IMCD reports 26% EBITA growth in the first half of 2016

Rotterdam, The Netherlands (23 August 2016) - IMCD N.V. ("IMCD" or "Company"), a leading distributor of speciality chemicals and food ingredients, today announces its first half year 2016 results.

Highlights

- Gross profit growth of 20% to EUR 194.0 million (+25% on a constant currency basis)
- Operating EBITA increase of 26% to EUR 78.3 million (+31% on a constant currency basis)
- Net result before amortisation and non-recurring items increase of 28% to EUR 54.0 million (+31% on a constant currency basis)
- Cash earnings per share increased by 25% to EUR 1.01
- Acquisition of Mutchler, completed on 1 July 2016, expanding the US operations into the pharmaceutical market

Piet van der Slikke, CEO: '*We are satisfied with our results in the first half of 2016. Our business has shown growth both as a result of the acquisitions in the US and Brazil in 2015 and organically. The recent acquisition of Mutchler in the US and Puerto Rico is an important further step in the execution of our US strategy and our global strategy in pharmaceuticals. In an increasingly uncertain macro-economic environment we continue to focus on executing our strategy and on operational excellence.*'

Key figures

EUR million	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015	Change	Change	Fx adj. change
Revenue	884.8	728.9	155.9	21%	26%
Gross profit	194.0	161.3	32.7	20%	25%
Gross profit in % of revenue	21.9%	22.1%	(0.2%)		
Operating EBITA[1]	78.3	62.1	16.2	26%	31%
Operating EBITA in % of revenue	8.8%	8.5%	0.3%		
Conversion margin[2]	40.3%	38.5%	1.9%		
Net result before amortisation / non recurring items	54.0	42.2	11.8	28%	31%
Free cash flow[3]	63.3	42.9	20.4	48%	
Cash conversion margin[4]	78.9%	67.4%	11.5%		
Earnings per share (weighted)	0.75	0.64	0.11	17%	20%
Cash earnings per share (weighted)[5]	1.01	0.81	0.20	25%	28%
Number of full time employees end of period	1,773	1,678	95	6%	

[1] Result from operating activities before amortisation of intangibles and non-recurring items
[2] Operating EBITA in percentage of Gross profit
[3] Operating EBITDA excluding non cash share based payment expenses, plus/less changes in working capital less capital expenditures
[4] Free cash flow in percentage of Operating EBITDA
[5] Result for the year before amortisation (net of tax)

Revenue

Revenue increased from EUR 728.9 million to EUR 884.8 million, an increase of 21% compared to the first half of 2015. All regions contributed to the increase. On a constant currency basis, the increase in revenue is 26%, consisting of organic growth (+4%) and the first time inclusion of acquired companies (+22%).

Gross profit

Gross profit, defined as revenue less costs of materials and inbound logistics, increased by 20% from EUR 161.3 million in the first half year of 2015 to EUR 194.0 million in the same period 2016. On a constant currency basis, the gross profit growth was 25%, consisting of organic growth of 6% and the first time inclusion of acquired companies of 19%.

Gross profit in % of revenue decreased from 22.1% in the first six months of 2015 to 21.9% in 2016. This decrease is the result of the first time inclusion of acquired companies, local market circumstances, currency changes and the usual fluctuations in the product mix.

Operating EBITA

Operating EBITA increased by 26% from EUR 62.1 million in the first half of 2015 to EUR 78.3 million in the same period 2016. On a constant currency basis the increase is 31%.

The growth in operating EBITA is a combination of organic growth, the first time inclusion of acquired companies and a negative impact of exchange differences. The operating EBITA in % of revenue increased by 0.3% from 8.5% in the first half of 2015 to 8.8% in 2016.

The conversion margin, defined as operating EBITA as a percentage of gross profit, increased from 38.5% in the first half of 2015 to 40.3% in 2016.

Cash flow and capital expenditure

Free cash flow was EUR 63.3 million compared to EUR 42.9 million in the first half of 2015, an increase of EUR 20.4 million. The cash conversion margin, defined as free cash flow as a percentage of operating EBITDA, was 78.9% compared to 67.4% in the first half of 2015. The higher operating EBITDA combined with lower working capital investments were the main drivers of this improvement.

The investment in working capital (sum of inventories, trade and other receivables minus trade and other payables) in the first half of 2016 was EUR 14.5 million compared to EUR 19.4 million in the first half of 2015.

