer2020 Gimv and Managing Partner Gimv-XL (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 Partner Smart Industries 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.

Gerbrand Visser, Independent Director

Mr. Gerbrand Visser (°1955) started his career as candidate-notary of Majoor & Plaggemars notaries and moved to the Amsterdam office of Loeff Claeys Verbeke (currently, Allen & Overy LLP) in 1989. Mr. Visser has been a partner at the Amsterdam office of Allen & Overy LLP from 1994 until 1 May 2015. Mr. Visser specialised in mergers & acquisitions, splits, restructurings and capital markets. Mr. Visser is currently a director of the *administratiekantoor* Familie Blokker and Familie Smit. Mr. Visser is also a member of the board of advisors of the notarial education of the law faculty at the university of Groningen. As of 1 September 2015, Mr. Visser will serve as the head of alumni relations and funds raising of the university of Groningen as well as director of the Ubbo Emmius Fund foundation. Mr. Visser holds a degree in notarial law and fiscal law of the university of Groningen.

Philippe Haspeslagh, External 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 Chemistry from the University of Ghent.

Jules Noten, CEO and Executive Director (representing Jules Noten 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 (a Unilever company) (1996-1999), Managing Director at Van den bergh Foods (a Unilever company) (1999-2001), General Manager and Chairman at Unilever Bestfoods Belgium (2001-2003), CEO of Partners in Lighting International (Massive) (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 enjoyed executive education at Kellogg School of Management (1996) and Harvard Business School (2000). Mr. Noten has been the Managing Director Bakery Products Business Line since 1 August 2012 and since 13 May 2014 he serves as well as CEO of the Group.

B. Executive Management: the Vandemoortele Group Executive

Name	Position	Appointed
Jules Noten Comm.V., represented by its permanent representative Mr. Jules Noten	CEO and Managing Director Bakery Products Business Line	13 May 2014 ⁽¹⁾
Mr. Jan Gesquière	CFO	17 February 2014
Mr. Jan Van Hootegem	Group HR Director	7 October 2003
Mr. Bart Bruyneel	Managing Director Lipids Business Line	4 September 2008
Mr. Dirk Durez	Secretary General	7 October 2003

⁽¹⁾ Managing Director Bakery Products Business Line since 1 August 2012

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).

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.

Jules Noten, Chief Executive Officer and Managing Director Bakery Products Business Line (representing Jules Noten 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. Mr. Noten has been the Managing Director Bakery Products Business Line since 1 August 2012 and since 13 May 2014 he serves as well as CEO of the Group.

Jan Gesquière, Chief Financial Officer

Mr. Jan Gesquière (°1961) joined the Group on 17 February 2014. He served as the Chief Financial Officer at Elia System Operator SA from 2003 until 2013. In 1986, Mr. Gesquière began his career as an Audit Assistant at Ernst & Young, specializing in Controlling. Three years later, he moved to Sidmar, a subsidiary of European steel producer Arcelor, where he started out as an Internal Auditor and later moved up to Finance & Administration Manager in the scrap division. In 1993, Mr. Gesquière was appointed as Chief Financial Officer of textile and chemical firm Domo. He served as a Director of Commercial Catering, Global Hotel and Hot Cuisine, subsidiaries of Autogrill Belux N.V. He earned his diploma in Commercial Engineering in 1984 from the Catholic University of Leuven.

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 and a Master in Coaching & Consulting for Change from Insead.

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 an engineering degree and a Ph.D. in Chemistry and Agricultural Sciences from the University of Ghent and also an MBA from Insead.

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
Financière des Cytises NV (chairman), represented by its permanent representative Mr. Michel Delloye	2017
Jean Baron Vandemoortele	2015
Arema SPRL, represented by its permanent representative Mr. François Casier	2017
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).

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 Issuer, 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
Jean Baron Vandemoortele (Chairman)	2015
Financière des Cytises NV, represented by its permanent representative Mr. Michel Delloye	2017
Arema SPRL, represented by its permanent representative Mr. François Casier	2017
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):

- 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 its shares are not listed on any exchange or market to date, undertakes its best efforts to apply the governance best practices of the 2009 Belgian Code on Corporate Governance of 12 March 2009. The Board of Directors approved the first version of Vandemoortele's corporate governance charter on 6 April 2006 and adopted its fourth update on 3 March 2015.

