



HALF YEARLY FINANCIAL REPORT

FIRST SEMESTER 2008

INTERIM ANNUAL REPORT

MAIN ITEMS AND IMPORTANT EVENTS

- Ter Beke group:
 - Total turnover increases by 8.3% from EUR 177.4 million to EUR 192.1 million
 - EBIT increases by 15.8% from EUR 5.2 million to EUR 6 million;
 - Result after taxes increases by 6.2% to EUR 2.72 million compared to EUR 2.56 million in 2007;
 - Net cash flow increases by 6.1% from EUR 10.8 million to EUR 11.4 million
 - Increasing raw material prices and the drop of the British Pound put pressure on the margin;
- Processed Meats Division TerBeke-Pluma:
 - Increase in turnover by 12.1%, mainly thanks to the results of Berkhout which was taken over in September 2007;
 - Continuing growth in prepackaged processed meats;
- Ready Meals Division FreshMeals:
 - Further improvement of profitability;
 - Reorganisation of production activities in France.

CONSOLIDATED KEY FIGURES FIRST HALF OF 2008

Income statement in 000 euro			
	30/06/2008	30/06/2007	Δ %
Revenue (net turnover)	192.129	177.353	8,3%
EBITDA**	14.734	13.412	9,9%
Result of operating activities (EBIT)	6.050	5.223	15,8%
Net financing costs	-2.361	-1.703	38,6%
Result of operating activities after net financing cost (EBT)	3.689	3.520	4,8%
Taxes	-969	-959	1,0%
Earnings after taxes (EAT)	2.720	2.561	6,2%
Net cash flow*	11.404	10.750	6,1%
REBITDA***	15.362	13.412	14,5%
Recurring result of operating activities (REBIT)	6.050	5.223	15,8%
Financial position in 000 Euro			
	30/06/2008	31/12/2007	30/06/2007
Balance sheet total	240.918	247.770	225.539
Equity	73.581	74.421	70.912
Net financial debts	70.024	71.681	60.382
Equity/Total assets (in %)	30,5%	30,0%	31,4%
Key figures in euro per share			
	30/06/2008	30/06/2007	Δ %
Number of shares	1.732.621	1.729.971	0,2%
Average number of shares	1.730.602	1.724.710	0,3%
Net cash flow	6,59	6,23	5,7%
Earnings after taxes	1,57	1,49	5,1%
EBITDA	8,51	7,78	9,5%

* Net cash flow: Result after taxes + depreciation + impairment + fluctuations in provisions

** EBITDA: result of operating activities + depreciation + impairment + fluctuations in provisions

*** REBITDA: EBITDA from recurring operating activities

NOTES TO THE CONSOLIDATED KEY FIGURES

3.1 Turnover

The Ter Beke group opts to improve the profitability level of its activities.

The total turnover of the group increases in the first six months by 8.3% from EUR 177.4 to EUR 192.1 million.

The turnover of the ready meals division increased by EUR 0.9 million (+1.4%). This slight increase in turnover is the result of the continuing autonomous growth of the division on the one hand and on the other hand the termination by FreshMeals of a number of important volume contracts, mainly in France, which were concluded at a margin that was too low.

The turnover of the processed meats division increases by EUR 13.9 million (+12.1%). This increase in turnover is mainly the result of the acquisition of the Dutch Berkhout Verssnijljin in September 2007. With the same consolidation circle the turnover decreases slightly. This is the net effect of different movements. On the one hand the growth in the European retail compensates the decrease of the sales in the traditional bulk channels. On the other hand a number of volume contracts were terminated with Belgian and German discounters.

The turnover increased for all major existing customers thanks to amongst others the introduction of new and further improved products in both divisions. In the first half of 2008 an agreement was reached with Weight Watchers® for the launch of ready meals (lasagne and pizza) in Belgium. In the Netherlands the range of prepackaged processed meats was further expanded.

3.2. Results of operating activities

The EBITDA increases by EUR 1.3 million (+9.9%) from EUR 13.4 million in 2007 to 14.7 million in 2008. The EBITDA result of 2008 includes a one-off reorganisation cost of EUR 0.6 million with regard to the French activities. A provision was set up in 2007 in this respect (see infra regarding non-cash costs). The REBITDA result therefore amounts to EUR 15.3 million (+14.1%).

As announced earlier, the significant increase of the raw material prices also put pressure on the margins in 2008 because this increase could only be partly charged in the sales prices. In the first half of 2008 the group was unable to charge more than EUR 1 million in raw material prices in the sales prices. Moreover, the margin in the processed meats division is under extra pressure because of the exchange rate evolution of the British Pound, which resulted in a loss of EUR 0.9 million in the first half of the year. The group has covered itself against further drops of the British Pound.