Capital expenditure in the first half of 2016 was EUR 3.1 million compared to EUR 1.3 million in the same period of 2015.

Net debt

As at 30 June 2016, net debt was EUR 418.3 million compared to EUR 437.5 million as at 31 December 2015. The leverage ratio (net debt/operating EBITDA ratio including the full year impact of acquisitions) at the end of June 2016, was 2.8 (31 December 2015: 2.9). The leverage ratio at the end of June 2016, calculated on the basis of definitions used in the IMCD loan documentation, was 2.4 times EBITDA.

Developments by operating segment

Following organisational and management changes, the composition of the operating segments has been adjusted in 2016. A new operating segment 'Americas' has been introduced comprising the operations in the USA and Brazil, formerly part of segment 'Other Emerging Markets'. The operations in Turkey and South-Africa together with the former segment 'Europe' are included in a new operating segment 'EMEA'. Operating segment 'Other Emerging Markets', including Brazil, Turkey and South-Africa, no longer exists.

EMEA

EUR million	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015	Change	Change	Fx adj. change
Revenue	552.7	542.3	10.4	2%	4%
Gross profit	130.6	125.5	5.1	4%	7%
Gross profit in % of revenue	23.6%	23.1%	0.5%		
Operating EBITA	54.4	51.7	2.7	5%	8%
Operating EBITA in % of revenue	9.8%	9.5%	0.3%		
Conversion margin	41.6%	41.2%	0.4%		

Revenue growth of 2% to EUR 552.7 million in the first half of 2016 (+4% on a constant currency basis). Gross profit increased by 4% to EUR 130.6 million (+7% on a constant currency basis). Gross profit margin improved by 0.5% to 23.6%.

Operating EBITA growth of 5% from EUR 51.7 million in 2015 to EUR 54.4 million in 2016, which includes an organic growth of 8% on a constant currency basis. Operating EBITA in % of revenue increased to 9.8% compared to 9.5% in the first half of 2015.

Asia Pacific

EUR million	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015	Change	Change	Fx adj. change
Revenue	159.7	153.5	6.1	4%	10%
Gross profit	29.6	29.2	0.3	1%	7%
Gross profit in % of revenue	18.5%	19.0%	(0.5%)		
Operating EBITA	13.9	14.2	(0.2)	(2%)	4%
Operating EBITA in % of revenue	8.7%	9.2%	(0.5%)		
Conversion margin	47.1%	48.5%	(1.4%)		

Revenue growth of 4% to EUR 159.7 million (+10% on a constant currency basis). Gross profit increased by 1% to EUR 29.6 million with a gross profit in % of revenue of 18.5% (19.0% in the first half of 2015). The operating EBITA decreased by 2% compared to the first half of 2015, while on a constant currency basis the operating EBITA increased by 4%.

Americas

EUR million	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015	Change	Change	Fx adj. change
Revenue	172.4	33.1	139.3	421%	522%
Gross profit	33.8	6.6	27.2	412%	515%
Gross profit in % of revenue	19.6%	20.0%	(0.3%)		
Operating EBITA	16.8	1.7	15.1	872%	1,021%
Operating EBITA in % of revenue	9.7%	5.2%	4.5%		
Conversion margin	49.6%	26.1%	23.5%		

Operating segment Americas consists of the operations in Brazil and the United States of America.

The first half of 2016 includes the impact of acquisitions in the US (MF Cachat) and Brazil (Selectchemie), completed in June and December 2015, respectively. The growth was predominantly the result of the first time inclusion of these two acquisitions.

Holding companies

EUR million	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015	Change	Change	Fx adj. change
Operating EBITA	(6.9)	(5.5)	(1.3)	(24%)	(27%)

Holding companies relate to all non-operating companies, including the head office in Rotterdam and the regional offices in Singapore and in New Jersey, USA.

Outlook

IMCD operates in different, often fragmented market segments in multiple geographic regions, connecting many customers and suppliers across a very diverse product range. In general, results are impacted by macroeconomic conditions and developments in specific industries. Furthermore results can be influenced from period to period by, amongst others, the ability to maintain and expand commercial relationships, the ability to introduce new products and start new customer and supplier relations and the timing, scope and impact of acquisitions.