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

E. Statutory Auditors

The statutory auditor of the Issuer (the “**Statutory Auditor**”) is Deloitte Bedrijfsrevisoren CVBA, with registered office at Berkenlaan 8b, 1831 Diegem, Belgium, represented by Mr. Kurt Dehoorne and Ms. Charlotte Vanrobaeys.

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

The consolidated financial statements of the Issuer for the financial year ended 31 December 2014 have been audited and approved without qualifications by Deloitte Bedrijfsrevisoren CVBA.

The consolidated financial statements of the Issuer for the financial year ended 31 December 2013 have been audited and approved without qualifications by the Issuer's previous statutory auditor, PwC Bedrijfsrevisoren BVBA, represented by Mr. Peter Opsomer.

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 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 minimum EUR 75,000,000 and maximum EUR 100,000,000, will be predominantly used to prepay the outstanding amount under the Revolving Facility (which was used to finance the acquisition of LAG as well as to finance general corporate purposes). At the date of this Prospectus, the outstanding amount under the Revolving Facility amounts to EUR 95,000,000.

In addition, the remaining part of the net proceeds of the Bond Offering – together with the Issuer's cash flows and existing financing – will be used to further finance the Issuer's business development (including, the extension or optimisation of production capacities in Seneffe, Eeklo and Arras, and the construction of a new plant in Poland) as well as general corporate purposes (including refinancing of existing debt) and financing of future acquisitions.

With this Bond Offering, the Issuer aims to further reduce its reliance on bank financing by achieving an optimal global balance between the Issuer's existing bank financing and financing through the debt capital markets, as well as to extend the maturity of its funding.

The expenses in connection with the Bond Offering, including the costs and fees, are expected to amount to EUR 300,000.

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, Austria is instead required (unless during that period it elects 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).

On 24 March 2014, the EU Council of Ministers has adopted a Council Directive pursuant to which Member States are required, as from 1 January 2016, to extend the scope of the requirements described above to (among other things) (i) payments made under certain financial instruments and life insurance contracts that are considered equivalent to debt claims, (ii) certain payments that are made to entities or legal arrangements (such as trusts) established outside the EU, where an individual resident in a Member State other than that of the paying agent is regarded as the beneficial owner of that payment and (iii) payments made to certain entities or legal arrangements established in the EU which are treated as paying agents on receipt of interest payments.

Investors should note that the European Commission is proposing to repeal the Savings Directive, since it has been overtaken by other EU legislation with a wider scope of automatic information exchange (including information on savings related income).

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. *European Mutual Assistance Directive*

EU Council Directive 2011/16/EU on administrative cooperation in the field of taxation (the “**Mutual Assistance Directive**”) provides rules and procedures for the administrative cooperation between Member States’ tax administrations including, amongst others, the automatic exchange of certain predefined information on residents in other Member States to the Member State of residence.

The Mutual Assistance Directive has been amended by EU Council Directive 2014/107/EU of 9 December 2014 providing for automatic exchange of information in accordance with the OECD standard. Under its amended reading, the Mutual Assistance Directive will, as of 1 January 2016, not only provide for the automatic exchange of information regarding interest income received by a resident of another Member State but regarding all financial income and proceeds (interest, dividends and capital gains). Moreover, the exchange of information will also apply to bank account balances at 31 December of each year.

Member States have until 31 December 2015 to adopt the laws, regulations and administrative provisions necessary to comply with the amended Mutual Assistance Directive and shall apply these measures as of 1 January 2016. Due to the wider scope of the amended Mutual Assistance Directive, it is expected that the Savings Directive will eventually be repealed.

C. *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 25%.

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 / Code des impôts sur les revenus 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 ITC 1992 (“**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 25%. This withholding tax is withheld by the NBB from the interest payment and paid to the tax authorities.

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 25% withholding tax in Belgium. Payment of the 25% withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (*précompte mobilier libérateur/bevrijdende*

roerende voorheffing). This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return, provided withholding tax was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare the interest in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at the interest withholding tax rate of 25% or, if it is lower; at the progressive personal tax rates taking into account the taxpayer's other declared income. If the interest payment is declared, the withholding tax retained by the NBB may be credited.

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 25% 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 taksen*).

