Press release

IMCD reports 11% EBITA growth in the first half of 2015

Rotterdam, The Netherlands (14 August 2015) - IMCD N.V. ("IMCD" or "Company"), a leading distributor of specialty chemicals and food ingredients, today announces the first half year 2015 results.

Highlights

- Gross profit growth of 10% to EUR 161.3 million (+6% on a constant currency basis)
- Operating EBITA increase of 11% to EUR 62.1 million (+7% on a constant currency basis)
- Net result EUR 42.2 million before amortisation and non-recurring items (first half of 2014: EUR 15.1 million)
- Cash EPS EUR 0.81
- Acquisition of MF Cachat, completed on 23 June 2015, provides a significant platform for further growth in the United States

Piet van der Slikke, CEO, commented: *'I am satisfied with our first half year results. We have been able to further improve gross profit and operating EBITA, our most important KPI's, despite modest growth dynamics in the markets in which we operate. We are very pleased with the recent acquisition of MF Cachat in the US which is an important step to further expand and enhance our business model.'*

Key figures

EUR million	Jan. 1 - June 30 2015	Jan. 1 - June 30 2014	change	change	fx adj. change
Revenue	728.9	702.4	26.5	4%	0%
Gross profit	161.3	147.2	14.2	10%	6%
Gross profit in % of revenue	22.1%	21.0%	1.2%		
Operating EBITA[1]	62.1	56.0	6.0	11%	7%
Operating EBITA in % of revenue	8.5%	8.0%	0.5%		
Conversion margin[2]	38.5%	38.1%	0.4%		
Net Result before amortisation / non recurring items	42.2	15.1	27.1	180%	161%
Free cash flow[3]	42.9	29.4	13.5	46%	
Cash conversion margin[4]	67.4%	51.3%	16.1%		
Earnings per share (weighted)	0.64				
Cash earnings per share (weighted)[5]	0.81				
Number of full time employees end of period	1,678	1,458	219	15%	

[1] Result from operating activities before amortization of intangibles and non-recurring items
[2] Operating EBITA in percentage of Gross profit
[3] Operating EBITDA plus/less changes in working capital less capital expenditures
[4] Free cash flow in percentage of Operating EBITDA
[5] Earnings before amortisation net of tax

Value through expertise

Revenue

Revenue increased from EUR 702.4 million to EUR 728.9 million, an increase of 4% compared to the first half of 2014. All regions contributed to the increase. The first time inclusion of acquired companies, in particular Danasia, Philippines (since September 2014), Kushalchand, India (since April 2015) and MF Cachat, United States (since 23 June 2015) had a positive contribution of approximately EUR 15 million to revenue. On a constant currency basis revenue remained stable.

Gross profit

Gross profit (revenue less costs of materials and inbound logistics), one of the key performance indicators, increased by 10% to EUR 161.3 million (+6% on a constant currency basis). The gross profit in % of revenue improved in all regions resulting in an overall increase to 22.1% in the first half of 2015 (21.0% in the first half of 2014). This increase was the result of further optimisation of the product portfolio, local market circumstances and the usual fluctuations in the product mix.

Operating EBITA

In the first half of 2015 the operating EBITA amounted to EUR 62.1 million, an increase of 11% compared to the first half of 2014 (+7% on a constant currency basis). Most of this growth was organic and realised in an economic environment with modest growth. Operating EBITA in % of revenue increased to 8.5% compared to 8.0% in the first half of 2014.

Cash flow and capital expenditure

Free cash flow was EUR 42.9 million compared to EUR 29.4 million in the first half of 2014, an increase of EUR 13.5 million. The asset light business model and cash generative nature of the business resulted in a cash conversion margin of 67.4% compared to 51.3% in the first half of 2014. 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 2015 was EUR 19.4 million compared to EUR 27.0 million in the first half of 2014.

Capital expenditure in the first half of 2015 was EUR 1.3 million compared to EUR 0.9 million in the same period of 2014.

Net debt

Net debt was EUR 433.4 million on 30 June 2015, compared to EUR 257.8 million as per 31 December 2014.

