the *total* feed business




ForFarmers N.V.

Roadshow presentation 1H 2016

NOTIFICATIONS AND DISCLAIMER

REPORTING STANDARDS

The results in this presentation are derived from the ForFarmers 2015 audited financial statements and the ForFarmers 2016 unaudited financial statements, which have been drawn up in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS).
General remark: percentages are presented based on the rounded amounts in million euro

SUPERVISION

In view of the fact that shares are freely tradable on EURONEXT Amsterdam, ForFarmers operates under the supervision of the Financial Markets Authority (AFM) and the company acts in accordance with the prevailing regulations for share-issuing companies.

IMPORTANT DATES

23-11-2016 Publication Q3 2016 Trading Update
14-03-2017 Publication 2016 annual results
26-04-2017 Annual General Meeting
17-08-2017 Publication first half-year 2017 results

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements, including those relating to ForFarmers legal obligations in terms of capital and liquidity positions in certain specified scenarios. In addition, forward-looking statements, without limitation, may include such phrases as “intends to”, "expects“, “takes into account”, "is aimed at“, ''plans to”, "estimated" and words with a similar meaning. These statements pertain to or may affect matters in the future, such as ForFarmers future financial results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties, which may mean that there could be material differences between actual results and performance and expected future results or performances that are implicitly or explicitly included in the forward-looking statements. Factors that may result in variations on the current expectations or may contribute to the same include but are not limited to: developments in legislation, technology, jurisprudence and regulations, share price fluctuations, legal procedures, investigations by regulatory bodies, the competitive landscape and general economic conditions. These and other factors, risks and uncertainties that may affect any forward-looking statements or the actual results of ForFarmers, are discussed in the last published annual report. The forward-looking statements in this press release are only statements as of the date of this document and ForFarmers accepts no obligation or responsibility with respect to any changes made to the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless ForFarmers is legally obliged to do so.

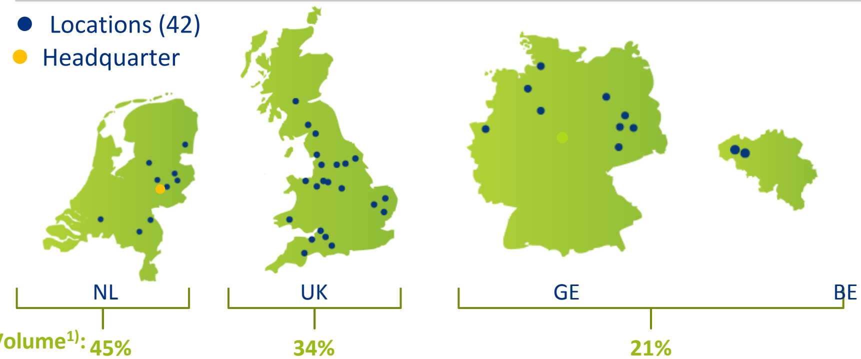
The European leader in Total Feed solutions

Overview

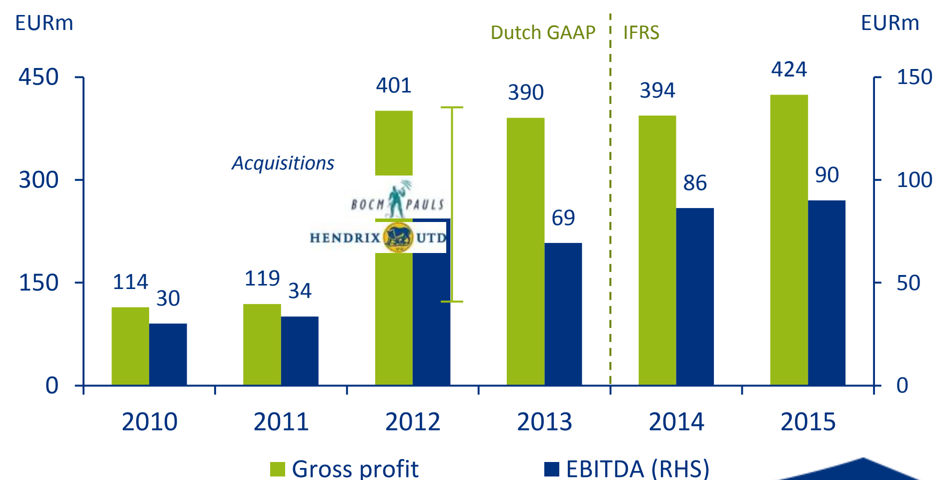
- #1 European Total Feed solutions provider
- Servicing over 25,000 farmers
- Total Feed volume of 9.1mT[1)]
- Completed 8 acquisitions since 2012
- Over 2,300 employees[2)]
  - 616 commercial functions[3)]
    - c. 335 on-site advisors
    - c. 225 commercial support

ForFarmers' products, clients and species

ForFarmers' core markets



Sustainable growth on the back of acquisitions



1) Total Feed volume 2015 in million metric tonnes (mT)
2) Excludes dealers
3) As at 31/12/2015 and excludes c. 60 support functions
Source: ForFarmers

Executive committee

Yoram Knoop
Chief Executive Officer

- Dutch, age 46
- CEO ForFarmers since January 2014
- Previous experience includes
  - 2011, MD Cargill
  - 2007, MD Provimi
  - 2001, MD Quest
  - 1993, GM Owens Corning

Arnout Traas
Chief Financial Officer

- Dutch, age 57
- CFO ForFarmers since August 2011
- Previous experience includes
  - 2009, M&A FrieslandCampina
  - 2001, Finance Campina
  - 1994, Finance Vendex
  - 1983, Arthur Andersen

Functions

Nico de Vos
Operations & Supply Chain

28/34

- Since June 1995
- Previously Provimi

Steven Read
Purchasing, Pricing & Formulation

30/30

- Since June 2014
- Previously BOCM PAULS

Stijn Steendijk
Strategy & Organisation

2/7

- Since July 2014
- Previously Provimi, Unilever

Countries

Adrie van der Ven
COO Germany, Belgium and new markets

1/7

- Since January 2016
- Previously Louis Dreyfus, Nutreco, Cargill

Iain Gardner
COO United Kingdom

28/28

- Since July 2012
- Previously BOCM PAULS

Jan Potijk
COO Netherlands

33/33

- Since September 2000
- With the company since 1983

x/x Years with the company[1)]/Years active in the industry

1) Including years at BOCM PAULS

Source: ForFarmers

for farmers the total feed business

Listing 24 May 2016

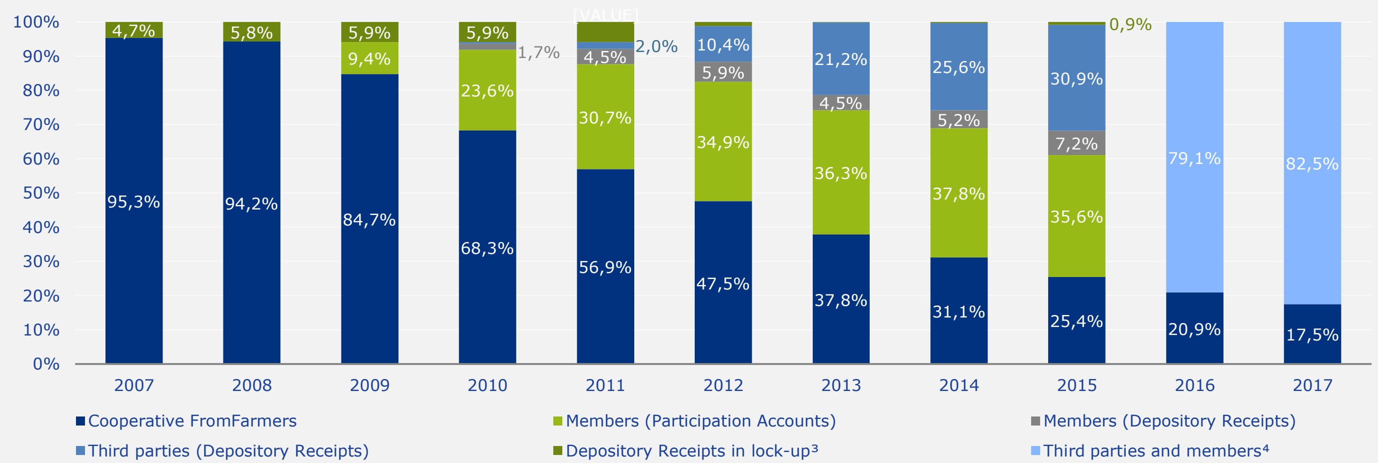
Issuer	▪ ForFarmers B.V. (ForFarmers)1)
Security type	▪ Ordinary shares
Listing location	▪ Euronext Amsterdam
Listing structure	▪ Technical listing of 106,261,040 ForFarmers shares in the Netherlands ▪ No offering of new shares
Timing	▪ 24 May 2016
Reasons for the Listing	▪ Create better liquidity for existing holders of Equity Instruments ▪ A listing on Euronext Amsterdam will enable a larger group of institutional investors to invest in the company ▪ Further enhance ForFarmers' public profile and brand recognition ▪ Quality mark for the organisation
Joint Financial Advisors	▪ ABN AMRO ▪ Rabobank
Legal Advisors	▪ Nauta Dutilh