D. *The proposed financial transactions tax*

The European Commission has published a proposal for a directive for a common financial transactions tax (the “**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution established in a participating Member State, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State; or (b) in situations where the financial instrument which is subject to the dealings is issued in a participating Member State.

Notwithstanding the European Commission proposals, a statement made by the participating Member States (other than Slovenia) indicates that a progressive implementation of the FTT is being considered, and that the FTT may initially apply only to transactions involving shares and certain derivatives, with implementation occurring by 1 January 2016. However, full details are not available.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

X. THE BOND OFFERING

KBC Bank NV (having its registered office at Havenlaan 2, B-1080 Brussels) and Belfius Bank SA/NV (having its registered office at Pachecolaan 44, B-1000 Brussels) (together the “**Joint Lead Managers**” and each a “**Joint Lead Manager**”); BNP Paribas Fortis SA/NV (having its registered office at Warandeborg 3, B-1000 Brussels), ING Bank N.V. (acting through its Belgian branch having its registered office at Marnixlaan 24, B-1000 Brussels), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) (having its main business address at Croeselaan 18, 3521 CB Utrecht, The Netherlands) and Bank Degroof NV/SA (having its registered office at Nijverheidsstraat 44, B-1040 Brussels) (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 19 May 2015 (the “**Placement Agreement**”), agreed with the Issuer, subject to certain terms and conditions, to use best efforts to place the Bonds for a minimum principal amount of EUR 75,000,000 and a maximum principal amount of EUR 100,000,000 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.

Each of the services provided by the Managers may be granted by any Manager acting through any of its branches, affiliates or related companies, and all references to “Managers” herein will be understood as to include such branches and affiliated companies, to the extent that such services are provided by such entities.

A. *Subscription Period*

The Bonds will be offered to the public in Belgium (the “**Bond Offering**”). The Bonds will be issued on 10 June 2015 (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 34 of the 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 May 2015 at 9.00 a.m. (Brussels time) and end on 2 June 2015 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 SA/NV (www.belfius.be/vandemoortele), BNP Paribas Fortis SA/NV (www.bnpparibasfortis.be/emissies or www.bnpparibasfortis.be/emissions), ING Bank N.V. (www.ing.be (beleggen – obligaties) or www.ing.be (investor - obligations), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) (www.rabobank.be/nl/beleggen/particulier/obligaties and www.rabobank.be/fr/investir/particulier/obligations) and Bank Degroof NV/SA (www.degroof.be).

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 SA/NV (www.belfius.be/vandemoortele), BNP Paribas Fortis SA/NV (including the branches acting under the commercial name of Fintro), ING Bank N.V. (www.ing.be (beleggen – obligaties) or www.ing.be (investor - obligations), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) (www.rabobank.be/nl/beleggen/particulier/obligaties and www.rabobank.be/fr/investir/particulier/obligations) and Bank Degroof NV/SA (www.degroof.be).

The applications can also be submitted via agents or any other financial intermediaries in Belgium. 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 Euronext Brussels 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, (v) the extraordinary shareholders’ meeting of the Issuer having convened on 22 May 2015 and approved the amendments to the articles of association, as included in the agenda of the convening notice published in the Official Belgian State Gazette on 7 May 2015, and the Board of Directors of the Issuer subsequently ratifying all corporate actions and decisions taken in respect of the Bond Offering, and (vi) 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.

If the terms of the Bond Offering and the subsequent issuance of the Bonds are not met on the Issue Date (subject to waiver by the Managers of the conditions that could not be fulfilled) or any Manager terminates the Placement Agreement in one of the circumstances mentioned above, the Bonds will not be issued. Termination of the Placement Agreement by one of the Managers, does not trigger the termination of the Placement Agreement for the other Managers, but there is no obligation for the non-terminating Managers to place the Bonds assigned to the terminating Manager. In case of cancellation of the Bond Offering, a notice will be published on the website of the Issuer (www.vandemoortele.com) and on the websites of the Managers: KBC Bank (www.kbc.be/vandemoortele), Belfius Bank SA/NV (www.belfius.be/vandemoortele), BNP Paribas Fortis SA/NV (www.bnpparibasfortis.be/emissies or www.bnpparibasfortis.be/emissions), ING Bank N.V. (www.ing.be (beleggen – obligaties) or www.ing.be (investor - obligations), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) (www.rabobank.be/nl/beleggen/particulier/obligaties and www.rabobank.be/fr/investir/particulier/obligations) and Bank Degroof NV/SA (www.degroof.be) and the total amount of funds already paid by investors for the Bonds will be reimbursed. For the avoidance of doubt, no interest will accrue on such amount.