The increase in net debt is predominantly the balance of positive and healthy cash flows from operating activities and the net proceeds from the issuance of new shares, set off by cash outflows as a result of acquisition purchase prices paid and a dividend payment of EUR 10 million. Furthermore, net debt increased with approximately EUR 53 million due to the increase of deferred contingent considerations related to acquisitions made.
The acquisition of MF Cachat was financed with cash on the balance sheet, existing credit lines, the net proceeds of the issuance of new shares of EUR 84.2 million (2.6 million new shares at a price of EUR 32.79) and a new term loan of EUR 30 million.

The reported leverage ratio at the end of June 2015, including the last full year result of MF Cachat, was 3.0 times EBITDA (2.3 times at the end of December 2014).
Calculated on the basis of the definitions used in the IMCD loan documentation, the leverage ratio at the end of June 2015 was 2.5 times EBITDA (2.2 times at the end of December 2014).

Early July IMCD agreed with its banking syndicate to amend and extend the existing loan facilities. The term loans were increased from EUR 330 million to EUR 350 million and the revolving credit facility lines from EUR 100 million to EUR 150 million, whereby overall interest margins were reduced. Furthermore, the maturity of these loans was extended with one year until 2020 and the flexibility to finance further growth, in particular with regard to the financing of future acquisitions, improved.

Developments by region

Europe

EUR million	Jan. 1-June 30 2015	Jan. 1-June 30 2014	change	change	fx adj. change
Revenue	509.9	505.1	4.8	1%	-1%
Gross profit	117.4	111.7	5.6	5%	3%
Gross profit in % of revenue	23.0%	22.1%	0.9%		
Operating EBITA	48.4	44.9	3.5	8%	5%
Operating EBITA in % of revenue	9.5%	8.9%	0.6%		

Europe performed well despite very modest macro-economic growth and industry specific challenges. Revenue grew by 1% to EUR 509.9 million (minus 1% on a constant currency basis). Gross profit improved by 5% to EUR 117.4 million and resulted in a higher gross profit in % of revenue of 23.0%. Operating EBITA increased with 8% to EUR 48.4 million (EUR 44.9 million in the first half of 2014). EBITA growth was organic whereby the operating EBITA in % of revenue increased to 9.5% compared to 8.9% in the first half of 2014.

Asia Pacific

EUR million	Jan. 1-June 30 2015	Jan. 1-June 30 2014	change	change	fx adj. change
Revenue	153.5	141.6	11.9	8%	0%
Gross profit	29.2	23.5	5.7	24%	15%
Gross profit in % of revenue	19.0%	16.6%	2.4%		
Operating EBITA	14.2	11.0	3.2	29%	20%
Operating EBITA in % of revenue	9.2%	7.8%	1.5%		

Revenue in Asia Pacific grew by 8%, to EUR 153.5 million and was stable on a constant currency basis. Gross profit increased by 24% to EUR 29.2 million with a gross profit in % of revenue of 19.0% (16.6% in the first half of 2014). The operating EBITA increased by 29% to EUR 14.2 million and the operating EBITA in % of revenue rose from 7.8% to 9.2%.

The focus on organisational and margin improvement, in particular of the acquired businesses in Asia, impacted results positively. Although market conditions in Australia remain difficult, the business performed well. The first half 2015 results include the effects of Danasia (Philippines) and Kushalchand (India) acquired in 2014 and 2015 respectively (contributing approximately EUR 9 million in revenue).

Other Emerging Markets

EUR million	Jan. 1-June 30 2015	Jan. 1-June 30 2014	change	change	fx adj. change
Revenue	59.7	55.7	4.0	7%	4%
Gross profit	13.7	11.9	1.8	15%	11%
Gross profit in % of revenue	23.0%	21.4%	1.6%		
Operating EBITA	4.4	4.5	-0.1	-2%	-7%
Operating EBITA in % of revenue	7.4%	8.1%	-0.7%		

Other Emerging Markets representing operations in Turkey, South Africa and Brazil showed revenue growth of 7% to EUR 59.7 million (+4% on a constant currency basis). Gross profit improved by 15% to EUR 13.7 million with a higher gross profit in % of revenue of 23.0% (21.4% in the first half of 2014). Operating EBITA slightly declined to EUR 4.4 million (EUR 4.5 million in the first half of 2014). The operating EBITA in % of revenue declined to 7.4% from 8.1% in the first half of 2014. Market circumstances in Brazil and Turkey remained difficult.