1) ForFarmers B.V. has been converted in ForFarmers N.V. on 24 May 2016

Listing 24 May 2016

Development ownership structure

- At year end 2015, the cooperative FromFarmers had a direct stake in ForFarmers of 25.4% and a controlled stake of 68.2%[1)]
- The directly controlled stake of 25.4% will be reduced to 17.5%, allocating two final tranches of equity to individual members in July 2016 and 2017[2)]
- The allocated equity is held by individual members in the form of a position on Participation Accounts or in Depositary Receipts, which are currently tradable on a MTF (Multilateral Trading Facility)
- Since 2010, third parties are allowed to trade Depository Receipts on the MTF as well. Third parties are currently holding 30.9%
- Average daily traded volume on the MTF equals 82,559 depositary receipts per day (on the basis of double counting)
- After listing, holders of Participation Accounts and Depository Receipts will be able to convert their positions for shares at their full discretion and without involvement of ForFarmers or FromFarmers



1) This consists 25.4% direct control Depositary Receipts, 35.6% indirect control (Depositary Receipts representing the Participation Accounts) and 7.2% voting rights on the Depositary Receipts of the member (as per 31/12/2015)
2) Please see appendix for further explanation of the allocation of equity
3) Depository Receipts in lock-up for ForFarmers Employee Participation Schemes
4) Consisting of Members (Participation accounts), Members (Depository Receipts) and Third parties

ForFarmers addresses increasing need for sustainable food production

Vision

We aim to be the leading livestock nutrition company in Europe by supplying economic and sustainable Total Feed solutions on farm

Mission

‘**For the Future of Farming**’ is ForFarmers’ promise to farmers: we work side-by-side with our customers for the long-term good of their farms and of the sector as a whole.

Core values

Ambition

We drive for next level results

Sustainability

We are here to stay

Partnership

We believe in win-win

For the Future of Farming

ForFarmers the total feed business

Key investment highlights

1. #1 Total Feed solutions provider to farmers in Europe with leading positions
2. Active in resilient markets with growth opportunities
3. Central position in value chain to farmers
4. Focussed strategy to further enhance and expand business: Horizon 2020
5. Clear and proven M&A strategy to drive further expansion
6. Sustainability is a vital element in business model
7. Attractive financial performance and profile

Total Feed solutions for main farm animal species

Complete portfolio to support our trusted advisor role

	Product	Description
	**Compound feed (CF)**	Mix from various raw materials and premix and additives
	**Specialty feed**	Specific (complex) nutrients
	**DML**	Dry, Moist and Liquid (DML) co-products
	**Crop**	Broad product portfolio to support crop production

Focus main farm animal species

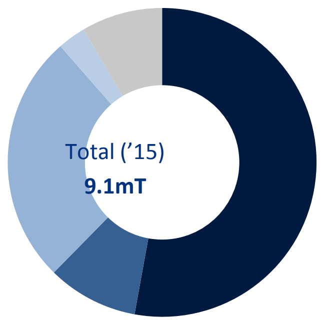
Key species

	**Ruminant**	**Dairy** Beef, Goat, Sheep
	**Swine**	**Sows and piglets** **Fatteners**
	**Poultry**	**Layers** **Broilers**

Organic feeds produced for all species

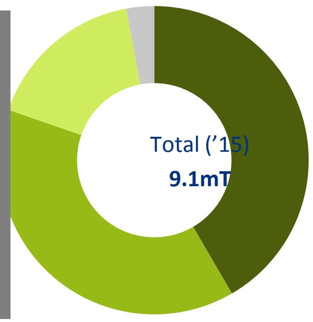
 	Other	Other species (e.g. horses, turkeys) Crop

Volume split by product1)



- Compound feed
- Specialties
- DML
- Crop
- Other

Volume split by species1)



	CF production growth in BE, GE, UK and NL
Ruminants	CAGR 15E-20F: 1.0%
Swine	CAGR 15E-20F: 0.1%
Poultry	CAGR 15E-20F: 0.4%
Other	

1) Excludes intercompany sales

Source: ForFarmers

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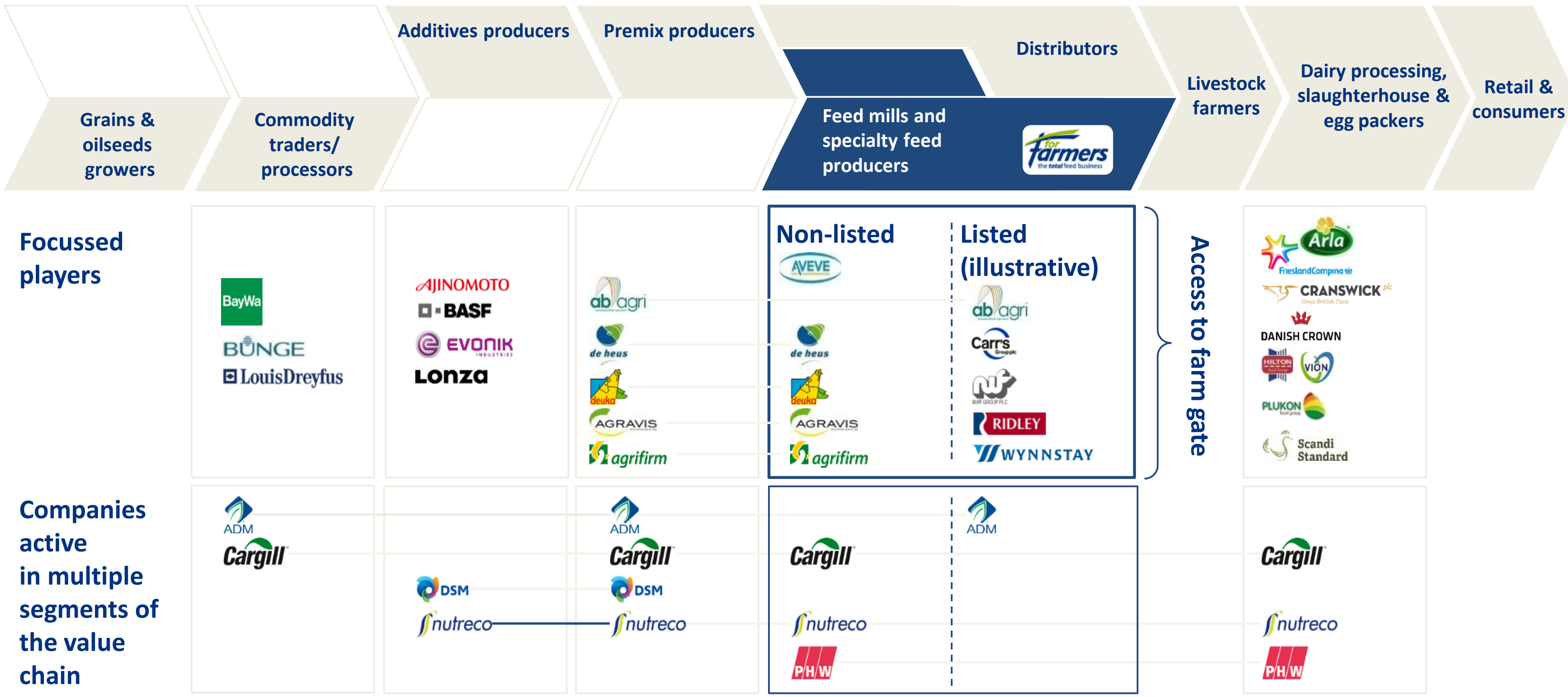
Focussed on feed solutions delivered on farm