C. Issue Price

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

The investors who are not qualified investors (as defined in the 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 net yield of the Bonds is 2.005 per cent. on an annual basis. The yield is calculated on the basis of the Issue Price for Retail Investors, the rate of interest of 3.060 per cent. per annum and is based on the assumption that the Bonds will be held until their maturity date when they will be repaid at 100% of their principal amount. It is not an indication of future yield if the Bonds are not held until their maturity date. The net yield reflects a deduction of Belgian withholding tax at the rate of 25 per cent. (Investors should consult Section IX “Taxation” of this Prospectus for further information about Belgian taxation.)

The minimum amount of subscription for the Bonds is EUR 1,000. The maximum amount of subscription is EUR 100,000,000.

D. Aggregate Nominal Amount

The maximum principal amount of the issue is EUR 100,000,000.

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 100,000,000.

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 SA/NV (www.belfius.be/vandemoortele), BNP Paribas Fortis SA/NV (www.bnpparibasfortis.be/emissies or www.bnpparibasfortis.be/emissions), ING Bank N.V. (www.ing.be (beleggen – obligations) or www.ing.be (investor - obligations), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) (www.rabobank.be/nl/beleggen/particulier/obligaties and www.rabobank.be/fr/investir/particulier/obligations) and Bank Degroof NV/SA (www.degroof.be).

E. Payment date and details

The payment date is 10 June. 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 May 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 100,000,000, (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. The Issuer will ensure that any such supplement is published as soon as possible after the occurrence of such new significant factor (see page 5 of the Prospectus under “Prior Warning” 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 under “Prior Warning” 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 22,500,000 (or 22.5 per cent. of the Aggregate Nominal Amount) exclusively with its own retail and private banking clients who are not Qualified Investors; Belfius Bank SA/NV has the right to place an amount of EUR 22,500,000 (or 22.5 per cent. of the Aggregate Nominal Amount) exclusively with its own retail and private banking clients who are not Qualified Investors (together, the “**Assigned Bonds**”); BNP Paribas Fortis SA/NV has the right to place an amount of EUR 15,000,000 (or 15 per cent. of the Aggregate Nominal Amount) exclusively with its own retail and private banking clients who are not Qualified Investors; ING Bank N.V. has the right to place an amount of EUR 15,000,000 (or 15 per cent. of the Aggregate Nominal Amount) exclusively with its own retail and private banking clients who are not Qualified Investors; Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) has the right to place an amount of EUR 10,000,000 (or 10 per cent. of the Aggregate Nominal Amount) exclusively with its own retail and private banking clients who are not Qualified Investors; and Bank Degroof NV/SA has the right to place an amount of EUR 5,000,000 (or 5 per cent. of the Aggregate Nominal Amount) exclusively with its own retail and private banking clients who are not Qualified Investors; and both KBC Bank NV and Belfius Bank SA/NV together have the right to place an amount of EUR 10,000,000 (or 10 per cent. of the Aggregate Nominal Amount) 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 SA/NV (www.belfius.be/vandemoortele), BNP Paribas Fortis SA/NV (www.bnpparibasfortis.be/emissions or www.bnpparibasfortis.be/emissions), ING Bank N.V. (www.ing.be (beleggen – obligaties) or www.ing.be (investor - obligations), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) (www.rabobank.be/nl/beleggen/particulier/obligaties and www.rabobank.be/fr/investir/particulier/obligations) and Bank Degroof NV/SA (www.degroof.be). 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 May 2015: publication of the Prospectus on the website of the Issuer;
- (b) 22 May 2015, 9.00 a.m. (Brussels time): opening date of the Subscription Period;
- (c) 2 June 2015, 4.00 p.m. (Brussels time): closing date of the Subscription Period (if not closed earlier);

- (d) Between 3 June 2015 and 7 June 2015: 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) 10 June 2015: Issue Date and listing of the Bonds on Euronext Brussels' regulated market and admission to trading of the Bonds on the regulated market of Euronext Brussels.

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 FSMA, 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. The Issuer has not taken any action to permit any offering of the Bonds in any other jurisdiction outside of Belgium.

