**Miko NV**
**Steenweg op Mol 177**
**2300 Turnhout**
**KBO nr. 0404.175.739**
**RPR Turnhout**

# Half-yearly financial report 2013

## CONSOLIDATED RESULTS

Turnover rose by 3.9 % compared with the same period last year, from 73.7 million euro to 76.6 million euro. Almost three quarters of the Group's turnover was achieved abroad.

EBIT (profit from operational activities before costs and taxes) amounted to 5.8 million euro (up 1.5 % on the first half of 2012). However, substantial one-off costs were incurred by takeovers (see under "important events"), amounting to about 500,000 euro. This includes expenses for lawyers' fees, success fees and due diligence costs. Discounting these one-off costs, EBIT would have risen by 10.7 %.

EBITDA (profit from operational activities before financial costs, taxes, depreciation and amortisation) amounted to EUR 9.6 million (up 1.2 % on the same period last year). If an adjustment were made for the one-off takeover costs, EBITDA would have increased by 6.7 %.

The net profit was EUR 4.3 million, marking a rise of 0.8 % over the first six months of 2012. Making the adjustment already mentioned, the net profit would have risen by 9 %.

## BALANCE SHEET AND CASH FLOWS

The various acquisitions during the first half of the year also had their impact on the balance sheet. They were financed by, among others, new loans for a total amount of about 8.5 million euro. Furthermore, a provision of 1.9 million euro was created related to the obligation which was entered into to acquire, in the future (at the earliest in five years' time), the remaining 30 % of the shares of ABC Mokka (Denmark).

The acquired companies were fully consolidated per 30 June. It should be noted that ABC Mokka does not yet contribute to the result of the group, because the take-over took place immediately before the closing date.

Investments were made for 7.9 million euro, which led to a net increase in property, plant and equipment of approximately 5 million euro.

Cash and cash equivalents decreased in the first half-year by 9 million euro, which is attributable to the acquisitions already mentioned before, which were partially paid for out of cash-at-hand, as well as to the investments in property, plant and equipment.

Cash flow from operating activities, however, grew from 1.5 million to 4.2 million euro, compared to the same period last year.

## SEGMENT INFORMATION

The coffee sector generated a turnover of 36.9 million euro in the first six months. This is 2.29 % up on the previous year and accounts for 48.20 % of group turnover. Turnover was under pressure in almost every "home" market. As was already announced previously, the French market in particular suffered a decrease in turnover after a large contract came to an end. But the situation was also difficult in Belgium, the Netherlands and the UK. This is down to the recession, which is leading to cut-backs in businesses and to a rise in the number of companies going bankrupt within both the hospitality and business sectors. But, thanks to the rise in turnover in Germany and the takeover of Kaffekompaniet in Sweden, the turnover of which is included for four months, turnover in the coffee service business still enjoyed positive growth.

The plastics sector accounted for 39.7 million euro, i.e. an increase of 5.41 % compared with last year. This sector therefore accounts for 51.80 % of the total turnover. This rise was mainly down to additional sales made to new customers. These additional sales managed to offset some of the negative trends. Due to the very mediocre spring, the ice cream season had a late start. Ice cream tubs are part of plastic packaging's core business.

The coffee service business's EBIT dropped by 18.4 %. There was a marginal rise in EBITDA of 0.6 %. As already mentioned, the coffee service business incurred one-off costs as a result of takeovers. Discounting these costs, EBIT and EBITDA for the coffee service business would have risen by 7.2 % and 14.9 % respectively. In the first half of 2013 there was a slight downward trend noticeable in raw coffee prices on the global market. This affected margins positively. Investments used to purchase coffee machines, which were then provided free-on-loan or leased to customers, amounted to EUR 2.5 million in the first six months.