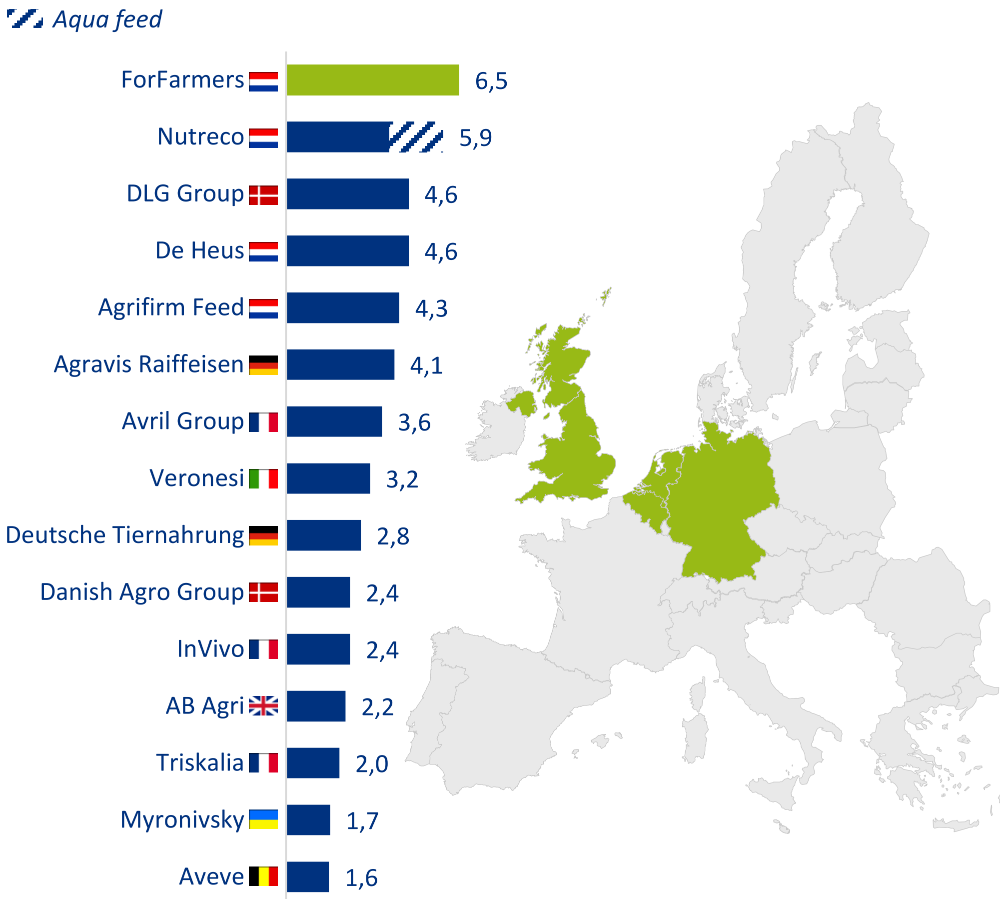
ForFarmers' position in value chain has advantages

- Direct access to the farm
- Integrated solution provider to the farmers
- No channel conflicts

Source: ForFarmers

Leading market positions in ForFarmers' markets

Feed production volumes of the largest producers in Europe (2014, mT)[1)]



Leading positions in core countries (2013)[2)]

CAGR 2004-14

Netherlands

	Company	Compound feed production (mT)
#1	Agrifirm	2.8
#2	**ForFarmers**	**2.6**
#3	De Heus	2.0
#4	Fransen Gerrits	0.7

Total feed: #1 — CAGR 1.1%

United Kingdom

	Company	Compound feed production (mT)
#1	AB Agri	2.2
#2	**ForFarmers**	**1.8**
#3	J Thompson	0.7
#4	Noble[3)]	0.6

Total feed: #1 — CAGR 1.0%

Belgium

	Company	Compound feed production (mT)
#1	Aveve	1.3
#2	VandenAvenne	0.6
#3	**ForFarmers**	**0.5**
#4	Quartes	0.4

Total feed: #3 — CAGR 0.3%

Germany

	Company	Compound feed production (mT)
#1	Agravis	3.6
#2	DTC	2.4
#3	Bröring	1.5
#4	**ForFarmers**	**1.2**

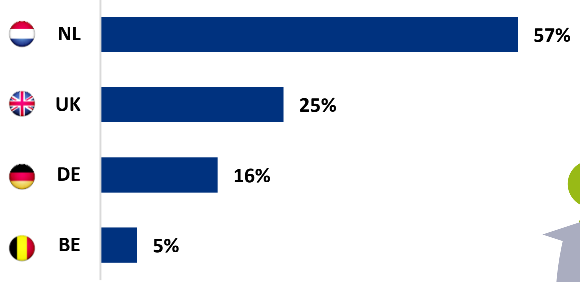
Total feed: #4 — CAGR 1.8%

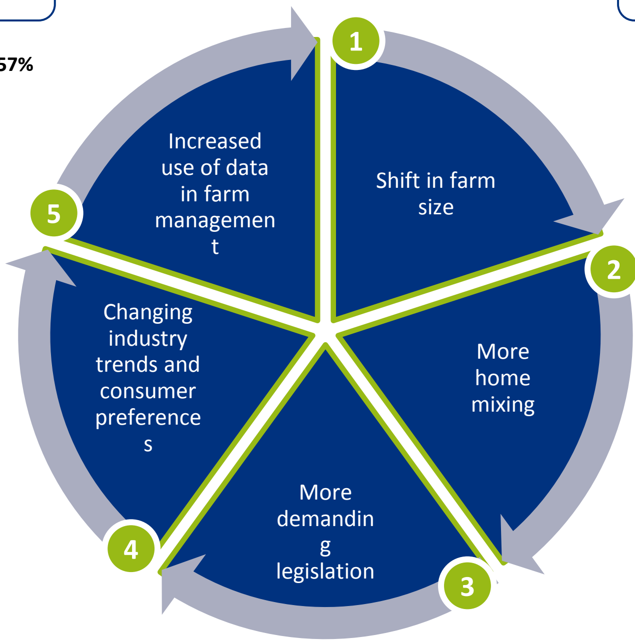
1) WattAgNet (2014 data); comprises poultry, pig, ruminant, pet, horse and aqua feed, compounds, premixes, additives, integrators and vendors and may include volumes outside EU
2) ForFarmers' estimates (2013)
3) Noble is a vertically integrated player; ForFarmers is #1 amongst the non-vertically integrated players
Source: ForFarmers, WattAgNet

Resilient markets with growth opportunities

5 ***Provides potential for increasing usage of data recording systems***

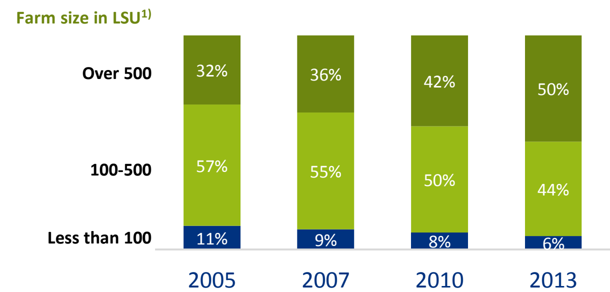
Share of ForFarmers' dairy customers using data recording systems by country (in %)