MF Cachat

On 23 June 2015 the acquisition of MF Cachat was completed whereby results, assets and liabilities were fully consolidated as of 24 June 2015.
The revenue contribution of MF Cachat from 24 June to 30 June amounted to EUR 5.8 million with an operating EBITA of EUR 0.6 million.

Holding companies

EUR million	Jan. 1-June 30 2015	Jan. 1-June 30 2014	change	change	fx adj. change
Operating EBITA	-5.5	-4.4	-1.2	-26%	-22%

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

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.

Based on the performance in the first half of 2015 and the strong fundamentals of the business, excluding the contribution of the acquired companies, IMCD expects continuing EBITA growth in 2015.

Financial calendar

	2015
11 November 2015	Third quarter 2015 results
16 March 2016	Full year 2015 results
12 May 2016	Annual General Meeting
12 May 2016	First quarter 2016 results
23 August 2016	First half year 2016 results
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About IMCD

IMCD is a market-leader in the sales, marketing and distribution of specialty chemicals and food ingredients. Its dedicated experts provide market-focused solutions to suppliers and customers across Europe, Africa, Asia-Pacific and 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 EUR1,358 million in 2014. In over 35 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 33,000 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 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 is available on www.imcdgroup.com.

IMCD N.V.

Condensed consolidated interim financial statements for the first half year 2015

Condensed consolidated statement of financial position

EUR 1,000	Note	30 June 2015	31 December 2014
Assets			
Property, plant and equipment		18,023	17,541
Intangible assets	*6*	886,874	665,077
Equity-accounted investees		-	5
Other financial assets		934	773
Deferred tax assets		17,607	17,399
Non-current assets		**923,438**	**700,795**
Inventories		190,605	152,661
Trade and other receivables		291,860	204,495
Cash and cash equivalents		47,056	59,974
Current assets		**529,521**	**417,130**
Total assets		**1,452,959**	**1,117,925**

The notes are an integral part of these consolidated financial statements.

Condensed consolidated statement of financial position

EUR 1,000	Note	30 June 2015	31 December 2014
Equity			
Share capital	*7*	8,415	8,000
Share premium	7	657,514	573,566
Reserves		-17,183	-17,211
Accumulated deficit		-43,550	-53,459
Unappropriated result		32,319	19,909
Equity attributable to owners of the Company		**637,515**	**530,805**
Total equity		**637,515**	**530,805**
Liabilities			
Loans and borrowings	*8*	395,106	302,284
Employee benefits		10,604	10,011
Provisions		1,039	603
Deferred tax liabilities		70,739	72,439
Total non-current liabilities		**477,488**	**385,337**
Loans and borrowings		218	160
Other short term financial liabilities	*8*	85,125	15,335
Trade payables		197,001	134,694
Other payables		55,612	51,594
Total current liabilities		**337,956**	**201,783**
Total liabilities		**815,444**	**587,120**
Total equity and liabilities		**1,452,959**	**1,117,925**

The notes are an integral part of these consolidated financial statements.

Condensed consolidated statement of profit or loss and comprehensive income

EUR 1,000	First half year 2015	First half year 2014
Revenue	728,924	702,382
Other income	3,555	4,190
Operating income	**732,479**	**706,572**
Cost of materials and inbound logistics	-567,591	-555,195
Cost of warehousing, outbound logistics and other services	-24,889	-24,458
Wages and salaries	-42,298	-38,034
Social security and other charges	-12,555	-11,606
Depreciation of property, plant and equipment	-1,577	-1,270
Amortisation of intangible assets	-11,100	-10,128
Other operating expenses	-22,703	-25,491
Operating expenses	**-682,713**	**-666,182**
Result from operating activities	**49,766**	**40,390**
Finance income	314	152
Finance costs	-6,220	-32,717
Net finance costs	**-5,906**	**-32,565**
Share of profit of equity-accounted investees, net of tax	-10	-
Result before income tax	**43,850**	**7,825**
Income tax expense	-11,531	-8,382
Result for the period	**32,319**	**-557**
Gross profit [1]	*161,333*	*147,187*
Gross profit in % of revenue	*22.1%*	*21.0%*
Operating EBITA [2]	*62,069*	*56,042*
Operating EBITA in % of revenue	*8.5%*	*8.0%*