The distribution of this Prospectus and the subscription for and acquisition of Bonds may, under the laws of certain countries other than Belgium, 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) 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. 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, 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 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.

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
- (b) 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. Other than the Managers and the finance parties under the Revolving Facility and the 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. (See also Section II.B.26 “*The Issuer, the Agent and the Managers may engage in transactions adversely affecting the interests of the Bondholders*”.)

Within the framework of normal business relationship with its banks, the Issuer entered into loans and other facilities (the “**Funding Transactions**”) with the Managers (via bilateral transactions or/and syndicated loans together with other banks including the Revolving Facility) and it can enter into additional Funding Transactions in the future, with the Managers or one or more of their respective affiliates (via bilateral transactions and/or syndicated loans together with other banks). Reference is made to Section II.B.26 of this Prospectus for a further description of the relevant transactions.

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 current and previous Statutory Auditor. The Issuer confirms that (a) the current and previous Statutory Auditor have agreed to the incorporation in the Prospectus of their audit opinions for the fiscal years ended 2014 and 2013 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 2014 and 2013;
 - (d) 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;
 - (e) the Prospectus and any supplement to this Prospectus; and
 - (f) a copy of the Placement Agreement, the Clearing Agreement and the Agency Agreement.
4. The Prospectus will be available on the Issuer’s website (www.vandemoortele.com) for as long as the Bonds, with the Issuer’s consent, continue to be listed on a regulated market and in printed form free of charge at the office of the Issuer.

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 FSMA 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 current and previous statutory auditor to incorporate by reference in this Prospectus the statutory auditor's report for the financial years ended 31 December 2014 and 31 December 2013.

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

1. The auditor's report and audited consolidated annual financial statements as of and for the year ended 31 December 2014 of the Issuer set out in the "2014 Financial Statements", set out at pages 5-71 and 74-76 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. 9
- notes to the consolidated financial statements	p. 10-69
- report of the statutory auditor	p. 70-71
- combined report of the board of directors	p. 74-76

The non-incorporated parts of the "2014 Financial Statements" are not relevant for the investors.

2. The auditor's report and audited consolidated annual financial statements as of and for the year ended 31 December 2013 of the Issuer set out in the "2013 Financial Statements", set out at pages 3-61 and 64-68 inclusive of such report, including:

- consolidated income statement	p. 3
- consolidated statement of comprehensive income	p. 4
- consolidated balance sheet	p. 5
- consolidated cash flow statement	p. 6
- consolidated statement of changes in equity	p. 7
- notes to the consolidated financial statements	p. 8-59
- report of the statutory auditor	p. 60-61
- combined report of the board of directors	p. 64-68

The non-incorporated parts of the "2013 Financial Statements" are not relevant for the investors.

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 Issuer (www.vandemoortele.com).

THE ISSUER

Vandemoortele NV

Moutstraat 64
9000 Ghent
Belgium

GLOBAL COORDINATOR

KBC Bank NV

Havenlaan 2
1080 Brussels
Belgium

JOINT LEAD MANAGERS

KBC Bank NV

Havenlaan 2
1080 Brussels
Belgium

Belfius Bank SA/NV

Pachecolaan 44
1000 Brussels
Belgium

CO-LEAD MANAGERS

**BNP Paribas Fortis
SA/NV**

Warandeborg 3
1000 Brussels
Belgium

**ING BANK N.V., Belgian
branch**

Marnixlaan 24
1000 Brussels
Belgium

**Coöperatieve Centrale
Raiffeisen-
Boerenleenbank B.A.
(Rabobank)**

Croeselaan 18
3521 CB Utrecht
The Netherlands

Bank Degroof NV/SA

Nijverheidsstraat 44
1040 Brussels
Belgium

DOMICILIARY, PAYING, CALCULATION AND LISTING AGENT

KBC BANK NV

Havenlaan 2
1080 Brussels
Belgium

TRANSACTION COUNSEL

Freshfields Bruckhaus Deringer LLP

Marsveldplein 5
1050 Brussels
Belgium

STATUTORY AUDITOR TO THE ISSUER

Deloitte Bedrijfsrevisoren CVBA

represented by Mr. Kurt Dehoorne and Ms. Charlotte Vanrobaeys

Berkenlaan 8b
1831 Diegem
Belgium