



PRESS RELEASE
17th September 2004
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Consolidated results for the first 6 months 2004
«STABLE TURNOVER AND INCREASING OPERATING CASH-FLOW, IMPROVEMENT IN PROFITABILITY»

- **Turnover of 25.9 million EUR, up 2.2%**
- **Operating cash-flow of 5.2 million EUR, up +9.2%,**
- **Net current result ⁽³⁾ of 2.7 million EUR, up +31.8%.**

Results June 30, 2004	30/06/2004	30/06/2003	Differences
	(under audit)	(under audit)	
	(x 000 EUR)	(x 000 EUR)	(%)
Sales Turnover	25.882	25.318	+2,2
Operating Cash-Flow (EBITDA)	5.178	4.740	+9,2
Operating Result (EBIT) ⁽¹⁾	3.492	3.225	+8,3
Financial Results ⁽²⁾	-1.979	-2.031	-2,5
Current Result	1.513	1.194	+26,7
Extraordinary Results	-188	-95	+97,4
Result before Taxes	1.326	1.099	+20,6
Taxes	-870	-1.191	-27,0
Results of equivalenced businesses	1	4	-
Result after Taxes	457	-88	-619,1

Net Current Result ⁽³⁾	2.717	2.062	+31,8
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- (1) Operating result calculated after depreciation of Trademarks and goodwill amounting to 0.8 million EUR in 2004 and 2003
- (2) Financial results calculated after depreciation of consolidation differences of 1.5 million EUR in 2004 and 2003.
- (3) Net current result expressed before goodwill depreciation. Said amounts are made up of Trademarks, acquired businesses and consolidation differences

SALES TURNOVER AND ACTIVITY

Consolidated turnover for the first 6 months of 2004 was up 2.2% compared with the first 6 months of 2003.

This development is the result of the launch of a range of cold products, as well as a total revamp of the product range and a new visual identity for the Group.

Turnover also benefited in France from the continued growth of sales in the Espresso segment.

During the first 6 months of the 2004 financial year, 50.7% of total sales turnover was generated in sales through the Group's distribution companies (compared with 49.1% in 2003).

Sales of consumables and accessories accounted for 81.5% of consolidated turnover (all brands combined). The balance reflects the sale of machines. The majority of Fountain drinks sold are coffee (72% of consumption). The balance is split between soups, chocolate and tea.

Operating Cash-Flow

Operating cash-flow (EDITDA) for the first 6 months of 2004 was higher (+ 9.2%) than in the first 6 months of 2003, closing at 5.2 million EUR, an increase of 0.44 million EUR. Operating cash-flow represented 20% of sales, which is up in comparison with the situation for the first 6 months of 2003 (18.7%).

This result was made possible by the improvement in the gross profit margin (diversification of supply sources), as well as the further tightening of costs begun in 2003. Net operating charges were 9.14 million EUR in 2004 compared with 9.05 million EUR during the previous financial year.

Net current result was 2.7 million EUR, an increase of 31.8% compared with the previous financial year.

Extraordinary Results

Extraordinary results for the first 6 months of 2004 consist of a net charge of 188 KEUR (95 KEUR in 2003), due mainly to losses booked on non-operating assets.

Taxes

Taxation was 0.87 million EUR, which was down in comparison with the first 6 months of 2003 (1.19 million EUR). The level was favourably influenced by an exceptional tax refund in Holland (189 KEUR).

As a reminder, depreciation charges for consolidation differences and of acquired businesses (fonds de commerce) do not come into the tax calculation.

NET RESULT AND IMPACT OF NEW IFRS STANDARDS

At the end of June 2004, the Group announced a net profit of 457 KEUR, compared with a loss of 88 KEUR in 2003. The Group estimates that by applying the new IFRS standards, the net result would have been approximately 2 million EUR.

Cash-flow

Consolidated net debt at the end of June 2004 was 5.8 million EUR, which was down significantly compared with the end of 2003 (8.0 million EUR). As a reminder, operating cash-flow for the first 6 months of 2004 was 5.2 million EUR.

Perimeter

The merger of the Danish and Scandinavian subsidiaries, as well as the liquidation of the German subsidiary (no business), carried out at the end of 2003, had no impact on the composition of consolidation.

Outlook for 2004

Turnover for the second half of the year is traditionally weaker than for the first half. The Group expects to see an increase in its operating cash-flow of between 5 and 10% at the end of 2004 compared with 2003.

Auditor's report on the consolidated accounts

"We have conducted a limited examination of the consolidated half-yearly information at 30th June 2004 for the limited company, FOUNTAIN, in accordance with the standards of the Institute of Company Auditors. Given its objective, our audit was less extensive than that required to certify the annual accounts. Our audit did not reveal any elements requiring significant amendments to the figures in the consolidated half-yearly report.

*B.S.T. Company Auditors SCPRL,
represented by Pascale TYTGAT, Company Auditor."*

Group Profile

THE FOUNTAIN GROUP, OPERATES MAINLY IN THE MAJOR EUROPEAN COUNTRIES. THE COMPANY MANUFACTURES AND MARKETS HOT BEVERAGE DISPENSERS AND THEIR CONSUMABLES FOR THE "OUT OF HOME" MARKET. DISTRIBUTION IS ORGANISED AROUND A CONCEPT AIMED MAINLY AT SERVING SME/SMI AND BASED ON A DIVERSIFIED RANGE OF BEVERAGES (COFFEE, TEA, CHOCOLATE, SOUPS, ETC.) MUCH RENOWNED FOR THEIR HIGH QUALITY. THE GROUP DISTRIBUTES ITS PRODUCTS THROUGH OWN OR INDEPENDENT LICENSEES WHO DEVELOP, MANAGE AND DRIVE DEALER NETWORKS, WHETHER THEY ARE INDEPENDENT OR NOT, OFFERING A COMPREHENSIVE SERVICE WHICH IS CLOSE TO THEIR CUSTOMERS.

Financial schedule

FRIDAY 17TH SEPTEMBER 2004	PRESS CONFERENCE, UNDER EMBARGO;
SATURDAY 18TH SEPTEMBER 2004	PUBLICATION OF HALF-YEARLY RESULTS IN L'ECHO AND DE TIJD;
MONDAY 20TH SEPTEMBER 2004	MEETING OF ANALYSTS;
MID-MARCH 2005	ANNOUNCEMENT OF ANNUAL RESULTS 2004

Information

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