



Press Release

Lochem (the Netherlands), 28 August 2015

Solid development of volume and operating result in first half of 2015 Earnings per share increased by 22%

Key points first six months 2015

- Volume increased slightly by 3.0% to 4.5 million tonnes. Excluding acquisitions, volume remained flat.
- Despite acquisitions and positive currency effects declining raw material prices resulted in a decrease in revenue of 1.2%.
- Gross profit increased by 10.2% compared to the first half of 2014; all clusters contributed to this increase.
- Operating result (excluding incidental items) increased by 8.7% to € 32.6 million compared to € 30.0 million in the first half of 2014.
- Progress with implementation of strategy Horizon 2020 and standardisation to One ForFarmers is on schedule. Rebranding to the ForFarmers brand completed.
- Further expansion in the United Kingdom realised with the acquisition of the feed business of Countrywide in May 2015.

Consolidated key figures

Amounts in millions of € (unless indicated otherwise)	1 st half 2015	1 st half 2014	Change in %
Total Feed volume (x 1,000 tonnes)	4,527	4,396	3.0%
Revenue	1,159.6	1,173.5	-1.2%
Gross profit	220.1	199.8	10.2%
Operating result, excluding incidental items	32.6	30.0	8.7%
Operating result	32.7	27.9	17.2%
Result after taxes	22.9	18.8	21.8%
	As at 30-06-2015	As at 31-12-2014	
Equity	363.9	360.6	
Solvency*	49.2%	50.9%	
Earnings per share x 1 €	0.22	0.18	22.0%

* Solvency is the Equity divided by the balance sheet total

Yoram Knoop, CEO ForFarmers commented: "The market conditions in the agricultural sector remain challenging and the income of farmers is under pressure. In these challenging times for our customers, our focus on Total Feed has become even more important. We use our nutritional knowledge and solutions to help customers to achieve better technical and financial results on their farm. Our product mix consequently changes and we sell more specialties. Partly because of this we were able to realise a solid result in the first half of this year. The gross profit increased by 10.2% due to a combination of like-for-like growth, acquisition and currency effects. Due to the acquisition of

Countrywide, our strategic position in the United Kingdom was strengthened further. Since 1 June 2015 all Business Units in all countries have been operating under the name ForFarmers. This One ForFarmers approach results in better branding in the market; it also stands for a uniform way of working, better use of available knowledge, and consequently a more efficient organisation. The introduction of measurable objectives (KPI's) for several departments has meanwhile resulted in savings. With the Horizon 2020 strategy and the further professionalised organisation we are well positioned. On this basis we expect, barring unforeseen circumstances, a higher net profit over the whole year 2015 compared to 2014."

Employee participation scheme

In March 2015 ForFarmers launched an employee participation scheme. Through this scheme employees were offered the opportunity of investing in the company; 20% of all employees decided to participate.

Sector developments

In a challenging market the return for the farmers remains under pressure. In the dairy farming sector the milk prices declined considerably, partly as a result of import restrictions in Russia and the higher supply of milk (removal of milk quotas).

The continental swine sector has suffered a long period of low selling prices. Due to import restrictions in Russia, a large supply of pigmeat on the world market and ever stringent requirements in the area of legislation and regulations the selling price has dropped below the average cost price.

The poultry sector can look back on a better six months, amongst others because of the growth in export versus the second half year of 2014.

Results first six months of 2015 compared to 2014

Over the first six months of 2015 ForFarmers realised an operating result (excluding incidental items) of € 32.6 million. This resulted in an increase of € 2.6 million (+ 8.7%) compared to 2014. The operating result and the operating result excluding incidental items are as follows:

(Amounts in millions of Euro)	1 st half 2015	1 st half 2014	Δ	Δ%
Operating result	32.7	27.9	4.8	17.2
Restructuring costs / Impairments fixed assets	-	2.1	- 2.1	
Book results sold Business Units	- 0.1	-	- 0.1	
Operating result excluding incidental items	32.6	30.0	2.6	8.7

The incidental item of € 2.1 million in 2014 was related to the closing of the factory in Deventer. According to plan the volume of this factory was moved to other locations and customers were retained.

The like-for-like improvement of the operating result excluding incidental items is € 2.1 million. The net effect of acquisitions and divestments (net acquisitions) is -/- € 0.5 million (-/- 1.7%) due to the previously announced integration costs of Countrywide. The currency effect is € 1.0 million (+ 3.3%).