1 ***Provides for changing customer needs***

Distribution of swines by farm size in ForFarmers countries of operations[2)]

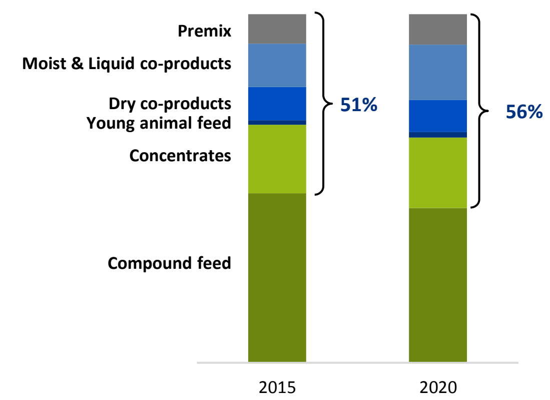


4 ***Feed industry provides solutions for***

1. Non-GMO demand by retail
2. Support of higher number of piglets per sow with milk replacers

2 **Investment of larger farms into home-mixing provides opportunities to leverage the Total Feed Business portfolio**

Split of total feed demand by product type, in the Dutch swine segment (in % of total)



3 ***Requires new solutions from feed industry***

1. Minimise ammonia (NH3) and phosphorus (P) emission (in the Netherlands from 2017)
2. Specialised feed to reduce aggressiveness of chickens

1) Live stock unit (LSU, a Eurostat definition) - measure of economic value of each animal type. 1 LSU = 1 cow or c. 143 broiler chickens or 2 breeding sows

2) Aggregate of BE, NL, DE and UK

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Central position in value chain to farmers

ForFarmers' From Feed To Farm approach






Raw materials suppliers

ForFarmers:
Production, supply and application of Total Feed solutions

Farmers

Dairy processors, slaughterhouses & egg packers

Retail & Consumers

Access to farm gate

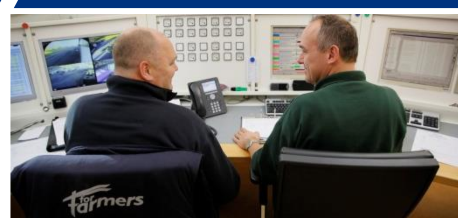
On-farm feed solution advisory

Formulation, Nutrition & Procurement

Feed milling

Logistics & delivery





Iterative innovation process

Source: ForFarmers

Strategy Horizon 2020: further enhance & expand business in Europe+

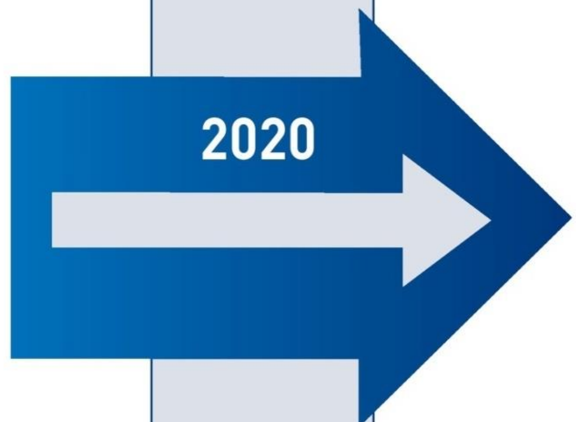
Focus on attractive segments

Partner and deliver The Total Feed Business portfolio

Acquisitions

One ForFarmers: functional excellence & leverage scale

Suppliers | **One ForFarmers** | **Customers**



- Preferred partner for customers
- Increase share of livestock's stomach
- Closer partnerships with suppliers
- Nr 1 or 2 position in > 4 key countries

People development

Total nutrition solutions

Best in industry profits

Source: ForFarmers

Clear and proven M&A strategy to drive further expansion

Likely to be more frequently occurring acquisitions

Fine-tune NL & UK
Ongoing initiative to further build on strong existing positions

Strengthen BE & DE
Ongoing initiative to increase market access, volumes and efficiency

One-off nature

Expand beyond home-markets
Tap into fast growing, large & attractive markets in Europe-Plus

Rationale for leading market share

Scale	▪ Leverage sales force and organise it by species ▪ Optimise production capacity with dedicated plants by species ▪ Leverage overhead and R&D functions
Portfolio	▪ Add capabilities or segments to the portfolio – Capabilities: DML, Crop, specialties – Segments: e.g. sow, piglets, poultry or dairy
Regional market share	▪ High regional market shares in order to optimise logistics ▪ Direct access to the farmer with plants located near by

Several elements may be driving one-off expansion opportunities

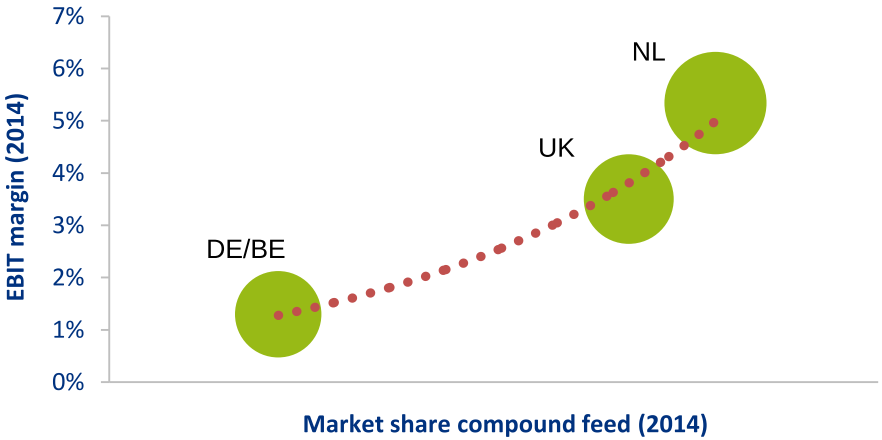
Wider application of ForFarmers' capabilities	▪ Sourcing ▪ Proven nutritional knowledge ▪ Track record in logistics optimisation ▪ Function expertise: specie strategies, sales excellence, go-to-market approached
Perspective of synergies	▪ Leverage overhead functions ▪ Nutrition and innovation ▪ Go-to-market strategies ▪ Overall best practice sharing
Region/country specific aspects	▪ Faster growing markets with local/regional consolidation opportunities ▪ Sizeable free markets with attractive specie characteristics
Risk assessment	▪ Proper and detailed risk analysis (political, compliance, currency)

Source: ForFarmers

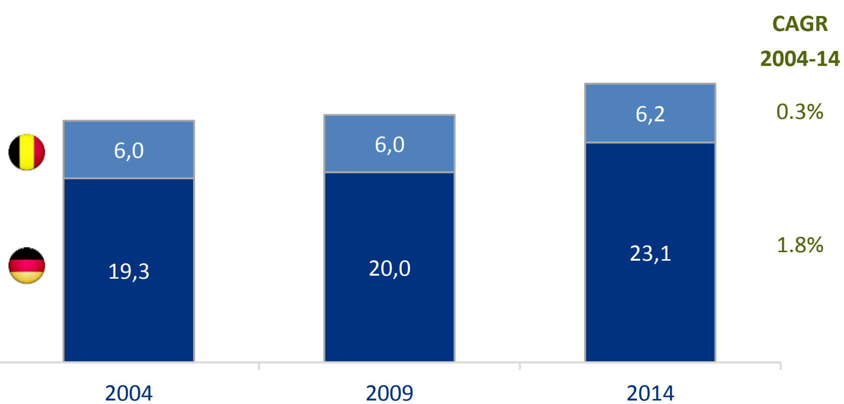
Strengthen positions in Belgium and Germany

Strong logistical & production expertise and high market shares drive economies of scale

