



HALF YEARLY FINANCIAL REPORT

FIRST SEMESTER 2009

INTERIM ANNUAL REPORT

MAIN ITEMS AND IMPORTANT EVENTS

- Ter Beke group:
 - Total turnover of EUR 191.4 million versus EUR 192.1 million in 2008;
 - EBITDA increases by 8.7% from EUR 14.7 million to EUR 16.0 million;
 - EBIT increases by 10,9% from EUR 6.0 million to EUR 6.7 million;
 - Result after taxes increases to EUR 4.4 million compared to EUR 2.7 million in 2008;
 - Net cash flow increases by 20.5% from EUR 11.4 million to EUR 13.7 million.

- Processed Meats Division:
 - Volume increase in all important markets;
 - Raw material price decreases passed on in sales prices;
 - Increase in revenue mainly thanks to the growth of the service slicing activities in the Netherlands.

- Ready Meals Division:
 - Further improvement of profitability;
 - Turnover evolution slowed down by decrease of raw material prices and the termination of unprofitable volume contracts in France in 2008.

CONSOLIDATED KEY FIGURES FIRST HALF OF 2009

<u>Income statement in 000 EUR</u>			
	<u>30/06/09</u>	<u>30/06/08</u>	<u>Δ%</u>
Revenue (net turnover)	191 414	192 129	-0.4%
EBITDA ⁽¹⁾	16 022	14 734	8.7%
Result of operating activities (EBIT)	6 707	6 050	10.9%
Net financing costs	-936	-2 361	-60.4%
Result of operating activities after net financing costs (EBT)	5 771	3 689	56.4%
Taxes	-1 347	-969	39.0%
Earnings after taxes (EAT)	4 424	2 720	62.6%
Net cash flow ⁽²⁾	13 739	11 404	20.5%
REBITDA ⁽³⁾	16 022	15 362	4.3%
Recurring result of operating activities (REBIT)	6 707	6 050	10.9%
<u>Financial position in 000 EUR</u>			
	<u>30/06/2009</u>	<u>31/12/2008</u>	<u>Δ%</u>
Balance sheet total	231 070	239 436	-3.5%
Equity	78 953	78 146	1.0%
Net financial debts	63 834	69 853	-8.6%
Equity/Total assets (in %)	34.2%	32.6%	4.7%
Gearing Ratio ⁽⁴⁾	80.9%	89.4%	-9.6%
<u>Key figures in EUR per share</u>			
	<u>30/06/09</u>	<u>30/06/08</u>	<u>Δ%</u>
Number of shares	1 732 621	1 732 621	0.0%
Average number of shares	1 732 621	1 730 602	0.1%
Net cash flow	7.93	6.59	20.3%
Earnings after taxes	2.55	1.57	62.5%
EBITDA	9.25	8.51	8.6%

(1) EBITDA: result of operating activities + depreciation + impairment + fluctuations in provisions

(2) Net cash flow: Result after taxes + depreciation + impairment + fluctuations in provisions

(3) REBITDA: EBITDA from recurring operating activities

(4) Gearing Ratio: Net financial debt/Equity

NOTES TO THE CONSOLIDATED KEY FIGURES

3.1 Turnover

The Ter Beke group realises a strong result in difficult economic circumstances.

The total turnover of the group amounts to EUR 191.4 million in the first six months versus EUR 192.1 million in 2008.

The turnover evolution is explained by a decrease of the turnover of the ready meals division with EUR 3 million (-4.7%). This is the net effect of the termination of unprofitable volume contracts in France in the first semester of 2008 (see earlier press releases) and the decrease in raw material prices that was passed on in the sales prices towards the customers on the one hand and the autonomous growth of our core product lasagne in our home markets.

The turnover of the processed meats division increases by EUR 2.3 million (+1.8%). This positive evolution is the result both of the growth of service slicing activities in the Netherlands and the growth of the traditional processed meat activities in our home markets. The turnover increase is slowed down by the decreasing raw material prices that were passed on in the sales prices and by the British Pound exchange rate that was on average lower than in the same period of last year.