Excluding acquisition effects the **Total Feed volume** is almost equal to last year. The Total Feed volume, including net acquisitions, increased over the first six months of 2015 to 4.5 million tonnes, which is an increase of 3.0%. A like-for-like increase (+ 3.1%) was realised in the Netherlands in compound feed, single feed and in DML (Dry Moist Liquid) products. The volume in the cluster Germany and Belgium declined slightly by 0.4%. Due to the decline of the market for DML products there is a like-for-like decline in the United Kingdom (-/- 4.0%). However as a result of acquisitions, volume increased by 5.3% in the United Kingdom.

The increase of the total compound feed volume can be attributed to the ruminant sector and the poultry sector, mainly due to acquisitions. The other sectors show a stable pattern.

Revenue over the first six months of 2015 amounts to € 1,159.6 million and declined, compared to the 2014 financial year, by € 13.9 million (-/- 1.2%). This decrease is mainly the result of declined raw

material prices partly set-off by currency effects (€ 39.3 million, + 3.3%) and acquisition effects (€ 11.9 million, + 1.0%).

Over the first six months of 2015 ForFarmers realised a **gross profit** of € 220.1 million. Compared to the same period over 2014 this is an increase of € 20.3 million (+ 10.2%).

This growth is realised in the Netherlands by the slightly higher Total Feed volume and the application of the nutritional knowledge including a better product mix and more specialties.

In Germany and Belgium there was growth of storage activities of HaBeMa and also a better product mix with more specialties.

Despite the lower volumes in the DML segment, the like-for-like gross profit in the United Kingdom slightly increased. Furthermore, acquisition effects amount to € 4.6 million (+ 2.3%), and currency effects to € 8.3 million (+ 4.2%).

In the first six months the **operating expenses** increased from € 173.8 million to € 189.0 million. Adjusted for the impairment of the factory in Deventer in 2014 of € 2.1 million the operating expenses increased by € 17.3 million (+ 10.0%). This increase includes, amongst others, the effect of acquisitions (€ 5.1 million, + 2.9%) and the currency effect (€ 7.3 million, + 4.2%). In addition there is an increase of the costs due to the growth of the storage activities of HaBeMa (€ 2.0 million). The further professionalisation and the conversion to One ForFarmers resulted in higher operating expenses. The operating expenses also included one-off expenses for the preparation of the potential listing on the public stock exchange and costs as a result of the bird flu (€ 0.3 million) at the beginning of 2015.

The number of employees, converted into fulltime equivalents, was 2,400 as at 30 June 2015 compared to 2,258 as at 30 June 2014. This increase is mainly due to acquisitions.

The **operating result (excluding incidental items)** increased by 8.7% to € 32.6 million compared to € 30.0 million in the same period of 2014. All clusters contributed to this increase.

The **result after taxes** increased by 21.8% to € 22.9 million. The refinancing concluded in October 2014 has resulted in lower financing expenses in the first half year of 2015. In addition, the financing expenses were affected positively by the currency effect (€ 0.7 million). The effective tax rate over the first half year of 2015 amounts to 28.2% compared to 27.4% over the comparable period in 2014.

Development per cluster

	Total Feed volume (tonnes x thousand)			Gross profit (€ x million)		
	1 st half 2015	1 st half 2014	Δ%	1 st half 2015	1 st half 2014	Δ%
Netherlands	1,992.9	1,933.7	3.1	94.0	90.6	3.8
Germany and Belgium	1,016.0	1,019.7	- 0.4	42.1	38.6	9.1
United Kingdom	1,518.4	1,442.4	5.3	83.6	70.5	18.6
Elimination/reconciling items				0.4	0.1	
Total	4,527.3	4,395.8	3.0	220.1	199.8	10.2

Netherlands

The Total Feed volume in the Netherlands increased by 3.1% to 2.0 million tonnes. In particular in the second quarter of 2015 volumes in the ruminant sector increased as a result of the removal of milk quotas. The swine sector is still facing a decline despite a slight growth in market share. For the other sectors there was a slight increase in volume. With regard to the biological feed of Reudink, there was a strong increase in volume, also driven by the toll manufacturing activities for Agrifirm. In addition, new product launches contributed to the growth within Pavo (horsefeed).

The increase of gross profit (€ 3.4 million, + 3.8%) is the result of the slight volume increase and better product mix (resulting from more specialties from the Total Feed concept). The application of nutritional knowledge also led to an increase in gross profit.