IMCD's consistent strategy and resilient business model has led to successful expansion over the years and IMCD remains focused on achieving earnings growth by optimising its services and further strengthening its market positions. IMCD sees interesting opportunities to increase its global footprint and expand its product portfolio both organically and through acquisitions.

Based on the performance in the first half of 2016 and the strong fundamentals of the business, IMCD expects EBITA growth in 2016.

Financial calendar

16 November 2016	Third quarter 2016 trading update
8 March 2017	Full year 2016 results
10 May 2017	Annual General Meeting
10 May 2017	First quarter 2017 trading update

For further information: Investor Relations
T: +31 (0)102908684
ir@imcdgroup.com

About IMCD

IMCD is a market-leader in the sales, marketing and distribution of speciality chemicals and food ingredients. Its dedicated experts provide market-focused solutions to suppliers and customers across Europe, Africa, Asia-Pacific and the Americas, offering a range of comprehensive product portfolios, including innovative formulations that embrace industry trends.

Listed at Euronext, Amsterdam (IMCD.AS), IMCD realised revenues of EUR1,530 million in 2015. In over 40 countries on 6 continents its dedicated team of more than 1,700 technical and commercial experts work in close partnership to tailor best in class solutions for around 32,000 customers and a diverse range of world class suppliers.

For further information, please visit www.imcdgroup.com

Disclaimer forward looking statements

This press release may contain forward looking statements. These statements are based on current expectations, estimates and projections of IMCD's management and information currently available to the company. IMCD cautions that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause actual performance and position to differ materially from these statements. IMCD disclaims any obligation to update or revise any statements made in this press release to reflect subsequent events or circumstances, except as required by law.
In the annual report 2015 of IMCD N.V, the relevant risk categories and risk factors that could adversely affect the company's business and financial performance have been described. They are deemed to be incorporated in this release. The annual report 2015 is available on www.imcdgroup.com.

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation.

IMCD N.V.

Condensed consolidated interim financial statements for the first half year 2016

Condensed consolidated statement of financial position

EUR 1,000	Note	30 June 2016	31 December 2015
Assets			
Property, plant and equipment		20,102	18,254
Intangible assets		898,101	907,219
Equity-accounted investees		34	3
Other financial assets		958	977
Deferred tax assets		24,964	25,154
Non-current assets		**944,159**	**951,607**
Inventories		191,941	184,238
Trade and other receivables		304,813	241,076
Cash and cash equivalents		65,342	56,550
Current assets		**562,096**	**481,864**
Total assets		**1,506,255**	**1,433,471**

Condensed consolidated statement of financial position

EUR 1,000	Note	30 June 2016	31 December 2015
Equity	6		
Share capital		8,415	8,415
Share premium		657,514	657,514
Reserves		(19,660)	(30,396)
Accumulated deficit		(4,799)	(43,550)
Unappropriated result		39,327	61,848
Equity attributable to owners of the Company		**680,797**	**653,831**
Total equity		**680,797**	**653,831**
Liabilities			
Loans and borrowings		345,470	408,471
Employee benefits		10,625	10,284
Provisions		1,302	1,351
Deferred tax liabilities		76,214	76,441
Total non-current liabilities		**433,611**	**496,547**
Loans and borrowings		333	241
Other short term financial liabilities		137,792	85,355
Trade payables		199,661	147,239
Other payables		54,061	50,258
Total current liabilities		**391,847**	**283,093**
Total liabilities		**825,458**	**779,640**
Total equity and liabilities		**1,506,255**	**1,433,471**

Condensed consolidated statement of profit or loss and comprehensive income

EUR 1,000	Note	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015
Revenue		884,781	728,924
Other income		3,504	3,555
Operating income		**888,285**	**732,479**
Cost of materials and inbound logistics		(690,760)	(567,591)
Cost of warehousing, outbound logistics and other services		(25,401)	(24,889)
Wages and salaries		(52,064)	(42,298)
Social security and other charges		(14,697)	(12,555)
Depreciation of property, plant and equipment		(1,982)	(1,577)
Amortisation of intangible assets		(15,627)	(11,100)
Other operating expenses		(26,027)	(22,703)
Operating expenses		**(826,558)**	**(682,713)**
Result from operating activities		**61,727**	**49,766**
Finance income		183	314
Finance costs		(9,580)	(6,220)
Net finance costs		**(9,397)**	**(5,906)**
Share of profit of equity-accounted investees, net of tax		31	(10)
Result before income tax		**52,361**	**43,850**
Income tax expense		(13,034)	(11,531)
Result for the year		**39,327**	**32,319**
Gross profit[1]		194,021	161,333
Gross profit in % of revenue		21.9%	22.1%
Operating EBITA[2]	4	78,250	62,069
Operating EBITA in % of revenue		8.8%	8.5%