3.2 Results of operating activities

The EBITDA increases by EUR 1.3 million (+8.7%) from EUR 14.7 million in 2008 to EUR 16.0 million in 2009. This improvement was realised through a profitable growth of the turnover increased with the positive effect of the terminated contracts in France and through a strict control of variable and fixed costs.

The raw material price evolutions did not have a material impact on the result as the price decreases were passed on in the sales prices.

Compared to the first semester of 2008, the exchange rate evolution of the British Pound has a negative effect of about EUR 1 million on the 2009 EBITDA result. Thanks to the group's hedging policy, about EUR 0.7 million could be compensated. This amount is included in the financial results per 30 June 2009 (see further)

The 2008 EBITDA result contained a one time reorganisation cost of EUR 0.6 million relating to the French activities. A provision for this cost had already been set up in 2007. The use of this provision decreased non-cash costs in 2008 by EUR 0.6 million. This explains why the EUR 1.3 million improvement of the EBITDA versus 2008 results in an EBIT improvement of EUR 0.7 million.

3.3 Net financing costs

Net financing costs decreased by EUR 1.4 million compared to 2008.

EUR 1 million of this improvement is due to exchange rate results on the British Pound. A positive financial result of EUR 0.7 million was realised in the first

semester of 2009 primarily because of the hedging of exchange rate risks. In the first half of 2008, an exchange rate loss of EUR 0.3 million was recorded.

Hence, the evolution of the British Pound exchange rate only has a limited influence on the operating result after net financing costs (EBT) compared to last year.

The remainder of the improvement in net financing costs results primarily from one time interest income on tax receivables.

3.4 Income taxes

The income tax rate in the first half of 2009 (23.3%) is lower than the tax rate in the same period of 2008 (26.3%). This is primarily the result of the changed treatment of the captive reinsurance structure pursuant to the winning in 2008 of the litigation relating to this structure.

3.5 Balance Sheet

Under IAS-34, the balance sheet figures of 30 June 2009 are to be compared with those of 31 December 2008. As there have been no changes in the consolidation circle since 31 December 2008, changes in balance sheet items are limited.

The decrease of the balance sheet total with EUR 8.4 million is primarily explained by a decrease in receivables. Next to the normal seasonality effect, this decrease results essentially from a decrease on the line "other receivables".

The group invested EUR 8.5 million in tangible fixed assets in the first half of 2009. These investments related primarily to infrastructure and capacity investments in the slicing plants.

Net debt decreases with EUR 6.0 million. This is the net effect of the realised cash flow, the payment of investments and dividends and an improved working capital position.

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 2009

In 2009, the group will continue to work on improving the profitability of its activities, both in the processed meats division and in the ready meals division. Pressure on the margins and the cost increase pursuant to the Belgian collective labour agreements will be compensated through further improvements in the entire supply chain and through continued cost control and cost reduction efforts. In 2009, Ter Beke will continue to invest in its Come a casa® brand.

Save for unexpected market circumstances, Ter Beke expects the improvement of the operating result in the first semester to continue over the full year 2009.

RELATED PARTY TRANSACTIONS

In the first semester of 2009, 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 2009 are largely the same as described on page 39 and 40 of the annual report on the financial year 2008 and relate to the quality and price fluctuations of the raw materials used.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TER BEKE GROUP PER 30 JUNE 2009**