[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	First half year 2015	First half year 2014
Result for the period		**32,319**	**-557**
Defined benefit plan actuarial gains/(losses)		-14	-
Related tax		-	-
Items that will never be reclassified to profit or loss		**-14**	**-**
Foreign currency translation differences - foreign operations		171	2,737
Effective portion of changes in fair value of cash flow hedges		-49	-13
Related tax		-80	-306
Items that are or may be reclassified to profit or loss		**42**	**2,418**
Other comprehensive income for the period, net of income tax		**28**	**2,418**
Total comprehensive income for the period		**32,347**	**1,861**
Result attributable to:			
Owners of the Company		32,319	-557
Total comprehensive income attributable to:			
Owners of the Company		32,347	1,861
Weighted average number of shares	*7*	50,673,127	100,000
Basic earnings per share		0.64	-0.56
Diluted earnings per share		0.64	-0.56

The notes are an integral part of these consolidated financial statements.

Condensed consolidated statement of changes in equity

EUR 1000	Note	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Accumu-lated 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 period		-	-	-	-	-	-	32,319	32,319
Total other comprehensive income		-	-	90	-48	-14	-	-	28
Total comprehensive income for the period		**-**	**-**	**90**	**-48**	**-14**	**-**	**32,319**	**32,347**
Cash dividend	*7*	-	-	-	-	-	-	-10,000	-10,000
Issue of shares minus related costs	*7*	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		**8,415**	**657,514**	**-9,486**	**80**	**-7,777**	**-43,550**	**32,319**	**637,515**

EUR 1000	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Accumu-lated deficit	Unappro-priated result	Total equity
Balance as at 1 January 2014	100	4,938	-14,057	-76	-4,496	-48,069	-5,390	-67,050
Appropriation of prior year's result	-	-	-	-	-	-5,390	5,390	-
	100	4,938	-14,057	-76	-4,496	-53,459	-	-67,050
Result for the period	-	-	-	-	-	-	-557	-557
Total other comprehensive income	-	-	2,431	-13		-	-	2,418
Total comprehensive income for the period	**-**	**-**	**2,431**	**-13**	**-**	**-**	**-557**	**1,861**
Issue of ordinary shares minus related costs	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2014	**100**	**4,938**	**-11,626**	**-89**	**-4,496**	**-53,459**	**-557**	**-65,189**

The notes are an integral part of these consolidated financial statements.

Condensed consolidated statement of cash flows

EUR 1,000	Note	First half year 2015	First half year 2014
Cash flows from operating activities			
Result for the period		32,319	-557
Adjustments for:			
· Depreciation of property, plant and equipment		1,577	1,270
· Amortisation of intangible assets		11,100	10,128
· Net finance costs excluding currency exchange results		4,774	31,917
· Currency exchange results		1,132	648
· Share of profit of equity-accounted investees, net of tax		10	-
· Income tax expense		11,531	8,382
		62,443	**51,788**
Change in:			
· Inventories		-20,923	-9,440
· Trade and other receivables		-51,087	-57,824
· Trade and other payables		52,567	40,258
· Provisions and employee benefits		544	-328
Cash generated from operating activities		**43,544**	**24,454**
Interest paid		-4,305	-20,114
Income tax paid		-11,492	-10,584
Net cash from operating activities		**27,747**	**-6,244**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	*6*	-204,213	-920
Acquisition of intangible assets		-871	-
Acquisition of property, plant and equipment		-1,304	-926
Acquisition of other financial assets		-142	-302
Net cash used in investing activities		**-206,530**	**-2,148**
Cash flows from financing activities			
Proceeds from issue of share capital net of related costs	*7*	84,150	-
Dividends paid	*7*	-10,000	-
Payment of transaction costs related to loans and borrowings		-51	-
Movements in bank loans and other short term financial liabilities	*8*	69,087	4,353
Proceeds from issue of current and non-current loans and borrowings	*8*	30,000	18,237
Repayment of loans and borrowings		-7,905	-8,549
Net cash from financing activities		**165,281**	**14,041**
Net increase in cash and cash equivalents		**-13,502**	**5,649**
Cash and cash equivalents at 1 January		59,974	38,095
Effect of exchange rate fluctuations		584	1,323
Cash and cash equivalents at 30 June		**47,056**	**45,067**

The notes are an integral part of these consolidated financial statements.