EBIT and EBITDA for the plastic packaging business rose by 12.5 % and 1.5 % respectively. This rise is related to the increased turnover. The sharp fall in depreciation is the reason why the growth in EBIT was relatively stronger than that in EBITDA. Investments of EUR 5 million were made in this sector. These related to the building of additional production space for the plant in Poland and to the purchase of machines, moulds and other equipment.

IMPORTANT EVENTS

The quest for a takeover opportunity in the coffee service business in Scandinavia had been ongoing for more than a year. The opportunity for two takeovers arose in the first half of 2013. All the shares were acquired in the Swedish company Kaffekompaniet, which is headquartered in Gothenburg, employs 23 staff and has a turnover of around EUR 6 million. In addition, a 70 % holding was acquired in the Danish coffee service company ABC Mokka, which is headquartered in Copenhagen, employs 20 staff and has a turnover of EUR 6.5 million. Moreover, in Australia the assets and customer portfolio of the Corporate Coffee Solutions were taken over, providing a turnover of approx. EUR 1.2 million.

In the plastics sector major work is under way at the Polish plant where a new production hall is being built to handle the rapid growth. Last year the plant already started using a new warehouse.

PRINCIPAL RISKS AND UNCERTAINTIES

On the basis of the information currently available to the company, there is no reason to assume that the risks and uncertainties which the company will face in the second half-year, would differ significantly from those which were included in the annual report over 2012.

TRANSACTIONS WITH RELATED PARTIES

In the first half-year, there were no transactions with related parties which could have material consequences on the company's financial position or results.

PROSPECTS

Notwithstanding EBIT growth of more than 10 % (excluding one-off costs), we clearly feel that the unfavourable economic climate affects our customer base on all levels, and particularly our coffee service customers, both in the office and in the hospitality markets. On top of that, the evolution of raw material prices remains an uncertain factor as well. We are therefore cautious about making predictions for the rest of 2013.

Prepared on 30 August 2013.

On behalf of the board of directors,

| | |
|---|---|
| Jan Michielsen | Frans Van Tilborg |
| Managing director | Managing director |
| | CEO |

## Abbreviated financial statements January-June 2013

### Consolidated income statement according to IFRS (in KEUR)

| | 30/06/2013 (KEUR) | | | 30/06/2012 (KEUR) | | |
|---|---|---|---|---|---|---|
| **Revenue** | | | **76.619** | | | **73.705** |
| Revenue from the sale of goods | 74.478 | | | 71.479 | | |
| Revenue from leasing | 2.019 | | | 1.861 | | |
| Proceeds from sale of non-current assets | 122 | | | 365 | | |
| | | | | | | |
| Other operating income | | 1.372 | | | 1.167 | |
| Raw materials & consumables | -40.302 | | | -38.945 | | |
| Employee benefit expense | -17.164 | | | -15.555 | | |
| Depreciation and amortisation | -3.651 | | | -3.777 | | |
| Other operating expenses | -11.038 | | | -10.848 | | |
| Total costs | | -72.155 | | | -69.125 | |
| **Profit before interests and tax (EBIT)** | | | **5.836** | | | **5.747** |
| Net financial result | | -245 | | | -315 | |
| Financial income | 161 | | | 162 | | |
| Financial costs | -406 | | | -477 | | |
| **Profit before tax** | | | **5.591** | | | **5.432** |
| Income tax expense | | -1.306 | | | -1.140 | |
| **Profit of the year** | | | **4.285** | | | **4.292** |
| Attributable to non-controlling interests | | -6 | | | 37 | |
| **Attributable to owners of Miko** | | | **4.291** | | | **4.255** |
| Basic earnings per share, attributable to owners of Miko (in euro) | | | 3,45 | | | 3,43 |
| Diluted earnings per share, attributable to owners of Miko (in euro) | | | 3,43 | | | 3,43 |