CONSOLIDATED BALANCE SHEET

	<u>30/06/2009</u>	<u>31/12/2008</u>
Assets		
Fixed assets	149 436	150 361
Goodwill	35 204	35 204
Intangible fixed assets	2 241	2 566
Tangible fixed assets	111 860	112 441
Financial fixed assets	131	150
Deferred tax assets	0	0
Current assets	81 634	89 075
Stocks	26 193	24 432
Trade- and other receivables	49 880	59 063
Cash and cash equivalents	5 561	5 580
Total assets	231 070	239 436
Liabilities		
Shareholders equity	78 953	78 146
Capital and issue premiums	53 150	53 150
Reserves	25 803	24 996
Minority interests	0	0
Deferred tax liabilities	7 241	7 584
Long-term obligations	52 317	58 180
Provisions	1 629	1 627
Long-term interest-bearing obligations	50 688	56 553
Other long-term obligations	0	0
Short-term obligations	92 559	95 526
short-term interest-bearing obligations	18 707	18 880
Trade liabilities and other debts	57 418	61 115
Staff wage liabilities	14 322	13 911
Tax liabilities	2 112	1 620
Total liabilities	231 070	239 436

CONSOLIDATED INCOME STATEMENT

	30/06/2009	30/06/2008
Income	191 414	192 129
Trade goods, raw and auxiliary materials	-99 530	-101 020
Services and miscellaneous goods	-39 387	-40 384
Wages and salaries	-36 619	-35 917
Depreciation costs	-9 407	-9 214
Impairments, write-offs and provisions	92	530
Other operating costs	144	-74
Result of operating activities	6 707	6 050
Financial income	1 023	130
Financial expenses	-1 959	-2 491
Result of operating activities after net financing expenses	5 771	3 689
Tax	-1 347	-969
Profit of the period	4 424	2 720
Profit per share	2.55	1.57
Diluted profit per share	2.55	1.57

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Capital</u>	<u>Capital</u>	<u>Issue</u>	<u>Reserved</u>	<u>Calculation</u>	<u>Total</u>	<u>Number</u>
	4 896	-167	48 213	21 495	-16	74 421	1 730 171
Balance on 1 January 2008							
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
Capital increase						0	
Reserve own shares		3				3	
Result for the period				4 884		4 884	
Dividend						0	
Movements via reserves							
- Result from own shares				-11		-11	
- Share based payments		4				4	
- Calculation differences					-315	-315	
Balance on 31 December 2008	4 903	-41	48 288	25 438	-442	78 146	1 732 621
Capital increase						0	
Reserve own shares						0	
Result for the period				4 424		4 424	
Dividend				-3 639		-3 639	
Movements via reserves							
- Result from own shares				-8		-8	
- Share based payments				2		2	
- Calculation differences					28	28	
Balance on 30 June 2009	4 903	-41	48 288	26 217	-414	78 953	1 732 621

CONSOLIDATED CASHFLOW STATEMENT

	<u>30/06/2009</u>	<u>30/06/2008</u>
Results of operating activities	6 707	6 050
Adjustment for non-cash costs	9 314	8 684
Other changes	2 978	40
Net cash from operating activities	18 999	14 774
Investments of subsidiaries	-8 813	-8 595
Other	0	0
Net cash used in investing activities	-8 791	-8 556
Proceeds from take-up of new loans	3 161	2 596
Loan settlement	-9 198	-7 267
Other financial resources	-4 190	-4 561
Net cash from financing activities	-10 227	-9 232
Net change in cash and cash equivalents	-19	-3 014
Cash funds at the beginning of the period	5 580	7 332
Cash funds at the end of the period	5 561	4 318

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 27 August 2009

The consolidation circle has not changed since 31 December 2008.

The valuation rules are consistent with those set out and applied in the annual report 2008, with the exception of the limited correction pursuant to the entry into force of IFRS-8 on January 1st, 2009. The difference between the actual rates and the hedged rates is added per period to the result of the segment in order to get a better view on the economic result of the segment. This amount is corrected in the non-allocated results. In June 2008, no correction is to be made, as there was no hedged rate for that period.

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 28 May 2009 approved the dividend proposed by the Board of Directors (2.10 EUR/share). The awarded dividend amounted to a total of 3.638.504 EUR, of which approximately 86% had been paid per 30 June 2009.