Notes to the condensed consolidated interim financial statements for the first half year ended 30 June 2015

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 2015 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 specialty chemicals 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 2014. 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 2014.

The interim consolidated financial statements were authorised for issue by the Management Board on 14 August 2015.

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 2014.

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 2014.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, have not been applied in preparing these consolidated interim financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in 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. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9. No significant impact is expected.

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. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15. No significant impact is expected.

4. Operating segments

In presenting information on the basis of operating segments, segment revenue is based on the geographical location of the operating companies. 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.

The reporting segments are defined as follows:

- Europe: all operating companies in Europe, including the operating activities in the Maghreb region;
- Asia Pacific: all operating companies in Australia, New Zealand, India, China, Malaysia, Indonesia Singapore, Thailand and the Philippines;
- Other Emerging markets: all operating companies in Turkey, South Africa and Brazil;
- Holding companies: all non-operating companies, including the head office in Rotterdam and the regional office in Singapore.

EUR 1,000 **Europe**	First half year 2015	First half year 2014
Revenue	509,881	505,075
Gross profit	117,385	111,738
Operating EBITA	48,365	44,907
Result from operating activities	41,070	37,755
Total Assets	717,828	708,027
Total Liabilities	293,455	233,384

EUR 1,000 **Asia Pacific**	First half year 2015	First half year 2014
Revenue	153,546	141,649
Gross profit	29,230	23,542
Operating EBITA	14,183	10,992
Result from operating activities	11,791	9,403
Total Assets	268,564	238,994
Total Liabilities	64,592	60,852

EUR 1,000 **Other Emerging markets**	First half year 2015	First half year 2014
Revenue	59,652	55,658
Gross profit	13,733	11,907
Operating EBITA	4,431	4,525
Result from operating activities	3,423	3,446
Total Assets	98,066	97,283
Total Liabilities	32,262	28,794

EUR 1,000 **Holding companies**	First half year 2015	First half year 2014
Operating EBITA	-5,540	-4,382
Result from operating activities	-6,666	-10,212
Total Assets	197,138	94,567
Total Liabilities	400,569	881,030

Reconciliation to the consolidated figures

On 23 June 2015, IMCD acquired 80% of The M.F. Cachat Company LLC and 100% of the shares of MJS Sales Inc. As IMCD has control over the returns of both MF Cachat and MJS Sales, all results and assets and liabilities of these companies are fully consolidated in the IMCD figures since 24 June 2015. IMCD has a contractual and unconditional commitment to purchase the remaining 20% shares of MF Cachat in 2017. This commitment is presented as liability as part of the consolidated loans and borrowings.

Once the new operating segment structure has been implemented, contribution to the revenue, gross profit, operating EBITA, result from and assets and liabilities of MF Cachat and MJS Sales from 24 June onwards will be allocated to the relevant segment. The revenue and operating EBITA contribution of MF Cachat and MJS Sales during the period 24 June till 30 June amounted to EUR 5.8 million, respectively EUR 0.6 million.

Result from operating activities

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

EUR 1,000	First half year 2015	First half year 2014
Operating EBITA	62,069	56,042
Amortization of intangible assets	-11,100	-10,128
Non-recurring items	-1,203	-5,524
Result from operating activities	49,766	40,390

The non-recurring expenses in 2015 mainly relate to acquisitions in the US and India. The non-recurring items in the first half year of 2014 mainly refer to the costs related to the initial public offering of shares as per 27 June 2014.

Amortization of intangible assets predominantly relates to amortisation of acquired supplier relationships and order backlogs.