## Consolidated statement of comprehensive income

| | 30/06/2013 (KEUR) | | 30/06/2012 (KEUR) | |
|---|---|---|---|---|
| **Profit of the year** | | **4.285** | | **4..292** |
| Currency translation differences | -1.041 | | 764 | |
| Other items of comprehensive income for the year | 5 | | 4 | |
| **Total comprehensive income** | | **3.249** | | **5.060** |
| Attributable to shareholders of Miko | -6 | | 5.028 | |
| Attributable to non-controlling interests | 3.255 | | 32 | |

## Consolidated balance sheet according to IFRS (in KEUR)

| | 30/06/2013 (KEUR) | | 2012 (KEUR) | |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Non-current assets | | | | |
| Property, plant & equipment | 39.247 | | 35.624 | |
| Intangible assets | 16.956 | | 4.928 | |
| Deferred income tax assets | 423 | | 552 | |
| Trade and other receivables | 504 | | 291 | |
| **Total non-current assets** | | **57.130** | | **41.395** |
| Current assets | | | | |
| Inventories | 22.268 | | 21.323 | |
| Trade and other receivables | 32.902 | | 26.738 | |
| Cash and cash equivalents | 5.552 | | 12.090 | |
| **Total current assets** | | **60.722** | | **60.151** |
| **Total assets** | | **117.852** | | **101.546** |
| **EQUITY AND LIABILITIES** | | | | |
| Equity | | | | |
| Ordinary shares | 5.065 | | 5.065 | |
| Reserves and retained earnings | 58.717 | | 58.215 | |
| Currency translation differences | -665 | | 376 | |
| Total equity attributable to equity holders of Miko | | 63.117 | 63.657 | |
| Non-controlling interests | 644 | | 439 | |
| **Total equity** | | **63.761** | | **64.095** |
| Non-current liabilities | | | | |
| Borrowings | 17.753 | | 9.148 | |
| Post-employment benefits | 436 | | 476 | |
| Deferred income tax liabilities | 3.263 | | 3.197 | |
| Trade and other payables | 892 | | 944 | |
| Provisions for other liabilities and charges | 277 | | 56 | |
| **Total non-current liabilities** | | **22.621** | | **13.821** |
| Current liabilities | | | | |
| Borrowings | 11.241 | | 6.879 | |
| Taxes and social security charges | 5.261 | | 3.325 | |
| Trade and other payables | 14.968 | | 13.426 | |
| **Total current liabilities** | | **31.470** | | **23.630** |
| **Total equity and liabilities** | | **117.852** | | **101.546** |

## Consolidated statement of changes in equity (in KEUR)

| | Share capital | Reserves & retained earnings | Currency translation differences | Non-controlling interests | Total |
|---|---|---|---|---|---|
| **Balance as at 01/01/2011** | **5.065** | **52.877** | **-648** | **426** | **57.720** |
| Profit for the year | | 6.419 | | 60 | 6.479 |
| Other comprehensive income | | | 1.024 | -2 | 1.022 |
| Subtotal | 5.065 | 59.296 | 376 | 484 | 65.221 |
| Share-based payments | | 111 | | | 111 |
| Other | | | | | 0 |
| Dividends relating to 2010 | | -1.192 | | -45 | -1.237 |
| Changes in non-controlling interests | | | | | |
| **Balance at 31/12/2011** | **5.065** | **58.215** | **376** | **439** | **64.095** |
| Profit for the year | | 4.291 | | -6 | 4.285 |
| Other comprehensive income | | 5 | -1.041 | | -1.036 |
| Subtotal | 5.065 | 62.511 | -665 | 433 | 67.344 |
| Share-based payments | | -352 | | | -352 |
| Other [1] | | -1.893 | | | -1.893 |
| Dividends relating to 2011 | | -1.317 | | -60 | -1.377 |
| Changes in non-controlling interests | | -232 | | 271 | 39 |
| **Balance at 31/12/2012** | **5.065** | **58.717** | **-665** | **644** | **63.761** |

[1] This item relates to the actual value of the future obligation to acquire a minority interest in one of the group companies which is currently held by third parties.