The effects of the unrecovered raw material price increases and the negative exchange rate evolution of the British Pound were compensated by the results of

Berkhout Verssnijlijn, a further increased efficiency in the production activities, an improved product mix and the reduction of the structural costs.

Depreciations increase by EUR 1.2 million, mainly following the take-over of Berkhout Verssnijlijn and the further implementation of the 2007-2008 investment programme. The group invested EUR 8.5 million in the first half of 2008. On the other hand approximately EUR 0.6 million of the provision set up in 2007 for the reorganisation of the French activities was used. The increase of the total non-cash costs is therefore limited to EUR 0.5 million.

All this results in an increase of the EBIT by 15.8% from EUR 5.2 million in 2007 to EUR 6.0 million in 2008.

3.3 Net financing costs

The increase of the net financing costs by EUR 0.7 million is mainly the result of the external financing of the take-over of Berkhout Verssnijlijn (EUR 0.4 million) and EUR 0.3 million in exchange rate losses on trade receivables expressed in Pound Sterling.

3.4 Taxes

The tax rate in the first half of 2008 (26.3%) is practically in-line with the tax rate of the comparable period of 2007 (27.2%).

On 6 May 2008 Ter Beke won the legal dispute in appeal with the Belgian tax authorities regarding the Luxembourg captive reinsurance structure. The authorities have confirmed they will not appeal to the Supreme Court. This decision has no influence on the consolidated EBITDA-result of the Group. However, the group is currently investigating the consequences of this decision on the consolidated tax position.

3.5 Balance Sheet

Under IAS-34, the balance sheet figures of 30 June 2008 are compared with those of 31 December 2007. As there have been no changes in the consolidation circle since 31 December 2007, changes in balance sheet items are limited.

The decrease of the balance sheet total is primarily explained by a decrease in receivables of 5.8 million EUR.

Net debt decreases with 1.6 million EUR. This is mainly the result from the 14.8 million EUR cash inflow from operating activities minus the 13.2 million EUR cash outflow, consisting of investments (8.5 million EUR) and dividend and interest payments (4.7 million EUR).

The change in equity is mainly the result of the net profit after tax of the first semester minus the dividend awarded over the previous financial year.

PROSPECTS FOR 2008

In 2008 the group will continue to work on improving the profitability of the activities, both in its processed meats division TerBeke-Pluma and in its ready meals division FreshMeals.

The market is still facing a significant increase in raw material prices which will have to be charged on in the sales prices.

Unless the market environment significantly deteriorates, the group expects that the result for the full year 2008 will exceed the result of 2007.

RELATED PARTY TRANSACTIONS

In the first semester of 2008, no related party transactions occurred that had a material influence on the financial position or the results of the group in that period.

MATERIAL RISKS AND UNCERTAINTIES

The material risks and uncertainties for the remainder of 2008 are largely the same as described on page 42 of the annual report on the financial year 2007 and relate to the quality and price fluctuations of the raw materials used.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TER BEKE GROUP PER 30 JUNE 2008**

CONSOLIDATED BALANCE SHEET

	<u>2008</u>	<u>2007</u>
Assets		
Fixed assets	160.256	161.173
Goodwill	37.885	38.030
Intangible fixed assets	2.412	2.691
Tangible fixed assets	115.625	115.971
Financial fixed assets	135	129
Deferred tax assets	4.199	4.352
Floating assets	80.662	86.597
Stocks	25.131	22.200
Trade- and other receivables	51.213	57.065
Cash and cash equivalents	4.318	7.332
Total assets	240.918	247.770
Liabilities		
Shareholder equity	73.581	74.421
Capital and issue premiums	53.143	52.942
Reserves	20.438	21.479
Minority interests	0	0
Deferred tax liabilities	17.439	17.811
Long-term obligations	57.885	65.921
Provisions	1.698	2.365
Long-term interest-bearing obligations	55.562	62.306
Other long-term obligations	625	1.250
Short-term obligations	92.013	89.617
Short-term interest-bearing obligations	18.780	16.707
Trade liabilities and other debts	57.312	57.613
Staff wage liabilities	11.993	13.175
Tax liabilities	3.928	2.122
Total liabilities	240.918	247.770

CONSOLIDATED INCOME STATEMENT

	<u>2008</u>	<u>2007</u>
Income	192.129	177.353
Trade goods, raw and auxiliary materials	-101.020	-88.387
Services and miscellaneous goods	-40.384	-39.696
Wages and salaries	-35.917	-35.880
Depreciation costs	-9.214	-8.069
Impairments, write-offs and provisions	530	-120
Other operating income	-74	22
Results of operating activities	6.050	5.223
Financial income	130	165
Financial expenses	-2.491	-1.868
Results of operating activities after net financing expenses	3.689	3.520
Tax	-969	-959
Profit of the year	2.720	2.561
Profit per share	1,57	1,49
Diluted profit per share	1,57	1,47