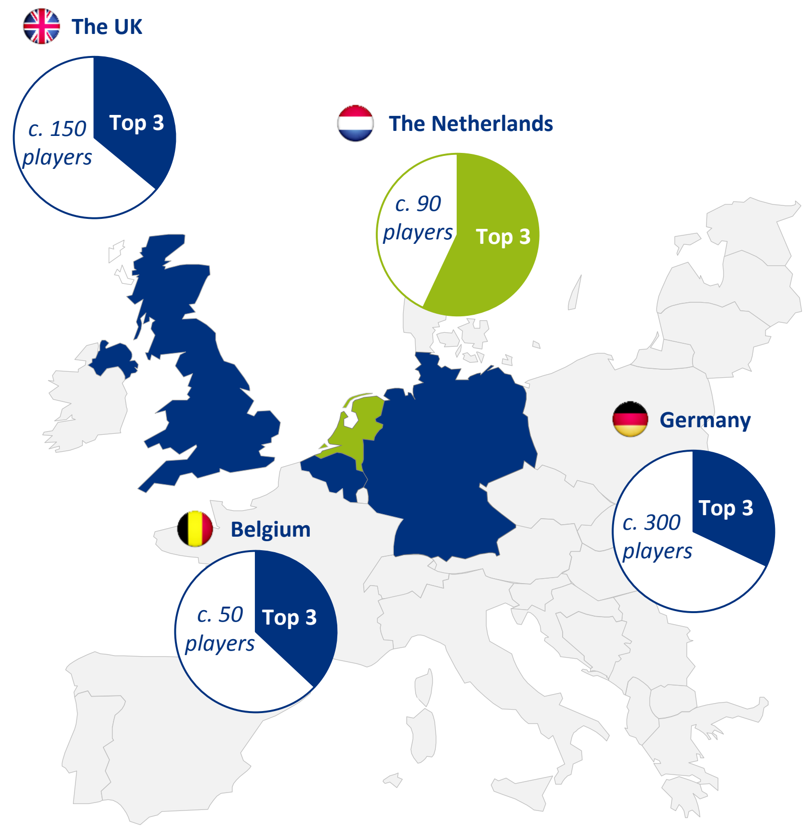
Local/regional market share is an important driver of profitability



Feed production has been stable and moderately growing (in mT)



Lower levels of consolidation may provide opportunities[1)]



Sources: Feed production volumes Germany, the United Kingdom, the Netherlands and Belgium from FEFAC industrial compound feed production data, market share top 3 and number of players in Netherlands and Belgium ForFarmers' estimates, number of German players based on Deutscher Verband Tiernahrung data, number of players in UK based on AG Industries estimate. Includes feed for poultry, cattle and pig categories, as defined by FEFAC (other categories such as pet food, are not included

Sustainability is a vital element in business model

Global Reporting Initiative™

Total value chain approach

Sustainable sourcing of raw materials	Sustainable manufacturing and logistics	Sustainable livestock farming

6 aspects in 3 themes

Theme	Aspects
Environment Reducing emissions & minimising the use of finite resources	Limit phosphate pollution Limit greenhouse gas emissions Minimise use of land, water and energy
People & Society Ensuring the safety of people, processes and products	Ensure safe and fair working conditions Improve feed safety
Animal Health & Welfare Enabling farmers to keep and feed animals well	Improve animal health and welfare

Strategic engagement with all stakeholders

Source: ForFarmers

2015 results against the objectives set for 2020

	Status	Objectives 2020 (baseline: 2014)	Status 2015 and comments
Procurement of raw materials	✓	100% sustainable soy/palm oil ▪ Further expand the position in the use of residual products from the food industry	▪ The Netherlands and Belgium 100% sustainable soy, The Netherlands and UK on track with palm oil. In Germany the focus is on non GMO soy ▪ ForFarmers engaged in industry initiatives to increase demand /use of sustainable ingredients. ▪ Co-products: first steps to integrated Total Feed concepts which combine regular feed and co-products
Environment	✓	▪ 10% reduction in energy consumption (KWh) per tonne of feed production ▪ At least 10% increase in kilometres per litre of fuel in transport ▪ Improvement in feed efficiency of an average of 1% per year ▪ Reduction of zinc and copper in feed	▪ All KPI's show progress in line with 2020 ambition ▪ Energy and fuel efficiency improved compared to 2014 ▪ Broiler feed conversion ratios in the NL improved compared to 2014 ▪ Copper and zinc levels in the NL well below legal limits ▪ In 2015, 2.65% less energy was used per tonne of feed manufactured compared to 2014 and in logistics fuel efficiency increased by 2.17 % compared to 2014%.
Animal Health and Welfare	✓	▪ Management programmes and products for animal welfare	▪ Ongoing focus: example Nutritional solutions developed to mitigate the impact of new legislation on the debeaking of laying hens
People and Society	Progress made but remains an area of focus	▪ > 70% reduction in accidents resulting in absenteeism compared to 2014 ▪ Intensification social projects	▪ 2015 shows a reduction of 13% in Lost Time Incidents compared to 2014, combined with a significant awareness and action on H&S policies ▪ Social projects: ongoing, example: participation in Wageningen University Fund (research to improve animal feeding in developing countries) and a number of agricultural charities
Reporting	✓	▪ Upward trend in well comparable reporting on social, economic and environmental indicators; including auditable reporting	▪ Project initiated to move to integrated reporting based on Global Reporting Initiative (GRI). ForFarmers expects to be able to report to GRI G4for the 2017 financial year

Source: ForFarmers

Financials past years

Attractive financial performance and profile

Summary financials

	Dutch GAAP			IFRS	
(EURm)	2012PF	2013	2014	2014	2015
Total feed volume (mT)	**8.70**	**8.47**	**8.89**	**8.76**	**9.09**
y-o-y growth	*n.m.*	*(2.6%)*	*5.0%*	*n.m.*	*3.8%*
Revenue	2,498	2,472	2,292	2,221	2,244
y-o-y growth	*n.m.*	*(1.0%)*	*(7.3%)*	*n.m.*	*1.0%*
Gross profit	**400.9**	**390.4**	**408.1**	**393.7**	**424.2**
margin	*16.0%*	*15.8%*	*17.8%*	*17.7%*	*18.9%*
y-o-y growth	*n.m.*	*(2.6%)*	*4.5%*	*n.m.*	*7.7%*
EBITDA	**81.4**	**69.3**	**88.1**	**86.3**	**90.1**
margin	*3.3%*	*2.8%*	*3.8%*	*3.9%*	*4.0%*
y-o-y growth	*n.m.*	*(14.9%)*	*27.1%*	*n.m.*	*4.4%*
EBIT	**58.2**	**43.4**	**59.1**	**62.6**	**64.1**
margin	*2.3%*	*1.8%*	*2.6%*	*2.8%*	*2.9%*
y-o-y growth	*n.m.*	*(25.4%)*	*36.2%*	*n.m.*	*2.4%*
Profit for the year	**40.4**	**31.6**	**39.8**	**49.0**	**51.3**
margin	*1.6%*	*1.3%*	*1.7%*	*2.2%*	*2.3%*
y-o-y growth	*n.m.*	*(21.8%)*	*25.9%*	*n.m.*	*4.7%*
Working capital	**217.2**	**132.8**	**129.9**	**126.7**	**131.6**
Net debt/EBITDA	**1.3x**	**0.1x**	**(0.3x)**	**(0.3x)**	**(0.4x)**
Solvency ratio	39.5%	43.7%	50.9%	52.1%	54.6%
Capex[1)]	**(23.4)**	**(28.8)**	**(25.6)**	**(22.1)**	**(25.3)**

Source: ForFarmers

Key highlights

1 Historically resilient performance

- Total Feed volume has been growing steadily
- Stable volume of Compound Feed
- Changes in product mix driven by
  - Changes in feeding system
  - Product availability (DML, roughage)
  - Seasonality
- Revenues less relevant metric since reflective of commodity prices rather than underlying business performance, volume and gross profit are better indicators of performance
- Limited sensitivity to economic cycle

2 Improving profitability

- Steady growth in Gross profit and EBITDA
- Improvement independently of revenues development

