
Merger Ter Beke-Pluma



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I. Executive Summary

- ◆ TER BEKE Processed Meats Division and PLUMA agree to merge
- ◆ Closing date: 18 May 2006
- ◆ Complementary businesses
 - Customers
 - Products
- ◆ Merged entity becomes market leader in Belgium
- ◆ Payment thru
 - Issuing 342.254 new Ter Beke NV shares
 - EUR 5,5 million cash
- ◆ Merger will contribute to group's results
- ◆ Basis for further growth in a consolidating market



II. Introduction

Ter Beke = 2 Chilled product groups

Processed Meats

Chilled Ready Meals



II.a. Chilled Ready Meals division

- ◆ Chilled Ready Meals for the European market
- ◆ Market leader in chilled lasagne in Europe
- ◆ Aims for international growth
- ◆ Sales +/- 106 million EUR (basis 2005)
- ◆ 3 production units: 2 in Belgium (Wanze en Marche-en-Famenne), 1 in France (Alby-sur-Chéran)
- ◆ + 650 people employed
- ◆ Increasing support of the Come a casa consumer brand
- ◆ **Ter Beke looks actively for external growth opportunities**



II.b.i Processed Meats Ter Beke

- ◆ Mainly aiming at Benelux market and with pâté at UK
- ◆ Sales +/- 130 million EUR (basis 2005)
- ◆ 3 production units in België (Waarschoot, Marche-en-Famenne en Ruisselede) and 2 slicing centres: 1 in Belgium (Veurne) and 1 in Netherlands (Milsbeek)
- ◆ + 500 people employed
- ◆ Innovating in pre-packed and sliced processed meats
- ◆ Private labels and own brands L'Ardennaise en Daniël Coopman



II.b.i Processed meats Pluma

- ◆ Mainly aiming at Benelux market and with pâté at UK and Germany
- ◆ Sales +/- 100 million EUR (basis 2005) of which 70% in pre-sliced consumer packs
- ◆ 2 production units in Belgium (Wommelgem and Herstal) and 1 slicing centre (Wommelgem)
- ◆ Leading in cooked ham and pâté
- ◆ Invested in 2005 in state of the art cooked ham production
- ◆ + 430 people employed
- ◆ Innovating in pre-packed and sliced processed meats
- ◆ Private labels and own brands Pluma and La Rochette



III. Strategic importance of the merger

Essential element: critical mass and size are important:

- ◆ Market environment
- ◆ Customer expectations
- ◆ Synergies



III. Strategic importance –

1. Market environment

- ◆ Stable market in Europe
- ◆ But with ongoing trend in favour of sliced and pre-packed meats
- ◆ Market players are consolidating
 - Netherlands: top 3 producers have 70 % market share
 - Belgium: top 3 producers have only 30% market share



III. Strategic importance –

2. Customer expectations

- ◆ Private label markets (+ 90%)
- ◆ Customers: retailers, wholesalers, butchers, foodservice
- ◆ Growing customer expectations from the supplier / partner
 - Full product range
 - New product development
 - Innovating packaging concepts
 - Qualitative products
 - High service levels
 - Logistic and supply chain competences



Full product range: sum of strengths

	Ter Beke	Pluma	Ter Beke-Pluma
Cooked ham	(x)	X	X
Salami	X	(x)	X
Poultry	X	(x)	X
Pâté	X	X	X
Cooked products	(x)	X	X
Dried&Cured		(x)	(x)
Slicing & Packaging	X	X	X

Legend: **X** = competitive strong position

(x) = presence without strong position

III. Strategic importance –

3. Synergies to create additional value

- ◆ Customers base fully complementary
- ◆ Commercial teams
- ◆ New group houses “state-of-the-art” equipment for
 - Salami
 - Cooked ham
 - Cooked products
 - Slicing
- ◆ Purchase power
- ◆ Logistics and supply chain
- ◆ New product development



Merger results in a new market leader processed meats

- ◆ Over 230 million EUR sales (on full year basis)
- ◆ Market leader in Belgium (17%*)
- ◆ 3rd market player on Benelux level
- ◆ Leader in slicing with 35 slicing lines
- ◆ Market leader in pâté in UK
- ◆ + 900 people employed

*source: GFK March 2006



Effect on Ter Beke group

(including Ready Meal Division)

- ◆ Over 330 million EUR sales (on full year basis)
- ◆ + 1.600 people employed
- ◆ 9 production units
- ◆ active in 10 European countries



IV. Mission of Ter Beke–Pluma Processed Meats

*Ter Beke-Pluma aims to be
a profitable and independent
acknowledged leader
in Processed Meats in the Benelux
and in pâté in Western-Europe*