Germany and Belgium

The Total Feed volume in Germany and Belgium remained stable compared to previous year. In both the swine and the poultry sector a slight growth can be observed. Sales in the ruminant sector declined since up to 1 April many farmers had produced over the milk quotas threshold. In addition, there were fewer sales due to low milk prices and consequently less use of compound feed.

The gross profit increased strongly (€ 3.5 million, + 9.1%) in particular due to a growth of the storage activities. The other activities also showed a slight growth, mainly due to the improved product mix with more specialties.

United Kingdom

The Total Feed volume declined like-for-like by 4% compared to last year. This was caused by the decline in volume in the DML segment (Dry Moist Liquid) due to the reduced customer demand because of low milk prices and surplus fodder.

The ruminant market was challenging as a result of falling milk prices. However, compound volumes and margins remained stable due to stronger focus on efficient feed solutions and better application of our nutritional knowledge. Good progress was also made in the swine sector.

Total Feed volume increased by 5.3% compared to last year as a result of acquisition effects.

The gross profit increased by € 13.1 million (+ 18.6%). The net acquisition effect was € 4.6 million (+ 6.5%). The currency effect was € 8.3 million (+ 11.8%). Like-for-like gross profit increased slightly by € 0.2 million (+ 0.3%). All sectors grew in gross profit, which was offset by the decline of the DML business.

Capital structure and solvency

Equity increased to € 363.9 million over the first six months of 2015, an increase of € 3.3 million compared to 31 December 2014, which was mainly due to the addition of the current financial year result less the paid dividend (€ 18.7 million). In addition, currency translation differences related to investments in the United Kingdom were accounted for in equity (€ 4.2 million). An addition to the pension provision in the United Kingdom of € 4.7 million was also accounted for in equity. **Solvency** declined slightly from 50.9% at the end of 2014 to 49.2% as at 30 June 2015.

Net debt / (net cash), which is the bank debts minus the cash and cash equivalents, was -/- € 6.8 million versus -/- € 24.1 million at the end of 2014. Due to seasonal effects the net working capital increased by € 8.1 million (+ 6.1%). Furthermore, this includes payments resulting from dividend over 2014, the acquisition of Countrywide and investments in fixed assets. Compared to 30 June 2014 the working capital declined by € 11.4 million (-/- 7.5%). The strong balance sheet and healthy liquidity position enables ForFarmers to realise its strategy Horizon 2020 ambitions in a responsible manner.

The **investments** in fixed assets over the first six months of 2015 amount to a total of € 7.1 million where the **depreciation** on assets (excluding goodwill and customer bases) amount to a total of € 10.5 million. Due to differences in timing of phases, investments in the first six months were relatively low, in the second six months these are expected to be higher.

Special developments

ForFarmers intends to build a new factory in Exeter (United Kingdom) with a capacity of 300,000 tonnes to replace the current production facility (150,000 tonnes). The new facility will strengthen the strategic position in one of the key regions in the United Kingdom. The investment will be in excess of £ 10 million and the development is expected to take 18 months. Through this investment, ForFarmers will be even better placed to offer its customers the optimal Total Feed solutions and improved customer service, while ultimately also reducing cost.

Strategic developments

ForFarmers is committed to further implement its Horizon 2020 strategy. This strategy is aimed at delivering products based on optimal nutritional knowledge to customers through growth and international expansion. Through optimal use of nutritional knowledge per individual customer organic growth can be realised. In addition, strategic alliances and cooperations will contribute to further

deepening and broadening of knowledge. Finally, the international expansion with focus on 'Europe+' will contribute to the expansion and/or development of number 1 and 2 positions in selected markets. In the past months further substance was given to the Horizon 2020 strategy through the introduction of a plan of approach per segment in all countries. To support this, SAP CRM (customer information system) was selected, which will be rolled out country by country in the coming 18 months. Moreover, sector oriented marketing teams were formed that will work cross border.

The cooperation with strategic partner Nutreco is gaining ever more shape and the first results have become visible. For instance, in the coming months a new approach and assortment for the piglet sector will be launched.

The first deliveries coming through the strategic partnership with Agrifirm concerning the joint procurement of crop products have now taken place.

The organisation was strengthened through enhancing the senior management team. In the first six months of 2015 the sustainability vision was updated and refined. This will result in a structured approach, with governance structure, activity plans and KPI's for individual employees and departments. At the General Meeting in April 2016 ForFarmers will communicate specific actions and planning.

Outlook 2015

In the second half of 2015 the market conditions in the sectors in which ForFarmers operates are expected to remain challenging. The returns in the ruminant and swine sector are not expected to improve in the short term which means volumes will remain under pressure. The number of farmers (with in particular smaller farms) who discontinue their operations is expected to increase. Stringent credit control management continues to be important.