[1] Revenue minus cost of materials and inbound logistics
[2] Result from operating activities before amortisation of intangibles and non-recurring items

IMCD

Condensed consolidated statement of profit or loss and comprehensive income (continued)

EUR 1,000	Note	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015
Result for the year		**39,327**	**32,319**
Defined benefit plan actuarial gains/(losses)		-	(14)
Related tax		-	-
Items that will never be reclassified to profit or loss		**-**	**(14)**
Foreign currency translation differences re foreign operations		10,067	171
Effective portion of changes in fair value of cash flow hedges		(523)	(49)
Related tax		490	(80)
Items that are or may be reclassified to profit or loss		**10,034**	**42**
Other comprehensive income for the period, net of income tax		**10,034**	**28**
Total comprehensive income for the period		**49,361**	**32,347**
Result attributable to:			
Owners of the Company		39,327	32,319
Total comprehensive income attributable to:			
Owners of the Company		49,361	32,347
Weighted average number of shares		52,492,254	50,673,127
Basic earnings per share		0.75	0.64
Diluted earnings per share		0.76	0.64

Condensed consolidated statement of changes in equity

EUR 1,000	Note	Share capital	Share premium	Translation reserve	Hedging reserve	Reserve own shares	Other reserves	Accu-mulated deficit	Unappro-priated result	Total equity
Balance as at 1 January 2016		**8,415**	**657,514**	**(19,891)**	**265**	**(3,118)**	**(7,652)**	**(43,550)**	**61,848**	**653,831**
Appropriation of prior year's result		-	-	-	-	-	-	38,751	(38,751)	**-**
		8,415	**657,514**	**(19,891)**	**265**	**(3,118)**	**(7,652)**	**(4,799)**	**23,097**	**653,831**
Result for the year		-	-	-	-	-	-	-	39,327	**39,327**
Total other comprehensive income		-	-	10,401	(367)	-	-	-	-	**10,034**
Total comprehensive income for the year		**-**	**-**	**10,401**	**(367)**	**-**	**-**	**-**	**39,327**	**49,361**
Cash dividend		-	-	-	-	-	-	-	(23,097)	**(23,097)**
Issue of shares minus related costs		-	-	-	-	-	-	-	-	**-**
Share based payments		-	-	-	-	-	702	-	-	**702**
Purchase own shares		-	-	-	-	-	-	-	-	**-**
Total contributions by and distributions to owners of the Company		**-**	**-**	**-**	**-**	**-**	**702**	**-**	**(23,097)**	**(22,395)**
Balance as at 30 June 2016	6	**8,415**	**657,514**	**(9,490)**	**(102)**	**(3,118)**	**(6,950)**	**(4,799)**	**39,327**	**680,797**

Condensed consolidated statement of changes in equity

EUR 1,000	Note	Share capital	Share premium	Translation reserve	Hedging reserve	Reserve own shares	Other reserves	Accu-mulated deficit	Unappro-priated result	Total equity
Balance as at 1 January 2015		**8,000**	**573,566**	**(9,576)**	**128**	**-**	**(7,763)**	**(53,459)**	**19,909**	**530,805**
Appropriation of prior year's result		-	-	-	-	-	-	9,909	(9,909)	**-**
		8,000	**573,566**	**(9,576)**	**128**	**-**	**(7,763)**	**(43,550)**	**10,000**	**530,805**
Result for the year		-	-	-	-	-	-	-	32,319	**32,319**
Total other comprehensive income		-	-	90	(48)	-	(14)	-	-	**28**
Total comprehensive income for the year		**-**	**-**	**90**	**(48)**	**-**	**(14)**	**-**	**32,319**	**32,347**
Cash dividend		-	-	-	-	-	-	-	(10,000)	**(10,000)**
Issue of shares minus related costs		415	83,948	-	-	-	-	-	-	**84,363**
Total contributions by and distributions to owners of the Company		**415**	**83,948**	**-**	**-**	**-**	**-**	**-**	**(10,000)**	**74,363**
Balance as at 30 June 2015	6	**8,415**	**657,514**	**(9,486)**	**80**	**-**	**(7,777)**	**(43,550)**	**32,319**	**637,515**