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Capital</u>	<u>Capital</u>	<u>Issue</u>	<u>Reserved</u>	<u>Exchange rate</u>	<u>Total</u>	<u>Number of</u>
	4.875	-162	47.927	19.048	27	71.715	1.722.971
	<u>reserves</u>	<u>premiums</u>	<u>profits</u>	<u>deviation</u>	<u>shares</u>		
Balance on 1 January 2007							
Capital increase	20		278			298	7.000
Reserve own shares		19				19	
Result for the period				2.561		2.561	
Dividend				-3.618		-3.618	
Movements via reserves							
- Result from own share				13		13	
- Share based payments		2				2	
- Calculation differences					-78	-78	
Balance on 30 June 2007	4.895	-141	48.205	18.004	-51	70.912	1.729.971
Capital increase	1		8			9	200
Reserve own shares		-28				-28	
Result for the period				3.508		3.508	
Dividend				0		0	
Movements via reserves							
- Result from own shares				-17		-17	
- Share based payments		2				2	
- Calculation differences					35	35	
Balance on 31 December 2007	4.896	-167	48.213	21.495	-16	74.421	1.730.171
Capital increase	7					7	2.450
Reserve own shares		119	75			194	
Result for the period				2.720		2.720	
Dividend				-3.633		-3.633	
Movements via reserves							
- Result from own shares				-17		-17	
- Share based payments						0	
- Calculation differences					-111	-111	
Balance on 30 June 2008	4.903	-48	48.288	20.565	-127	73.581	1.732.621

CONSOLIDATED CASHFLOW STATEMENT

	<u>2008</u>	<u>2007</u>
Results of operating activities	6.050	5.223
Adjustment for non-cash costs	8.684	8.189
Other changes	40	-1.219
Net cash from operating activities	14.774	12.193
Investments	-8.595	-10.097
Takeover of subsidiaries	0	-2.374
Other	39	-104
Net cash used in investing activities	-8.556	-12.575
Proceeds from take-up of new loans	2.596	17.874
Loan settlement	-7.267	-10.231
Other financial resources	-4.561	-3.542
Net cash from financing activities	-9.232	4.101
Net change in cash and cash equivalents	-3.014	3.719
Cash funds at the beginning of the year	7.332	2.801
Cash funds at the end of the year	4.318	6.520

NOTES TO THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

General

The above condensed interim consolidated financial statements are set up in accordance with IAS-34 interim reporting, as accepted by the EU. These condensed interim consolidated financial statements were approved for publication by the Board of Directors on 28 August 2008

The consolidation circle has not changed since 31 December 2007. For the comparison of the income statement of the first semester of 2008 with the income statement over the same period of 2007, it should be pointed out that the income statement of 2008 contains the results of Berkhout Verssnijljin, which was acquired in September 2007.

The valuation rules are consistent with those set out and applied in the annual report 2007.

No changes were made to the estimated amounts in the financial statements over the previous financial year.

The provision that was set up in 2007 with regard to the reorganisation of the French commercial and production activities was decreased with 0.6 million EUR against the actual reorganisation cost incurred in the first semester of 2008.

The General Shareholders Meeting of 29 May 2008 approved the dividend proposed by the Board of Directors (2.10 EUR/share). The awarded dividend amounted to a total of 3.633.359,10 EUR, of which approximately two thirds had been paid per 30 June 2008.

The results of the group are not influenced by seasonal effects, except for a higher level of activity in December.

There were no important events which have a material impact on the condensed financial statements.

There are no material events to be reported post balance sheet at the date of the present half year financial report.

The 8.5 million EUR investments mainly concern:

- Capacity and infrastructure investments in the slicing plants;
- Investments relating to the scheduled transfer of the poultry production from the Ruiselede site to the Waarschoot site;
- Final steps in the modernisation of the lasagne plates production and packaging facilities at the Wanze site.

The group faces an exchange rate risk on the sales in Pound Sterling (GBP). On 30 June 2008, long term contracts were open for the sale of 2.3 million GBP against EUR at an average exchange rate of 0,7917 and an option to sell 3 million GBP against EUR at an exchange rate that can be no higher than 0,8119. On 30 June 2008, the group had a net GBP position of 1.9 million EUR (2.8 million EUR on 31 December 2007).