The Company and its operating segments have a diverse customer base of about 33,000 customers in many countries and of various sizes. The Company and its segments do not rely on a single customer or a single group of customers for its operations. With a supplier base of more than 1,500 suppliers the same applies with regard to the reliance on a single supplier or a single group of suppliers.

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. Business combinations

On 2 April 2015, IMCD completed the acquisition of the business of Kushalchand Sons, a distributor of food specialty ingredients of world class suppliers to the processed food industry in India. The acquisition of Kushalchand further strengthened and expanded the Group's activities in the food market in India.

On 23 June 2015, through its holding company, IMCD Holding US, Inc, IMCD N.V. acquired 80% of the shares of The M.F. Cachat Company (MF Cachat) and 100% of the shares of MJS Sales, Inc. (MJS Sales). MF Cachat is a leading specialty chemicals distributor in the US (Cleveland) with a focus on coatings, construction, plastics, advanced materials and food. The acquisition supports the strategy of IMCD to become a leading global specialty chemicals distributor.

The aforementioned acquisitions added EUR 8.1 million of revenue and EUR 0.1 million of net result to the result in 2015. If the acquisitions had occurred on 1 January 2015, management estimates that the consolidated revenue would have been EUR 867.1 million and the net result for the period would have been EUR 39.6 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisitions had occurred on 1 January 2015.

The recognized provisional amounts of assets acquired and liabilities assumed at the acquisition dates are as follows:

Identifiable assets acquired and liabilities assumed

EUR 1,000	Total Kushalchand/ MFC/MJS
Property, plant and equipment	761
Intangible assets	121,319
Deferred tax assets	248
Inventories	17,021
Trade and other receivables	36,277
Cash and cash equivalents	2,728
Loans and borrowings	-6,342
Other short term financial liabilities	-838
Employee benefits and other provisions	-466
Deferred tax liabilities	-447
Trade and other payables	-16,766
Total net identifiable assets	**153,495**

The intangible assets recognised relates to acquired supplier relationships (EUR 119.9 million) and order books (EUR 1.4 million). The gross contractual value of the trade and other debtors acquired amounts to EUR 36.6 million.

The goodwill recognised as a result of the acquisitions in the financial period is as follows:

Goodwill

EUR 1,000

Total consideration	263,287
Less: Fair value of identifiable net assets	153,495
Goodwill	**109,792**

With regard to the acquisitions in the financial period, the total consideration transferred in cash amounts to EUR 207 million, the contingent consideration payable and the deferred consideration payable at 30 June are EUR 55.7 respectively EUR 0.7 million. The fair value of the contingent consideration is based on the estimated operating results in 2015 and 2016 and the net debt position as of 31 December 2016 of the acquired companies and is ultimately due in 2017.

Goodwill recognised in the financial period relates to the acquisition of the business of Kushalchand and the acquisition of MF Cachat and MJS Sales. The goodwill is attributable mainly to the skills and technical talent of the work force, the commercial relationships, international network and the synergies expected to be achieved from integrating the acquired companies into the Group's existing distribution business.

Acquisition-related costs

The Group incurred transaction costs related to the acquisition of the business of Kushalchand and the shares of MF Cachat and MJS Sales to the amount of EUR 1.0 million. These costs mainly relate to external advisory, due diligence and fees paid to the institutions involved.

7. Equity

Share issuance

On 14 May 2015, IMCD N.V. issued 2,592,254 new shares at an offer price of EUR 32.79 per share, leading to an issued share capital of EUR 8.4 million (52,592,254 shares with a nominal value of 0.16 each). The related expenses net of tax amounted to EUR 0.6 million and have been deducted directly from the share premium. The net proceeds of EUR 84.2 million were used to finance the acquisition of MF Cachat and MJS Sales.

Dividend distribution

In the first half year of 2015 a dividend of EUR 10 million was distributed with regard to the financial year 2014 (EUR 0.20 per share).

8. Loans and borrowings

In addition to the share capital raised, the Company has drawn EUR 30 million incremental term loans and EUR 65 million revolving credit facilities under the existing syndicated bank facilities, to finance the acquisition in the United States. Main part of the revolving facility is drawn in USD.