V. Price and technical aspects

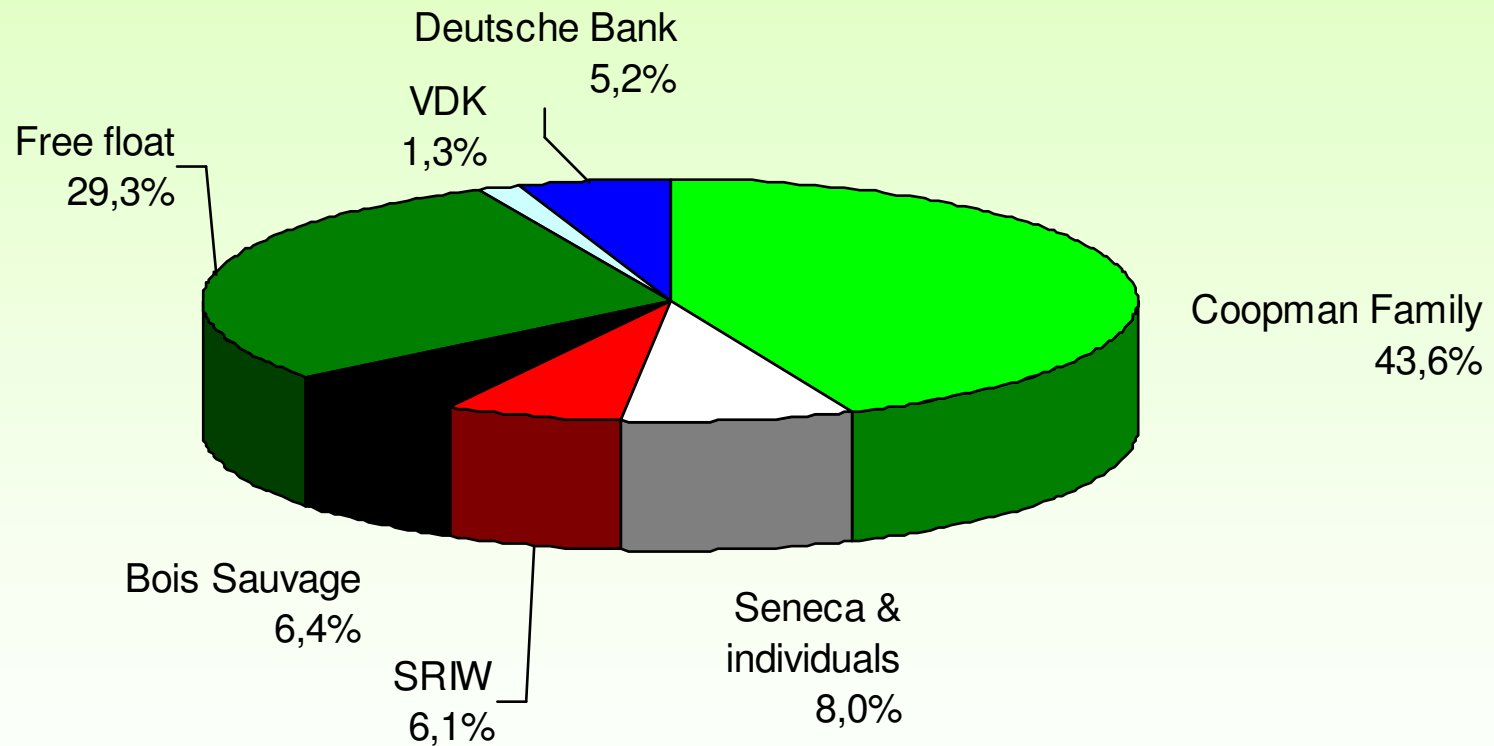
- ◆ Pluma will be contributed into Ter Beke NV
- ◆ Payment partially in new shares to issue:

	Shares	%
– Existing shares today:	1.369.017	80%
– New shares to issue:	<u>342.254</u>	<u>20%</u>
– New total shares at merger date:	1.711.271	100%