Condensed consolidated statement of cash flows

EUR 1,000	Note	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015
Cash flows from operating activities			
Result for the period		39,327	32,319
Adjustments for:			
• Depreciation of property, plant and equipment		1,982	1,577
• Amortisation of intangible assets		15,627	11,100
• Net finance costs excluding currency exchange results		9,040	4,774
• Currency exchange results		357	1,132
• Cost of share based payments		702	-
• Share of profit of equity-accounted investees, net of tax		(31)	10
• Income tax expense		13,034	11,531
		80,038	**62,443**
Change in:			
• Inventories		(7,703)	(20,923)
• Trade and other receivables		(61,953)	(51,087)
• Trade and other payables		55,171	52,567
• Provisions and employee benefits		293	544
Cash generated from operating activities		**65,846**	**43,544**
Interest paid		(4,762)	(4,305)
Income tax paid		(15,671)	(11,492)
Net cash from operating activities		**45,413**	**27,747**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		-	(204,213)
Acquisition of intangible assets		(701)	(871)
Acquisition of property, plant and equipment		(3,111)	(1,304)
Acquisition of other financial assets		19	(142)
Net cash used in investing activities		**(3,793)**	**(206,530)**
Cash flows from financing activities			
Proceeds from issue of share capital net of related costs		-	84,150
Dividends paid	6	(23,097)	(10,000)
Purchase of own shares		-	-
Payment of transaction costs related to loans and borrowings		-	(51)
Movements in bank loans and other short term financial liabilities		(4,134)	69,087
Proceeds from issue of current and non-current loans and borrowings		-	30,000
Repayment of loans and borrowings		(4,548)	(7,905)
Net cash from financing activities		**(31,779)**	**165,281**
Net increase in cash and cash equivalents		**9,841**	**(13,502)**
Cash and cash equivalents as at 1 January		56,550	59,974
Effect of exchange rate fluctuations		(1,049)	584
Cash and cash equivalents as at 30 June		**65,342**	**47,056**

Notes to the condensed consolidated interim financial statements

1. Reporting entity

IMCD N.V. (the 'Company') is a company domiciled in The Netherlands. The address of the Company's registered office is Wilhelminaplein 32, Rotterdam. These condensed consolidated interim financial statements of the Company as at and for the first half year ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Company is acting as the parent company of the IMCD Group, a group of companies leading in sales, marketing and distribution of speciality chemicals, pharmaceutical and food ingredients. The Group has offices in Europe, North America, Africa, Asia-Pacific and Brazil.

2. Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of IMCD as at and for the year ended 31 December 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2015.

The interim consolidated financial statements were prepared by the Management Board and were authorised for issue by the Supervisory Board on 22 August 2016.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand.

Use of estimates and judgements

In preparing these interim financial statements, Management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

3. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2015.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these consolidated interim financial statements. Those standards which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

Although this new standard, effective date probably 1 January 2018, is considered to be a significant change on reporting in general, the impact on the Group's consolidated financial statements is expected not to be material due to the type of business. Further analysis will be performed by the Group.

IFRS 9 Financial Instruments

IFRS 9 Financial instruments, effective date probably 1 January 2018, supersedes IAS 39 Financial instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The Group is currently in the process of determining the impact of this new standard on the consolidated financial statements.

IFRS 16 Leases

IFRS 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019.

The Group is currently in the process of determining the impact of this new standard on the consolidated financial statements.

The Group believes that all other new and amended IFRSs not yet adopted by the EU will have no material impact on the consolidated financial statements.

4. Operating segments

In presenting information on the basis of operating segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets with the exception of assets related to holding companies, which are presented in a separate reporting unit.

Following recent organisational and management changes, the composition of the operating segments has been adjusted in 2016. The reporting segments used are defined as follows:

- EMEA: all operating companies in Europe and Africa

- Asia Pacific: all operating companies in Australia, New Zealand, India, China, Malaysia, Indonesia, Philippines, Thailand, Singapore, Vietnam and Japan
- Americas: all operating companies in the United States of America and Brazil
- Holding companies: all non-operating companies, including the head office in Rotterdam and the regional offices in Singapore and in New Jersey, USA.