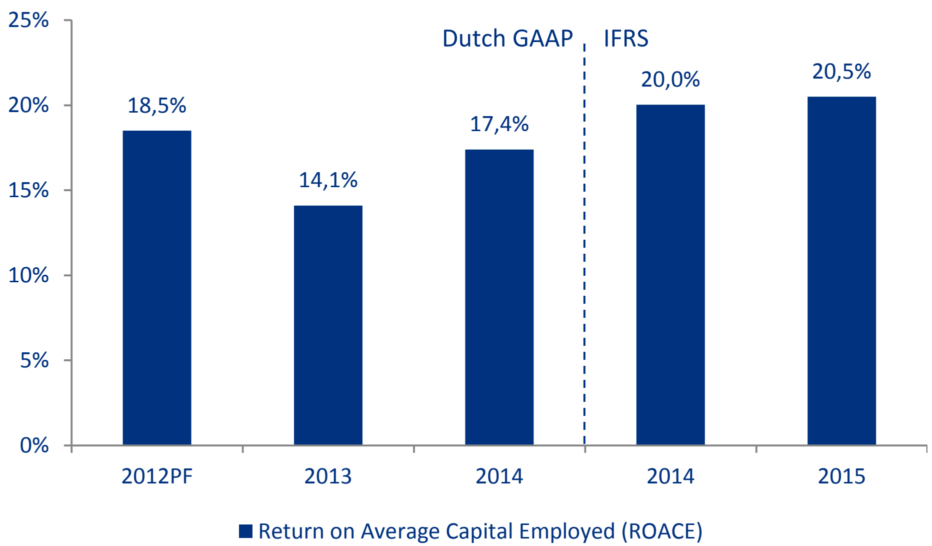
3 Balance sheet items

- Decline in working capital
- Current capital structure enables investments in growth
- Historically stable Capex level

ForFarmers the total feed business

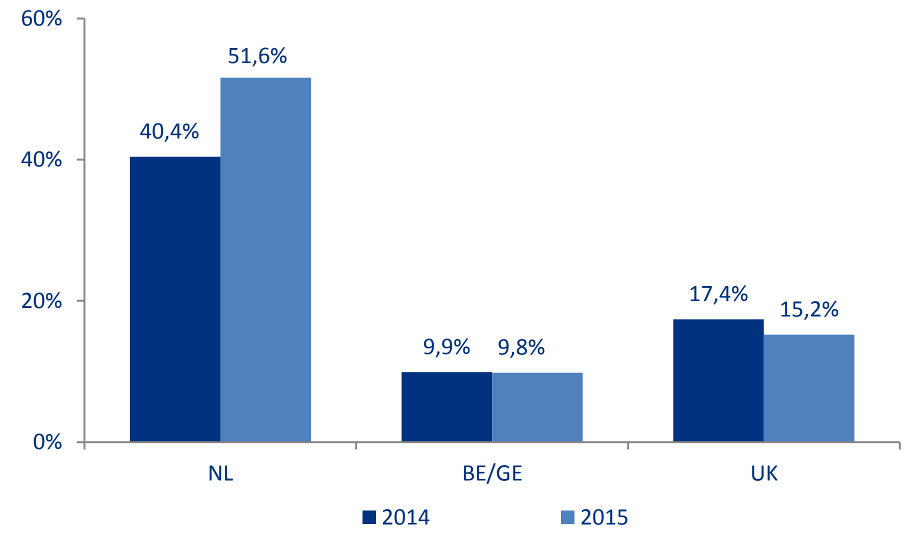
Improvement in Return (EBITDA) on Average Capital Employed

Increasing return on consolidated average capital employed (ROACE)[1)]



- 2014 & 2015 IFRS are based on figures excluding HaBeMa
- 2012 – 2014 Dutch GAAP are including HaBeMa figures

ROACE per geographic cluster under IFRS for 2014 & 2015



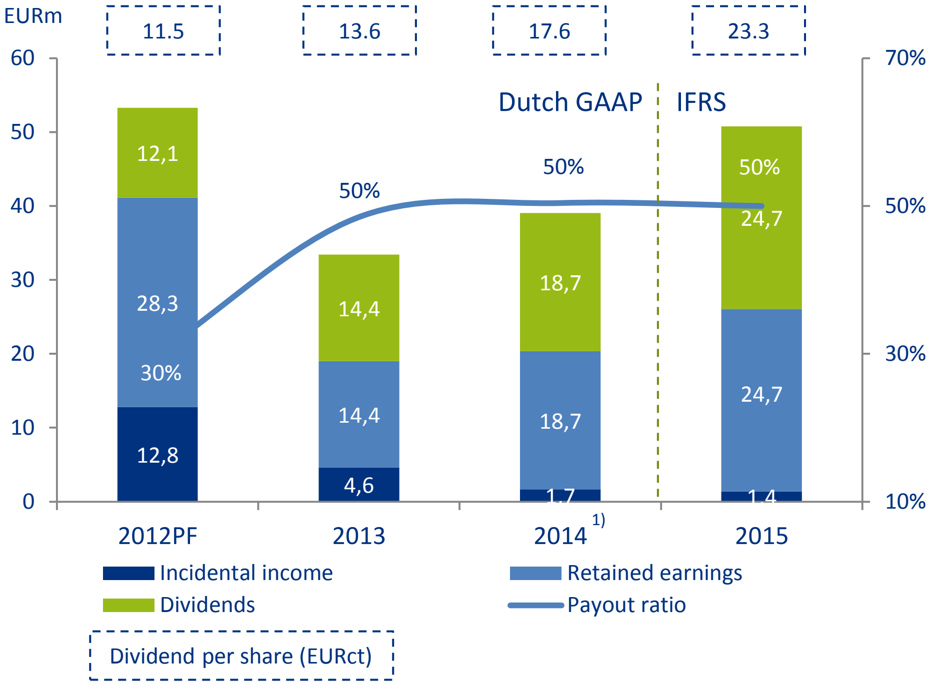
- ROACE varies significantly amongst clusters
- An opportunity exists to improve ROACE in foreign clusters, however, this only relates to profitability improvement, fixed asset and working capital element of the equation are hard to influence/manage
  - Differences in valuation methodology of fixed asset bases (market value vs. historical value)
  - Working capital due different market dynamics/requirements
  - Profitability to be improved on the back of Operational Excellence and M&A

1) Normalised EBITDA/average capital employed

Source: ForFarmers

Attractive pay-out ratio and dividend per share

Increasing net profit and high pay-out ratio lead to attractive dividends



- Pay-out ratio increased from 30% in 2012 to 50% of normalised Net Profit in 2015
- Subsequently, dividend per share increased from EUR 11.5 cents per share in 2012 to EUR 23.3 cents per share in 2015

Dividend policy

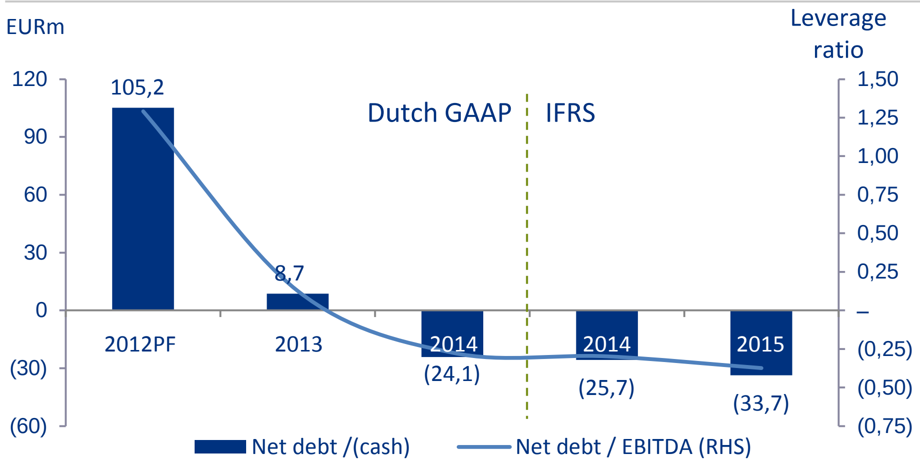
- ForFarmers intends to pay a dividend of between 40% and 50% of the normalised Net Profit