As ForFarmers was already the largest supplier of Countrywide before the takeover this acquisition will only result in a modest additional growth in volume. Due to integration costs this year, this acquisition is expected to contribute to net profit as of 2016.

ForFarmers will continue working on an optimal return for customers by offering the Total Feed concept and the continuous adjustment of feed solutions to trends and market conditions.

It is expected that due to political tensions, fluctuations in the most important currencies like the dollar, pound sterling and euro, and uncertain weather and harvest forecasts, prices for the most important raw materials may fluctuate strongly, which may also impact the results of ForFarmers.

Nonetheless ForFarmers expects, barring other unforeseen circumstances, a higher net result over the whole of 2015 (compared to 2014).

Events after the date of the balance sheet

There are no events after balance sheet.

Proposed listing in 2016

After the presentation at the General Meeting of 17 April 2015 of the outcome of the study on the transition to the public stock exchange, the company started the preparation for a technical listing on Euronext Amsterdam. The company is currently making a selection from a number of Dutch banks and advisors for assistance. The guiding principle for the listing will be that the tradability of the participation accounts and depositary receipts are discontinued. The participation accounts can then still be kept on the trading platform or need to be converted into (depositary receipts for) shares. After a public listing the trade in depositary receipts from the trading platform will be converted into trade in shares via the public stock exchange. A decision on the external listing will be made in the annual General Meeting in 2016.

In May 2015 the capital was registered for the feed equivalents used in 2014. As at 30 June 2015 the cooperative FromFarmers held 66.1% of the depositary receipts for shares in ForFarmers B.V. As at that date the cooperative held a direct interest of 25.5% and the members of the Cooperative held an interest of 40.6% through the participation accounts. The interest of other depositary receipt holders (not being the Cooperative) expanded further from 31.1% at the end of 2014 to 33.9%.

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Notes to the editor:

Analyst conference call and audio webcast

Mr. Yoram Knoop (CEO) and Mr. Arnout Traas (CFO) will host an analyst conference call (**in Dutch only**) today at **9.30 am** (CET) to discuss the results for the first half year 2015. To access the live audio webcast please visit www.forfarmersgroup.eu. A slide presentation is also available for download. A replay of the audio webcast will remain available on the corporate website.

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About ForFarmers

ForFarmers (Lochem, the Netherlands) is an internationally active company in the area of traditional and biological feed solutions for stock-farming. With sales of approximately 8.9 million tonnes of feed per annum ForFarmers is market leader in Europe. Apart from feed for the ruminant, swine, poultry and horse sector ForFarmers also offers commodities for crop and grassland farming. With its products ForFarmers offers customers additional knowledge and advice in the area of feed, farming, and business development.

Having regard to its position in the feed chain ForFarmers intends to be leading in sustainable business practices. By producing feed in an efficient manner and by developing products and concepts that ensure that animals can consume the feed in a healthier and better manner (improvement of feed efficiency) ForFarmers makes a contribution to a commercially profitable and sustainable feed production. To this end the company has its own innovation centre that cooperates closely with renowned research institutes and universities.

In 2014 the revenue was € 2.3 billion. ForFarmers has more than 2,300 employees and production establishments in the Netherlands, Belgium, Germany, and the United Kingdom.

As at 30 June 2015 the cooperative FromFarmers held 66.1% of the control and jointly with the depository receipts for shares of the members 71.5% of the control in ForFarmers B.V. FromFarmers is a cooperative with 6,272 members and was established in Lochem. The activities consist of the management of its interest in ForFarmers B.V.

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Addenda

- Condensed consolidated balance sheet and condensed consolidated profit & loss account
- Condensed consolidated movement schedule equity
- Explanatory notes to the consolidated half year figures

Notifications and disclaimer

PUBLICATION 2015 HALF YEAR REPORT

The 2015 half year report (including balance sheet and profit and loss account) is available on the website of ForFarmers as from 28 August 2015 (www.forfarmersgroup.eu).

ACCOUNTING POLICIES

The figures in this press release were taken from the 2015 half year report of ForFarmers in respect of which an audit was not conducted. The 2015 half year report and the figures taken from the same in this press release were prepared in accordance with Dutch accounting policies.

SUPERVISION

Given the free tradability of the (depository receipts for) shares on the current external trading platform, ForFarmers is under the supervision of the Netherlands Authority for the Financial Markets (AFM) and the company acts in accordance with the rules applicable to companies that issue securities.