EMEA

EUR 1,000	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015
Revenue	552,672	542,270
Gross profit	130,642	125,497
Operating EBITA	54,407	51,700
Result from operating activities	46,600	43,823
Total Assets	761,272	781,293
Total Liabilities	294,945	308,001

Asia Pacific

EUR 1,000	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015
Revenue	159,667	153,546
Gross profit	29,572	29,230
Operating EBITA	13,933	14,183
Result from operating activities	11,437	11,791
Total Assets	265,891	268,564
Total Liabilities	64,175	64,592

Americas

EUR 1,000	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015
Revenue	172,442	33,107
Gross profit	33,807	6,606
Operating EBITA	16,783	1,726
Result from operating activities	11,807	818
Total Assets	236,725	205,964
Total Liabilities	53,798	42,282

Holding Companies

EUR 1,000	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015
Operating EBITA	(6,873)	(5,540)
Result from operating activities	(8,117)	(6,666)
Total Assets	242,367	197,138
Total Liabilities	412,540	400,569

Results from operating activities

Operating EBITA is defined as the sum of the result from operating activities, amortisation of intangible assets and non-recurring items. Non-recurring items include (i) cost related to refinancing, (ii) costs related to corporate restructurings and reorganisations, (iii) cost related to realised and non-realised acquisitions and (iv) other non-recurring income and expenses.

EUR 1,000	Jan. 1 - June 30, 2016	Jan. 1 - June 30, 2015
Result from operating activities	61,727	49,766
Amortisation of intangible assets	15,627	11,100
Non-recurring items	897	1,203
Operating EBITA	**78,250**	**62,069**

The non-recurring expenses in 2016 and 2015 are mainly acquisition related costs(realised and non-realised).

5. Seasonality of operations

The Group is not strongly subject to seasonal fluctuations throughout the year except a slight decrease of sales during the normal holiday seasons in the different regions.

6. Equity

In the first half year of 2016 a dividend of EUR 23.1 million was distributed with regard to the financial year 2015 (EUR 0.44 per share).

7. Financial instruments

30 June 2016		Carrying amount								Fair value			
EUR 1,000	Note	Held-for-trading	Designated at fair value	Fair value - hedging instruments	Held-to-maturity	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value													
Forward exchange contracts used for hedging		-	-	-	-	-	-	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets not measured at fair value													
Trade and other receivables		-	-	-	-	304,813	-	-	304,813				
Cash and cash equivalents		-	-	-	-	65,342	-	-	65,342				
		-	**-**	**-**	**-**	**370,155**	**-**	**-**	**370,155**				
Financial liabilities measured at fair value													
Interest rate swaps used for hedging		-	-	3,220	-	-	-	-	3,220	-	3,220	-	3,220
Forward exchange contracts used for hedging		-	-	577	-	-	-	-	577	-	577	-	577
Contingent consideration	7	-	62,670	-	-	-	-	-	62,670	-	-	62,670	62,670
		-	**62,670**	**3,797**	**-**	**-**	**-**	**-**	**66,467**	**-**	**3,797**	**62,670**	**66,467**
Financial liabilities not measured at fair value													
Other short term financial liabilities		-	-	-	-	77,015	-	-	77,015				
Secured bank loans		-	-	-	-	345,018	-	-	345,018				
Other loans and borrowings		-	-	-	-	1,682	-	-	1,682				
Trade payables		-	-	-	-	-	-	199,661	199,661				
Other payables		-	-	-	-	-	-	50,263	50,263				
		-	**-**	**-**	**-**	**423,715**	**-**	**249,924**	**673,639**				