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 EUR 8.5 million investments mainly concern capacity and infrastructure investments in the slicing plants.

The group faces an exchange rate risk on the sales in Pound Sterling (GBP). On 30 June 2009, long term contracts were open for the sale of GBP 3.5 million against EUR at an average exchange rate of 0,8857 and an option to sell GBP 3 million against EUR at an exchange rate that can be no higher than 0,8930. On 30 June 2009, the group had a net GBP position of GBP 1.5 million (GBP 2.7 million on 31 December 2008).

Key Data Per Business Segment

	30/06/2009			30/06/2008		
	Processed Meats	Ready Meals	Total	Processed Meats	Ready Meals	Total
Segment income statement						
Segment sales	131 039	60 375	191 414	128 760	63 369	192 129
Segment results	3 449	5 238	8 687	3 034	4 292	7 326
Non-allocated results			-1 980			-1 276
Result of operating activities (EBIT)			6 707			6 050
Net financing cost			-936			-2 361
Taxes			-1 347			-969
Consolidated result			4 424			2 720
Other segment information						
Total assets	160 417	61 901		158 693	74 005	
Investments						
Tangible fixed assets	6 778	1 527		5 279	2 700	
Intangible fixed assets	2	0		15	0	
Depreciations and non-cash costs	5 308	3 710		5 080	3 395	

Calculation of Earnings Per Share

Calculation earnings per share		
	<u>30/06/2009</u>	<u>30/06/2008</u>
Number of outstanding ordinary shares per 1 January of the financial year	1 732 621	1 730 171
Effect of issued ordinary shares	0	431
Weighted average number of outstanding ordinary shares per 30 June of the financial year	1 732 621	1 730 602
Net profit in 000 EUR	4 424	2 720
Average number of shares	1 732 621	1 730 602
Profit per share	2.55	1.57
Calculation diluted earnings per share		
	<u>30/06/2009</u>	<u>30/06/2008</u>
Net profit in 000 EUR	4 424	2 720
Average number of shares	1 732 621	1 730 602
Dilution effect warrant plans	2 200	6 955
Adjusted average number of shares	1 734 821	1 737 557
Diluted profit per share	2.55	1.57

Comprehensive result

	<u>30/06/2009</u>	<u>30/06/2008</u>
Profit of the reported period	4 424	2 720
Result treasury shares	-8	-17
Share based payments	2	
Calculation differences	28	-111
Comprehensive result	4 446	2 592

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 2009, established in accordance with the International Financial Accounting Standards (“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 2009, of the related party transactions and of the material risks and uncertainties for the remainder of the financial year;

Waarschoot, 28 August 2009

Marc Hofman
Managing Director

René Stevens
Chief Financial Officer

REPORT OF THE STATUTORY AUDITOR ON THE HALF YEAR INFORMATION

TER BEKE NV

LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2009

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 and its subsidiaries (jointly “the group”) for the six-month period ended June 30, 2009. 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 Réviseurs d'Entreprises/Instituut van de 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 Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended June 30, 2009 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Kortrijk, August 24, 2009

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 2009:	6 November 2009 after trading hours
Annual result 2009:	26 February 2010 after trading hours
Annual report 2009:	At the latest 30 April 2010
Business update first quarter 2010:	7 May 2010 after trading hours
General meeting 2010:	27 May 2010 at 11.00 a.m.
Half year result 2010:	27 August 2010 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 9 industrial sites in Belgium, the Netherlands and France and employs approximately 1.800 people. Ter Beke generated a turnover of EUR 393 million in 2008.

Processed meat Division:

- Producer of fine processed meats for the Benelux, the UK and Germany
- 4 production plants in Belgium (Wommelgem, Waarschoot, Marche-en-Famenne, and Herstal) and 4 centres for the slicing and packaging of processed meats, 2 of which are in Belgium (Wommelgem and Veurne) and 2 in the Netherlands (Milsbeek and Ridderkerk)
- 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:

- 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