Important dates

28-08-2015 Publication of 2015 half year figures
22-03-2016 Publication of 2015 annual figures
15-04-2016 General Meeting ForFarmers B.V.
26-08-2016 Publication of 2016 half year figures

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that are related to, amongst others, the statutory capital and liquidity positions in certain specified scenarios required for ForFarmers. In addition, forward-looking statements can, without any limitation, contain statements with the words "intends to", "expects", "takes into account", "is aimed at", "has the intention", "estimated", and words of a similar scope. These statements are related to or may be related to future business affairs, e.g. ForFarmers' future financial results, business plans, and current strategies. Forward-looking statements are subject to a number of risks and uncertainties that may imply that actual results and performances differ essentially from the expected future results or performances that were, either implicitly or expressly, included in forward-looking statements. Factors that may result in changes in the current forecasts, or that may contribute to this, include but are not limited to developments in legislation, technology, taxes, case law and regulations, fluctuations in market prices, legal proceedings, investigations by regulators, the competitive relationships, and general economic conditions. These and other factors, risks, and uncertainties that may affect a forward-looking statement or the actual results of ForFarmers are discussed in the 2014 annual report. The forward-looking statements in this press release are exclusively related to statements as from the date of this document and ForFarmers does not accept any obligation or responsibility for the updating of the forward-looking statements that were included in this press release regardless of the fact whether they are related to new information, future events or otherwise, unless ForFarmers is by law obliged to do so.

Condensed consolidated balance sheet and condensed consolidated profit & loss account

Condensed consolidated balance sheet in millions of €	30-06-2015	31-12-2014
Fixed assets	321.9	301.7
Current assets	418.3	406.3
Total assets	740.2	708.0
Group equity	368.5	365.0
Provisions	104.1	93.4
Non-current liabilities	70.5	54.1
Current liabilities	197.1	195.5
Total equity and liabilities	740.2	708.0

Condensed consolidated profit and loss account in millions of €	1st half 2015	1st half 2014
Net Revenue	1,159.6	1,173.5
Cost of raw materials and consumables	939.5	973.7
Gross profit	220.1	199.8
Other operating income	1.6	1.9
Operating income	221.7	201.7
Personnel expenses	75.9	66.7
Depreciation and amortisation	14.9	14.2
Other operating expenses	98.2	92.9
Operating expenses	189.0	173.8
Operating result	32.7	27.9
Net financing expenses/income	-0.5	-1.6
Result before taxation	32.2	26.3
Taxes	-9.1	-7.2
Group result after taxes	23.1	19.1
Minority interest	-0.2	-0.3
Result after tax	22.9	18.8

Condensed consolidated movement schedule Equity

Condensed consolidated movement schedule Equity		
In millions of €	2015	2014
Equity value at 31 December	360.6	338.4
Dividend paid	-18.7	-14.4
Exchange rate differences on valuation of participating interest	4.2	2.2
Purchase of own shares	-0.4	0.1
Actuarial results	-4.7	-2.8
Profit current financial year	22.9	18.8
Equity value at 30 June	363.9	342.1
Minority interests in group equity	4.6	4.2
Group equity at 30 June	368.5	346.3

Explanatory notes to the consolidated half year figures

General

In these consolidated half year figures the financial results of ForFarmers B.V. (the "Company") and its subsidiaries are presented (jointly: the "Group") over the period that was closed on 30 June 2015. The consolidated half year figures were prepared in euros and all amounts were rounded to the nearest millions, unless indicated otherwise.

Declaration of compliance

This half year report is prepared in accordance with the statutory provisions of Title 9 of Book 2 of the Dutch Civil Code. The half year report does not include all information that is required for complete financial statements and must be read in conjunction with the 2014 consolidated financial statements of ForFarmers B.V.

Audit

An audit was not conducted in respect of the information presented in these half year figures.

Accounting policies

The financial information as included in the half year figures is related to the period ended 30 June 2015 and is prepared in accordance with the accounting policies as disclosed in the 2014 financial statements of ForFarmers B.V.

Taxes

In the interim financial information the taxes are recorded in the profit and loss account on the basis of the estimated applicable rate for corporation tax.

Dividend

At the General Meeting of 17 April 2015 the dividend was approved at € 0.176 per share. On 24 April 2015 € 18.7 million was paid out as cash dividend and charged against other reserves.

Commitments and contingencies

The commitments and contingencies, as disclosed in the 2014 financial statements, did not change materially in the first six months of the 2015 financial year.

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