PRESS RELEASE

Greenyard Foods realises strongly improved operating results

***Gent, Belgium, 20th of November 2014 – Greenyard Foods (Euronext Brussels: GRYFO)** has announced today its results over the half year ending on 30 September 2014, presented in accordance with IAS 34 'Interim financial statements'.*

Operational highlights – first half year ending as per 30 September 2014

- Consolidated sales growth of +0.7% to €297.6 million.
- The harvest season is currently ahead of plan due to an early start and a soft autumn. The total harvest season 2014 will be finally evaluated at the end of December.
- Continuation of efficiency improvements and international integration of processes within the frozen division.
- Acquisition of the production facility in King's Lynn in the United Kingdom. Hence the execution of the strategic plan in order to acquire all production facilities is finished.

Financial highlights - first half year ending as per 30 September 2014

- Consolidated REBITDA increased by €15.0 million to €39.0 million due to the improvement of the commercial and operational results (+€10.3 million) and the termination of rents (+€4.7 million).
- REBITDA margin increases from 8.1% to 13.1%.
- Working capital increased by €3.6 million despite an increase of inventories by €61.1 million.
- Net result of €14.3 million or +€17.6 million, which causes the equity to increase to €226.5 million.

Quote of Marleen Vaesen, CEO of Greenyard Foods:

'We have achieved an exceptional result in the first half year, with a strong increase in REBITDA and margins. These operating results were mainly realized by a continuous focus on efficiency improvements and portfolio mix. Higher production volumes also have a positive impact on the results.

This good result confirms our strategy and we continue to focus on our four strategic priorities: focus on customer and consumer, operational excellence, cash flow improvements and investing in the organization.'

Consolidated key figures: profit and loss figures as per 30 September [1]

(In €'000)	H1 AY 14/15	H1 AY 13/14
Sales	297,564	295,559
REBITDA	39,021	24,034
REBIT	23,002	12,605
EBIT	22,758	9,880
Financial result	-4,723	-8,814
Profit / (loss) before tax	18,845	1,066
Net profit / (loss) from continuing operations	14,290	-3,264
Net profit from discontinued operations		65,435
Consolidated profit	**14,290**	**62,171**

The condensed consolidated income statement in accordance with IFRS 5 is included in annex 1.
The results of the discontinued operations include two months of results of the potato division in H1 AY 13/14.
The results of continuing operations of H1 AY 13/14 include 1 month of the results of the acquired production facilities of UFM and Noliko, whereas 6 months are included for H1 AY 14/15.

Comments on the half year results of 2014/2015

Sales

The stable consolidated sales compared to the first half of previous year (+0.7%) are the combined effect of a slight decrease of -1.9% in the frozen division and an increase of 5.3% in the canning division. Exchange rate evolutions had a positive effect on the consolidated sales of 0.8%.

Operating result

Consolidated REBITDA increased by €15.0 million compared to the previous accounting year. €10.3 million of this increase is due to the commercial and operational results in both divisions following better operational efficiencies and a larger focus on portfolio mix. In addition, seasonality of operations leads to the large production volumes in the first half of the year with a positive impact on the results. The ceasing of the rent of production facilities following their acquisition did have an impact of €4.7 million on the REBITDA over this half year.

The consolidated REBIT increased by €10.4 million compared to the previous accounting year. This increase can be nearly entirely explained by the commercial and operational results both in the frozen and canning division.

Non-recurring elements

The consolidated non-recurring charges amount to €0.3 million, whereas the consolidated results for the same period previous year include net non-recurring income of €62.7 million. This mainly consisted of the gain realized on the sale of the potato division in an amount of €65.5 million.

[1] For a further discussion of the figures and the management statement we refer the reader to the half-year consolidated financial statements (IAS 34) on our website www.greenyardfoods.com under the heading *"Financial information > Reports > half-year consolidated financial statements 2014-2015"* (available as from 20 November 2014 onwards).

Financial result

The consolidated net financial result over the first half of the year improved by €4.5 million from €-8.8 million to €-4.3 million. This can be mainly explained by the positive exchange results (mainly on GBP) of €3.6 million. The financial result of previous year included non-recurring charges of €-2.1 million, previously capitalized costs that were taken into charges at the repayment of the club deal financing.

The half year results as per 30 September 2014 include a negative result on derivatives at fair value of €-0.4 million (30 September 2013: €-0.3 million). Following the application of hedge accounting, as from current accounting year onwards this result is no longer included in the financial result but in the overview of comprehensive income.

Taxes

The consolidated tax cost over the first half of the year amounts to €-4.2 million or a tax rate of 22.7%. This consists of €-3.9 million income taxes and €-0.3 million deferred taxes without cash impact. The tax rate of 22.7% is caused by the profits that were realized in companies with tax losses carried forward for which no deferred tax assets were accounted for. These have a positive effect on the consolidated tax rate per 30 September 2014.