1) 2014 dividend was based on Dutch GAAP accounting and was 50% of normalised results after taxes

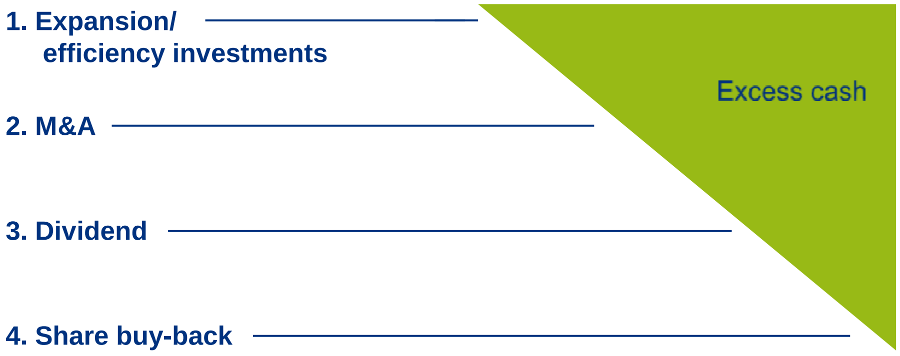
Source: ForFarmers

EUR 260m headroom for operational improvements and M&A

Historical net debt/(cash) position



Envisaged cash allocation



Capex	▪ 2016 Capex in the area of c. EUR 35m – Opportunities present to invest in operational optimization (e.g. c. GBP 10m investment in Exeter) ▪ Near term Capex levels c. EUR 10m higher vs. past years
Financial policy	▪ Bank covenants – Leverage ratio < 3.0x, one-off spikes allowed of between 3.0x - 3.5x – Interest coverage ratio not less than 4.0x ▪ ForFarmers has Net debt/EBITDA comfort < 2.5x providing headroom of c. EUR 260m – 2.5x EBITDA of c. EUR 90m – Excess cash as per year-end 2015 of EUR 34m
Medium term objective	▪ On average annual EBITDA growth in the mid single digits, based on constant exchange ratios

Source: ForFarmers

Financials first half year 2016

Highlights

First half year 2016

- Growth in volume (2.9%) and underlying EBITDA* (8.2%) on output oriented **Total Feed approach,** in still challenging markets for customers

- **Mixed developments markets in general**
  - Milk production: NL strong increase, DE/BE slightly up, UK decrease; low milk prices in all clusters
  - Swine prices starting to recover due to Chinese demand
  - Poultry: egg prices starting to decline in Q2; broilers facing more international competition

- **ForFarmers performance per cluster**

  NL **:** volume growth Total Feed & solid growth gross profit result in strong increase underlying EBITDA (+12.7%)

  DE/BE: Total Feed volume up with better mix & strong gross profit increase lead to significant improvement underlying EBITDA (+28.9%)

  UK: Volume growth due to acquisitions, but gross profit decreased. Reorganisation initiated. Increase underlying EBITDA (+7.8%)

- **Further implementation efficiency program One ForFarmers** results in growth underlying EBITDA

- **Brexit:** translation of weaker Pound sterling to Euro

- **UK streamlining organisation** to accelerate Total Feed roll-out and to improve supply chain efficiencies

- On track with **Sustainability GRI** process implementation

- Smooth transitioning multilateral platform to **public listing EURONEXT Amsterdam**

(*)EBITDA excluding incidentals

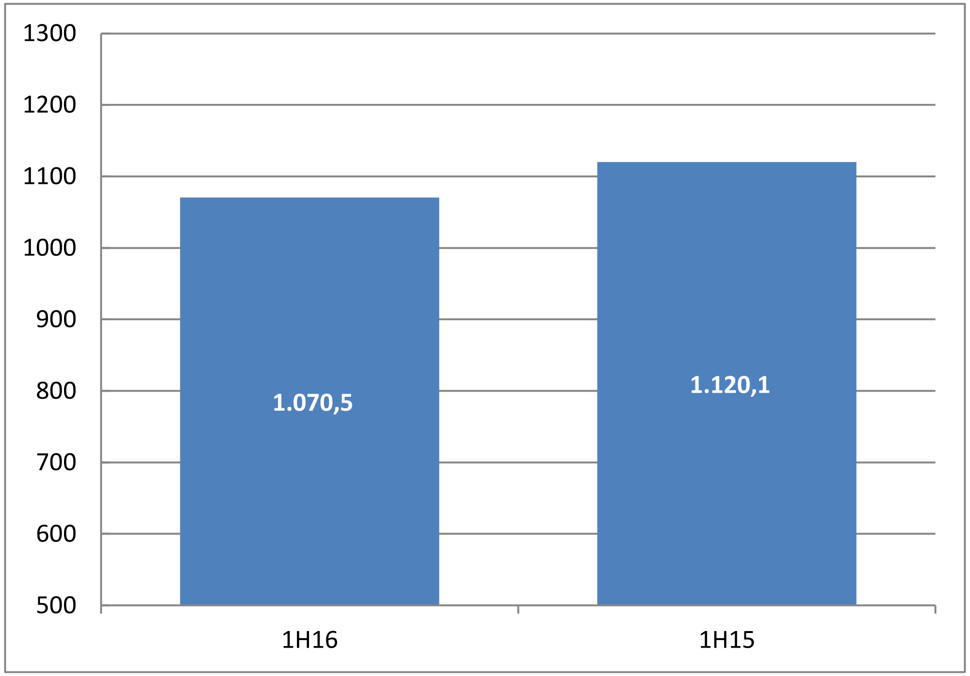
Underlying EBITDA improvement in all clusters

(In €m)

	Netherlands		Germany / Belgium		United Kingdom		Group / Eliminations		Consolidated	
	1H16	1H15	**1H16**	1H15	**1H16**	1H15	**1H16**	1H15	**1H16**	1H15
Total Feed Volume (in thousand tonnes)	**2,050.5**	**1,967.1**	**976.7**	**948.8**	**1,535.0**	**1,518.4**	**–**	**–**	**4,562.2**	**4,434.3**
Revenue	501.6	500.4	261.4	262.4	339.1	386.2	-31.6	-28.8	1,070.5	1,120.1
Gross profit	98.4	94.3	34.5	32.3	73.4	83.6	0.2	0.4	206.5	210.5
Operating profit	31.1	26.4	4.8	3.4	8.4	9.2	-11.5	-8.3	32.8	30.7
EBITDA	**35.4**	**30.6**	**6.7**	**5.2**	**14.0**	**14.2**	**-10.1**	**-7.1**	**46.0**	**42.9**
Gain on sale of investments and assets held for sale	-0.9	–	–	–	-0.4	-0.1	–	–	-1.3	-0.1
Restructuring costs / Impairment non-current assets	–	–	–	–	1.6	–	–	–	1.6	–
Underlying EBITDA	**34.5**	**30.6**	**6.7**	**5.2**	**15.2**	**14.1**	**-10.1**	**-7.1**	**46.3**	**42.8**
Effect currency exchange changes	–	–	–	–	0.7	–	–	–	0.7	–
Underlying EBITDA at constant currency	34.5	30.6	6.7	5.2	15.9	14.1	-10.1	-7.1	47.0	42.8

Lower raw material prices and Pound sterling impacted revenue at higher volumes

(In €m)



	1H16	1H15
The Netherlands	501.6	500.4
Germany/Belgium	261.4	262.4
United Kingdom	339.1	386.2
Elimination/ Reconciling items	-31.6	-28.9
Revenue	**1,070.5**	**1,120.1**

Revenue: €1.1bn	**-€49.6m**	**(-4.4%)**
• Currency effect:	-€20.4m	(-1.8%)
• Acquisition effect:	+€17.0m	(+1.5%)
• Like-for-like:	-€46.2m	(-4.1%)