9. Financial instruments

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2015	Carrying amount						Fair value			
EUR 1000	Designated at fair value	Fair value - hedging instruments	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Forward exchange contracts used for hedging	-	48	-	-	-	48	-	48	-	48
	-	48	-	-	-	48	-	48	-	48
Financial assets not measured at fair value										
Trade and other receivables	-	-	-	291,812	-	291,812				
Cash and cash equivalents	-	-	-	47,056	-	47,056				
	-	**-**	**-**	**338,868**	**-**	**338,868**				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	-	277	-	-	-	277	-	277	-	277
Forward exchange contracts used for hedging	-	1,350	-	-	-	1,350	-	1,350	-	1,350
Contingent consideration	63,283	-	-	-	-	63,283	-	-	63,283	63,283
	63,283	1,627	-	-	-	64,910	-	1,627	63,283	64,910
Financial liabilities not measured at fair value										
Other short term financial liabilities	-	-	-	85,125	-	85,125				
Secured bank loans	-	-	-	328,550	-	328,550				
Loans from shareholders	-	-	-	-	-	-				
Other loans and borrowings	-	-	-	7,744	-	7,744				
Trade payables	-	-	-	-	197,001	197,001				
Other payables	-	-	-	-	49,950	49,950				
	-	-	-	421,419	246,951	668,370				

31 December 2014	Carrying amount						Fair value			
EUR 1000	Designated at fair value	Fair value - hedging instruments	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Forward exchange contracts used for hedging	-	268	-	-	-	268	-	268	-	268
	-	268	-	-	-	268	-	268	-	268
Financial assets not measured at fair value										
Trade and other receivables	-	-	-	204,227	-	204,227				
Cash and cash equivalents	-	-	-	59,974	-	59,974				
	-	**-**	**-**	**264,201**	**-**	**264,201**				
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	-	354	-	-	-	354	-	354	-	354
Forward exchange contracts used for hedging	-	1,630	-	-	-	1,630	-	1,630	-	1,630
Contingent consideration	15,451	-	-	-	-	15,451	-	-	15,451	15,451
	15,451	1,984	-	-	-	17,435	-	1,984	15,451	17,435
Financial liabilities not measured at fair value										
Other short term financial liabilities	-	-	-	15,335	-	15,335				
Secured bank loans	-	-	-	294,550	-	294,550				
Loans from shareholders	-	-	-	-	-	-				
Other loans and borrowings	-	-	-	1,286	-	1,286				
Trade payables	-	-	-	-	134,694	134,694				
Other payables	-	-	-	-	40,767	40,767				
	-	-	-	311,171	175,461	486,632				

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

The following table shows a reconciliation from 1 January 2015 to the closing balance as at 30 June 2015.

EUR 1000	Contingent consideration
Balance at 1 January 2015	15,451
Assumed in a business combination	56,291
Paid contingent consideration	-7,905
Gain included in profit or loss	-177
Effect of movement in exchange rates	-377
Balance at 30 June 2015	**63,283**

The net gain included in profit and loss of EUR 0.2 million is the result of remeasuring contingent considerations in the financial period.

10. Related parties

The Group has related party relationships with its shareholders, subsidiaries, associates, Management Board and Supervisory Board and post-employment benefit plans. The financial transactions between the Company and its subsidiaries comprise financing related transactions 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-month period ended 30 June 2015 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year ended 31 December 2014.

In addition there were no significant changes to the companies and people related to the Group other than the acquisition of control over The M.F. Cachat Company and MJS Sales, Inc. as per 23 June 2015.

11. Subsequent events

Early July the Company finalised an amend and extend process of the existing syndicated bank facilities. The amend and extend process has resulted in an additional senior credit facility of EUR 20 million and an additional revolving credit facility of EUR 50 million. In addition the term of the existing loans has been extended with one year and more favorable conditions, including lower interest rates, will be applicable.

12. Auditor's review

The consolidated interim financial statements for the first half year of 2015 have not been reviewed by the external auditor.

13. 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 2015 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 subsections 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Rotterdam, 14 August 2015

Management Board:
P.C.J. van der Slikke, CEO
H.J.J. Kooijmans, CFO