Key Data Per Business Segment

	<u>2008</u>			<u>2007</u>		
	<u>Processed Meats</u>	<u>Ready Meals</u>	<u>Total</u>	<u>Processed Meats</u>	<u>Ready Meals</u>	<u>Total</u>
Segment income statement						
Segment income	128.760	63.369	192.129	114.847	62.506	177.353
Segment results	3.034	4.292	7.326	5.176	1.536	6.712
Non-allocated results			-1.276			-1.489
Net financing cost			-2.361			-1.703
Tax			-969			-959
Consolidated result			2.720			2.561
Other segment information						
Investments						
Tangible fixed assets	5.279	2.700		3.748	7.421	
Intangible fixed assets	15	0		6	17	
Depreciations and non-cash costs	5.080	3.395		4.418	3.656	

Calculation of Earnings Per Share

Calculation earnings per share		
	<u>2008</u>	<u>2007</u>
Number of outstanding ordinary shares per 1 January financial year	1.730.171	1.722.971
Effect of issued ordinary shares	431	1.199
Weighted average number of outstanding ordinary shares per 30 June financial year	1.730.602	1.724.170
Net profit in 000 EUR	2720	2.561
Average number of shares	1.730.602	1.724.170
Profit per share	1,57	1,49
Calculation diluted earnings per share		
	<u>2008</u>	<u>2007</u>
Net profit in 000 EUR	2.720	2.561
Average number of shares	1.730.602	1.724.170
Dilution effect warrant plans	6.955	16.487
Adjusted average number of shares	1.737.557	1.740.657
Diluted profit per share	1,57	1,47

DECLARATION OF THE RESPONSABLE PERSONS

The undersigned, Marc Hofman, Managing Director, and René Stevens, Chief Financial Officer, declare that, to their knowledge:

- The condensed consolidated financial statements on the first semester of 2008, established in accordance with the IFRS, provide a true and fair view of the estate, the financial position and the results of Ter Beke SA and the consolidated companies;
- The half year report provides a true and fair view of the important events of the first semester of the financial year 2008, of the related party transactions and of the material risks and uncertainties for the remainder of the financial year;

Waarschoot, 29 August 2008

Marc Hofman
Managing Director

René Stevens
Chief Financial Officer

REPORT OF THE STATUTORY AUDITOR ON THE HALF YEAR INFORMATION

LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

To the Board of Directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and selective notes (jointly the “interim financial information”) of TER BEKE NV (“the company”) and its subsidiaries (jointly “the group”) for the six months period ended 30 June 2008. The Board of Directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium,

as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review and based, to the extent necessary upon the reports of other auditors, nothing has come to our attention that causes us to believe that the interim financial information for the six months period ended 30 June 2008 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

29 August 2008

The Statutory Auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
SC s.f.d. SCRL
Represented by Dirk Van Vlaenderen

CONTACTS

If you have any questions on the present half year report or for further information, please contact:

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You can also review the present half year report and address us your questions through the investor relations module on our website (www.terbeke.com).

FINANCIAL CALENDAR

Business update third quarter 2008:	12 November 2008 after trading hours
Annual result 2008:	19 February 2009 after trading hours
Annual report 2008:	At the latest 30 April 2009
Business update first quarter 2009:	8 May 2009 after trading hours
General meeting 2009:	28 May 2009 at 11.00
Half year result 2009:	28 August 2009 after trading hours

TER BEKE BRIEF

Ter Beke (Euronext Brussels: TERB) is an innovating Belgian fresh foods group selling its range of products in 10 European countries. The group has 2 core activities: processed meats and fresh ready meals; it has 11 industrial sites in Belgium, the Netherlands and France and employs approximately 1,800 people. Ter Beke generated a turnover of EUR 367 million in 2007.

Processed meat Division: TerBeke–Pluma

- Producer of fine processed meats for the Benelux, the UK and Germany
- 5 production plants in Belgium (Wommelgem, Waarschoot, Marche-en-Famenne, Herstal and Ruiselede) and 5 centres for the slicing and packaging of processed meats, 2 of which are in Belgium (Wommelgem and Veurne) and 3 in the Netherlands (Milsbeek, Ridderkerk and Hendrik Ido Ambacht)
- Innovating in the segment of prepackaged processed meats
- Distribution brands and own brand names L'Ardennaise and Daniël Coopman
- Approximately 1,050 employees

Ready meals Division: FreshMeals

- Producer of fresh ready meals for the European market
- Market leader in fresh lasagne in Europe
- 3 production plants, 2 of which are in Belgium (Wanze and Marche-en-Famenne) and 1 in France (Alby-sur-Chéran)
- Brand names Come a casa, Pronto and Vamos in addition to distribution brands
- Approximately 750 employees