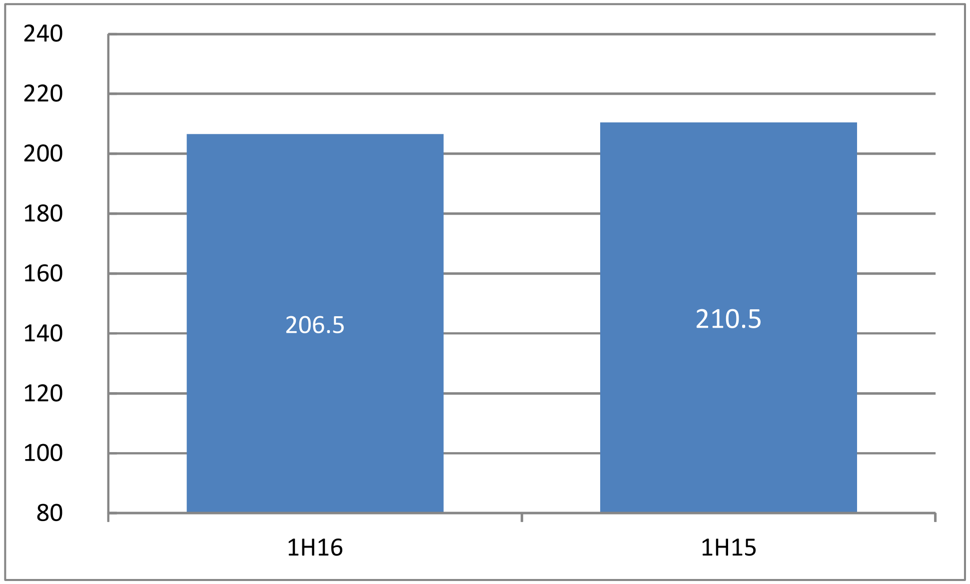
- Decrease raw material prices passed on to customers
- Increase Total Feed volume

Volume

- Total: +2.9% Total Feed to 4.6m tonnes
  - Like-for-like Total Feed volume +1.3%
  - Compound feed slightly decreased like-for-like
- The Netherlands: +4.2% Total Feed
  - Increase in Compound feed dairy and poultry, slight decrease pigs
  - Significant growth Organic feed (Reudink)
- Germany/Belgium: +2.9% Total Feed
  - Further roll out Total Feed concepts and more direct sales
  - Volume Compound feed is stable
- UK: +1.1% Total Feed
  - Like-for-like -3.6%, due to market conditions
  - Decrease in dairy and pigs, increase in poultry
  - Like-for-like Compound feed decreased

Gross profit impacted by currency

(In €m)



	1H16	1H15
The Netherlands	98.4	94.3
Germany/Belgium	34.5	32.3
United Kingdom	73.4	83.5
Elimination/ Reconciling items	0.2	0.4
Gross Profit	**206.5**	**210.5**

Gross profit: €206.5 -€4.0m (-1.9%)

- Currency effect: -€4.5m (-2.1%)
- Acquisition effect: +€2.6m (+1.2%)
- Like-for-like: -€2.1m (-1.0%)
- Positive contribution from strategic partnerships in all clusters

- The Netherlands: +€4.1m
  - Higher volumes and increase in organic feed
  - Better mix sold Total Feed volume

- Germany/Belgium: +€2.2m
  - Higher volumes
  - Margin per tonne increased by better product mix
  - Increased share of direct sales at farmers gate

- UK: -€10.1m
  - Net acquisition effect Countrywide €2.6m
  - Like-for-like (excluding currency effect): -€8.2m because of lower milk prices and change in product mix to lower-value feed products

Growth underlying EBITDA*
due to efficiency programme One ForFarmers

(In €m)

	1H16	1H15
Gross profit	**206.5**	**210.5**
Other operating income	**2.4**	**1.5**
Operating expenses		
Employee benefit expenses	77.0	74.0
Depreciation and amortisation	13.2	12.2
Other operating expenses	85.9	95.1
Total	**176.1**	**181.3**
Operating profit (EBIT) ***incl. incidental items***	**32.8**	**30.7**
EBITDA	**46.0**	**42.9**
- Gain on sale of investments and assets held for sale	-1.3	-0.1
- Restructuring costs / Impairment non-current assets	1.6	–
Underlying EBITDA*	**46.3**	**42.8**
Effect of movements in exchange rates	0.7	–
Underlying EBITDA at constant currencies	47.0	42.8

Operating expenses: €176.1m -€5.1m (-2.8%)

- Currency effect: -€4.1m (-2.3%)
- Acquisition effect: +€1.6m (+0.9%)
- Incidental item, restructuring +€1.6m (+0.9%)
- Like-for-like excl. inc. items: -€4.2m (-2.3%)
  - Lower due to efficiency program One ForFarmers
  - Lower net addition to debtors allowance compared to 1H15: -€0.7m
  - Extra expenses listing €1.5m

Underlying EBITDA: €46.3m +€3.5m (+8.2%)

- Acquisition effect: +€1.4m (+3.3%)
- Growth in all clusters

Incidental items:

- 1H16: impact on underlying EBITDA €0.3m
- 1H15: impact on underlying EBITDA -€0.1m

(*) Underlying EBITDA is the operating profit before depreciation and amortisation (EBITDA) excluding incidental items

Profit slightly increased

(In €m)

	1H16	1H15
Operating profit	**32.8**	**30.7**
Net finance costs	(2.0)	(0.5)
Share of profit of equity-accounted investees, net of tax	1.5	2.8
Income tax expense	(7.2)	(8.1)
Profit after tax	**25.1**	**24.9**
Effective Tax Rate (in %)	**23.3%**	**27.0%**
Non-controlling interests	(0.1)	(0.2)
Profit for the period	**25.0**	**24.7**
Profit for the period per share after tax (in €)	**0.236**	**0.231**

Profit for the period: €25.0m (+€0.3m, +1.2%)

- Finance income and expenses
  - In 2015 the net finance costs are positively impacted by an one off currency effect (+€0.7m)
  - The net profit of HaBeMa is almost halved because a very high result on storage activities in 1H15 and a significant lower result in 1H16 because of decreasing raw material prices and hence storage activities in 1H16
- Effective tax rate 23.3% (1H15: 27.0%)
  - Compared to the same period in 2015 the effective tax rate has been impacted by some one-off expenses

Profit per share: +2.2%

Capital structure further improved

Condensed consolidated balance

(In €m)	**30-06-16**	**31-12-15**
Non-current assets	303.1	323.1
Current assets		
- Cash and cash equivalents	99.8	88.3
- Assets held for sale	–	4.6
- Other current assets	289.1	321.2
Total assets	**692.0**	**737.2**
Equity	396.7	407.2
Non-current liabilities		
- Loans and borrowings	47.0	53.0
- Other	81.8	82.9
Current liabilities		
- Loans and borrowings	–	2.0
- Other current liabilities	166.5	192.1
Total equity and liabilities	**692.0**	**737.2**

(In €m)	**30-06-16**	**31-12-15**
Net working capital	122.6	129.0
Net debt / (cash)	(52.8)	(33.3)

- Solvency ratio: 57.3% (55.2% per 31.12.15)
- Working capital
  - Strongly impacted by currency effect
  - Inventories: €74.2m (2015: €89.8m)
  - Trade receivables: €176.1m (2015: €200.4m)
  - Overdue receivables at 22.5% (2015: 20.5%)
- Net cash: €52.8m (+19.5m)
  - Dividend paid: -€24.7m
  - Sale of assets/investments: +€6.7m
  - Operational cash flow +€36.8m

Outlook

- Market conditions remain difficult and margins for farmers are still under pressure
- Sentiment in ruminant sector still negative, but first signs of recovery are visible
- Due to increased demand from China the outlook for swine sector has improved
- Poultry sector is expected to be impacted by increasing competition (global / Eastern European)

- Persistent fluctuations in raw materials prices expected as a result of instability in agricultural markets and (geo)political tensions
- Devaluation of Pound Sterling expected to continue and to have larger negative impact on 2H16 result (in comparison to 2H15) than in 1H16 versus 1H15

- We remain confident in progress through further roll out of strategy Horizon 2020 and reconfirm our guidance: for the medium term of an on average annual increase of EBITDA growth in the mid single digits at constant currencies

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