## Consolidated statement of cash flows

| | 30/06/2013 (KEUR) | | 30/06/2012 (KEUR) | |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Profit before interests and tax (EBIT) | 5.836 | | 5.747 | |
| Income tax paid | -1.306 | | -1.141 | |
| | | | | |
| **Non-cash transactions** | | | | |
| Depreciations, amortisations and impairment | 3.651 | | 3.777 | |
| Other non-cash transactions | -99 | | 26 | |
| | | | | |
| **Changes in working capital** | | | | |
| (Increase)/decrease in non-current trade and other receivables | -214 | | 82 | |
| (Increase)/decrease in inventories | -945 | | -483 | |
| (Increase)/decrease in current trade and other receivables | -6.164 | | -9.208 | |
| Increase/(decrease) in taxes and social charges payable | 1.935 | | 245 | |
| Increase/(decrease) in non-current trade and other payables | -52 | | -166 | |
| Increase/(decrease) in current trade and other payables | 1.542 | | 2.638 | |
| **Net cash generated from operating activities** | | **4.184** | | **1.517** |
| | | | | |
| **Cash flows from investing activities** | | | | |
| Purchases of intangible assets | -12.376 | | -13 | |
| Purchases of property, plant & equipment | -7.886 | | -3.921 | |
| Proceeds from sale of non-current assets | 338 | | 2.071 | |
| Others | -80 | | -2 | |
| **Net cash used in investing activities** | | **-20.004** | | **-1.865** |
| | | | | |
| **Cash flows from financing activities** | | | | |
| Purchase of treasury shares | | | | |
| Dividends paid | -1.377 | | -1.192 | |
| Other | 46 | | 3 | |
| Proceeds from borrowings | 9.500 | | 200 | |
| Repayment of borrowings | -952 | | -2.642 | |
| Interests | -245 | | -315 | |
| **Net cash generated from financing activities** | | **6.972** | | **-3.946** |
| Currency translation differences | | -217 | | 205 |
| **Net (decrease)/increase in cash and cash equivalents** | | **-9.065** | | **-4.089** |

## Segment Information

| Period ending 30/06/2013 (KEUR) | Coffee | Plastics | General [3] | Total |
|---|---|---|---|---|
| Total sales | 37.823 | 37.725 | | 77.548 |
| Sales to other segments | -916 | -13 | | -929 |
| Sales to external customers | 36.907 | 39.712 | | 76.619 |
| Inter-segment eliminations | | | -15 | -15 |
| Consolidation | | | | 0 |
| Non-allocated income and expenses | | | -332 | -332 |
| EBITDA [1] | 3.860 | 6.044 | -297 | 9.607 |
| Result of segment (EBIT [2]) | 1.825 | 4.358 | -347 | 5.836 |
| Financial result | | | -245 | -245 |
| Income tax | | | -1.306 | -1.306 |
| Group profit before non-controlling interest | | | | 4.285 |
| Non-controlling interest | | | | -6 |
| **Net profit** | | | | **4.291** |

[1] Profit from operating activities before interests, tax, depreciations and amortisations
[2] Profit from operating activities before interests and tax
[3] Non-allocated elements and consolidation-entries

***NB: The abbreviated financial statements have not been audited by the statutory auditor.***

**Responsibility statement**

We hereby certify that, to the best of our knowledge, the abbreviated consolidated financial statement for the period of six months ending 30 June 2013, prepared in accordance with the IFRS-guidelines as approved by the EU,

- give a fair view of the assets, liabilities, financial position and profit of Miko NV and the companies included in the scope of consolidation; and

- the half-yearly financial report gives a fair overview of the most important events which have taken place in the first six months of the financial year and of any significant transactions between Miko NV and parties related to her, and that the half-yearly financial report describes the main risks which the group will face in the second half-year.

In name and on behalf of the board of directors,

| | |
|---|---|
| Jan Michielsen<br>Managing director | Frans Van Tilborg<br>Managing director<br>CEO |