31 December 2015				Carrying amount						Fair value			
EUR 1,000	Note	Held-for-trading	Designated at fair value	Fair value - hedging instruments	Held-to-maturity	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value													
Forward exchange contracts used for hedging		-	-	1,000	-	-	-	-	1,000	-	1,000	-	**1,000**
		-	**-**	**1,000**	**-**	**-**	**-**	**-**	**1,000**	**-**	**1,000**	**-**	**1,000**
Financial assets not measured at fair value													
Trade and other receivables		-	-	-	-	240,076	-	-	240,076				
Cash and cash equivalents		-	-	-	-	56,550	-	-	56,550				
		-	**-**	**-**	**-**	**296,626**	**-**	**-**	**296,626**				
Financial liabilities measured at fair value													
Interest rate swaps used for hedging		-	-	1,468	-	-	-	-	1,468	-	1,468	-	**1,468**
Forward exchange contracts used for hedging		-	-	222	-	-	-	-	222	-	222	-	**222**
Contingent consideration	7	-	66,217	-	-	-	-	-	66,217	-	-	66,217	**66,217**
		-	**66,217**	**1,690**	**-**	**-**	**-**	**-**	**67,907**	**-**	**1,690**	**66,217**	**67,907**
Financial liabilities not measured at fair value													
Other short term financial liabilities		-	-	-	-	74,950	-	-	74,950				
Secured bank loans		-	-	-	-	345,018	-	-	345,018				
Other loans and borrowings		-	-	-	-	7,882	-	-	7,882				
Trade payables		-	-	-	-	-	-	147,239	147,239				
Other payables		-	-	-	-	-	-	48,568	48,568				
		-	**-**	**-**	**-**	**427,850**	**-**	**195,807**	**623,657**				

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Contingent consideration	*Discounted cash flows:* The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.	• Forecast EBITDA margin • Risk-adjusted discount rate	The estimated fair value would increase/(decrease) if: • the EBITDA margins were higher/(lower); or • the risk-adjusted discount rates were lower/(higher).
Forward exchange contracts and interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	**Valuation technique**	**Significant unobservable inputs**
Financial assets [1]	Discounted cash flows	Not applicable
Financial liabilities [2]	Discounted cash flows	Not applicable

[1] Financial assets include trade and other receivables and cash and cash equivalents.

[2] Financial liabilities include syndicated senior bank loans, loans from shareholders, other loans and borrowings, other short term financial liabilities, trade payables and other payables.

Level 3 fair values

Contingent consideration

EUR 1,000	Contingent consideration
Balance as at 1 January 2016	**66,217**
Assumed in a business combination	544
Paid contingent consideration	(4,548)
Result included in profit or loss	79
Effect of movement in exchange rates	378
Balance as at 30 June 2016	**62,670**

8. Related parties

The Group has related party relationships with its shareholders, subsidiaries, associates, Management Board, Supervisory Board and post-employment benefit plans. The financial transactions between the Company and its subsidiaries comprise financing and operational transactions in the normal course of business and are eliminated in the consolidated financial statements. The related party transactions in the first six-months period ended 30 June 2016 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year ended 31 December 2015.

9. Subsequent events

On 30 June 2016, IMCD agreed to acquire 100% of the business of Chemicals and Solvents (EA) Ltd. (C&S) based in Nairobi, Kenya. C&S is a distributor of ingredients to the food, cosmetics, detergents and pharmaceutical industries. Apart from Kenya, C&S also serves regional markets, including Uganda and Tanzania. In 2015, C&S generated revenue of EUR 5 million with 26 staff. The completion of the transaction is expected in Q3 2016.

On 1 July 2016, IMCD acquired 100% of Mutchler Inc. and Mutchler of Puerto Rico Inc., a leading speciality pharmaceutical ingredients distributor in the US and Puerto Rico with offices in Harrington Park, New Jersey and Puerto Rico. Mutchler is active in all US states and Puerto Rico and represents leading global pharmaceutrical ingredient suppliers. In 2015, Mutchler generated revenue of USD 28 million with approximately 30 employees. Part of the purchase price for Mutchler was paid on 30 June 2016 and was effectively recorded at acquisition date (1 July 2016).

The total consideration related to these two acquisitions is approximately EUR 13 million.

10. Auditor's review

The consolidated interim financial statements for the first half year of 2016 have not been audited or reviewed by the external auditor.

11. Responsibility statement

The Management Board of IMCD N.V. hereby declares that, to the best of its knowledge, the Interim Consolidated Financial information for the first half year of 2016 as prepared in accordance with IAS 34 Interim Financial Reporting gives a true and fair view of the assets, liabilities, financial position and the profit or loss of IMCD N.V. and its jointly consolidated companies included in the consolidation as a whole, and that the semi-annual report gives a fair view of the information required in accordance with Section 5:25d subsection 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Rotterdam, 23 August 2016

Management Board:

P.C.J. van der Slikke, CEO

H.J.J. Kooijmans, CFO