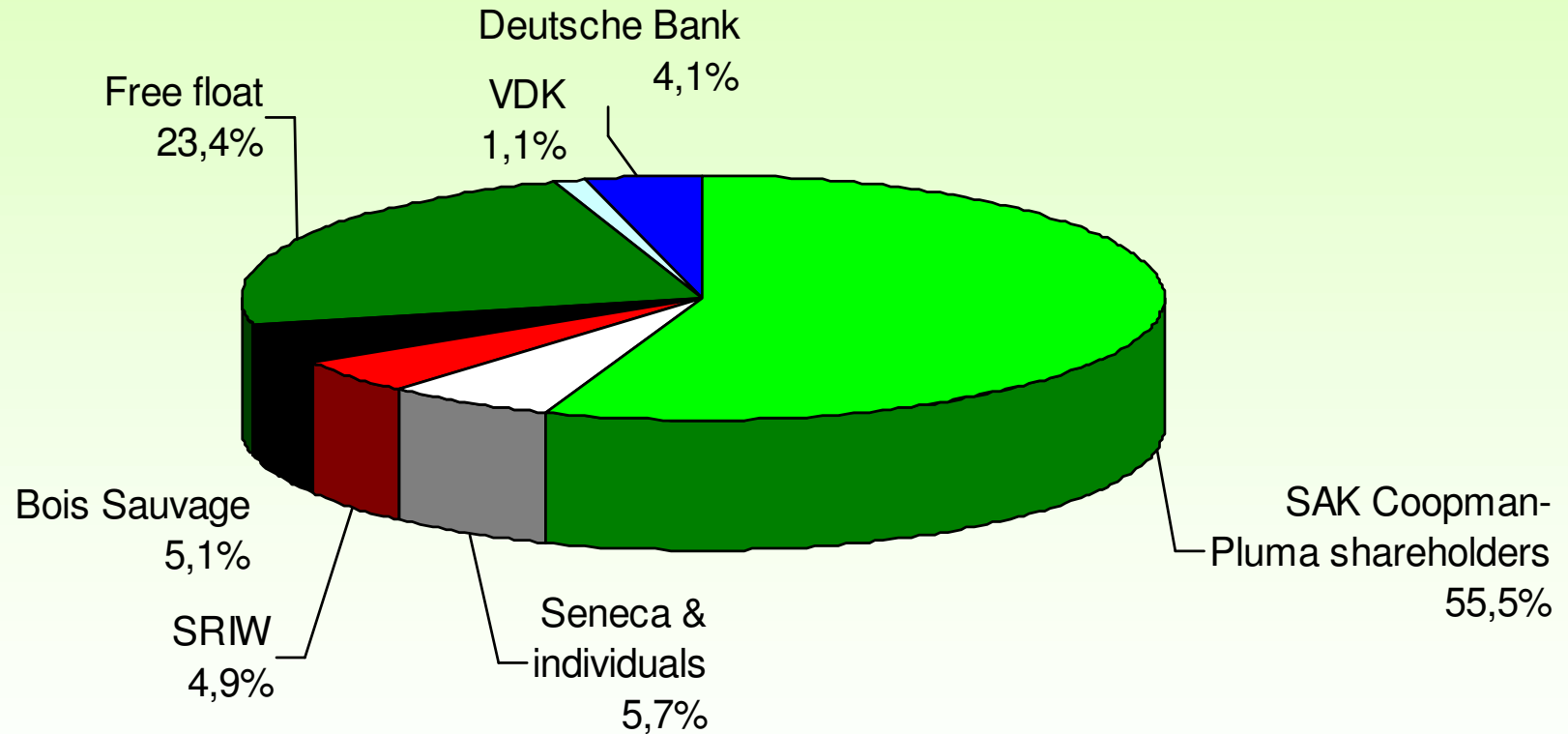
- ◆ Partially in cash => 5,5 million EUR
- ◆ Family Coopman and Pluma shareholders form together a new company (Dutch Stichting Administratiekantoor) that holds 55% of Ter Beke (split over 64% Coopman – 36% Pluma shareholders)



Existing shareholding Ter Beke



Shareholding Ter Beke post merger



VI. Organisation & structure

- ◆ Ter Beke is building progressively a divisional structure for its 2 core activities: chilled ready meals and processed meats
- ◆ Merger with Pluma allows Ter Beke to accelerate the divisional approach



VI. Organisation & structure

- ◆ Processed Meats division
 - Executive chairman: Eddy Van der Pluym
 - CEO: Marc Hofman
 - Joined management team Pluma and Ter Beke
- ◆ Chilled Ready Meals division
 - CEO: Dirk Van de Walle
- ◆ Dirk Van de Walle remains responsible for Sales & Marketing for the whole group
- ◆ Ter Beke group
 - Executive chairman: Luc De Bruyckere
 - Operational services: Wim De Cock
 - CFO: René Stevens



VII. Ter Beke-Pluma ...

- ◆ New market leader processed meats
- ◆ Strong basis for future growth
- ◆ Contributes immediately to the group's profit



VIII. Q & A