Consolidated key figures per share

Earnings per share (in € per share)	**H1 AY 14/15**	**H1 AY 14/15**	**H1 AY 13/14**	**H1 AY 13/14**
	Basic	Diluted [2]	Basic	Diluted
Earnings per share	**0.87**	**0.76**	**3.79**	**3.28**
- Earnings per share from continuing operations	0.87	0.76	-0.19	-0.19
- Earnings per share from discontinued operations	n/a	n/a	3.98	0.58

The earnings per share of the first half year AY 13/14 from discontinued operations include entirely the earnings per share realised on the sale of the potato division.

[2] *The diluted earnings per share equal the basic earnings per share following the anti-dilutive character of the warrants cfr. IAS 33.41*

Comments on the statement of financial position as per 30 September 2014 and 31 March 2014 [3]

The increase of the tangible fixed assets by €19.0 million can be explained by the impact of the acquired production facility of King's Lynn in July 2014 (€+17.4 million) and the other investments of the accounting period (€+14.2 million). This increase is partially compensated by the depreciation charges (€-14.2 million) and the remaining combined impact of transfers, capital grants, disposals and positive foreign exchange rate fluctuations (€+1.6 million).

Inventories increased by €61.1 million compared to 31 March 2014, of which €56.6 million in the frozen division and €4.4 million in the canning division. The seasonal character of the activities has a considerable impact on the inventories of the Group, as large volumes are produced during the harvest period in the first half of the accounting year. The seasonality is more limited in the canning division due to the convenience activities and the larger production of the winter vegetables during the second half of the year.

Consolidated trade debts increased as well by €57.2 million. These are directly related to the increased inventories, which results in the net impact on the working capital being rather limited.

Equity (including non-controlling interests) amounts to €226.5 million or 32.9% of the statement of financial position total as per 30 September 2014. This increased by €14.6 million, which is mainly due to the realized net results over the first half of the year.

The Group did not own treasury shares as per 30 September 2014 and 31 March 2014.

The outstanding financial debts increased by €14.3 million compared to end of March 2014 due to withdrawals of working capital of €13.8 million. This is because of the seasonal character of the operations.

There are no changes in valuation rules with a significant impact on the Group's reported results or financial position (see *annex 1*), apart from those mentioned above.

[3] *Presentation according to 'IFRS 5 Discontinued operations', as applied in the half-year financial statements: see annex 2 for the presentation of the statement of financial position.*

Comments on the segment information

Frozen division (in € '000)	H1 AY 14/15	H1 AY 13/14	Difference
Sales	187,419	190,974	-1.86%
REBITDA	23,966	13,026	83.98%
REBITDA-margin	*12.79%*	*6.82%*	
REBIT	14,416	6,694	115.36%

The **frozen division** accounts for 63.0% of the consolidated sales. The sales decrease by 1.9% is the combined effect of a volume decrease, a positive portfolio mix effect and a positive exchange rate effect. Sales are impacted during 2 months by the embargo from Russia, which became effective in August 2014. Russia represents 2.2% of the sales of the frozen division during the first half of the year.

The REBITDA increase by €10.8 million is explained for €7.6 million explained by the commercial and operational results. These consist of efficiency improvements and focus on portfolio mix. In addition, slightly higher production volumes have been realised with a positive effect on the results, which is also due to the early crops. The ceasing of the rent of production facilities has an impact of €3.2 million on the REBITDA compared to the first half of previous year.

The increase of the REBIT by €7.7 million can almost entirely be explained by the commercial and operational results of the division.

Canning division (in € '000)	H1 AY 14/15	H1 AY 13/14	Difference
Sales	110,145	104,584	5.32%
REBITDA	15,055	11,008	36.76%
REBITDA-margin	*13.67%*	*10.52%*	
REBIT	8,586	5,912	45.23%

The **canning division** accounts for 37.0% of the consolidated sales. Sales increased by +5.3% compared to previous accounting year.

The REBITDA increased by €4.0 million, of which €2.5 million is mainly caused by commercial results and to a lesser extent by operational efficiencies and the impact of higher production volumes. The ceasing of the rent following the acquisition of the production facilities has an impact on the REBITDA of €1.5 million.

The increase of the REBIT by €2.7 million can almost entirely be explained by the commercial and operational results of the division.

Comments on statement of cash flows from continuing operations

(All amounts in €'000)	30/09/2014 (6 maanden)	30/09/2013 (6 maanden)	Evolution
Cash flow from operating activities	34,624	19,052	15,572
Increase in working capital (-)/ decrease in working capital (+)	-3,562	-42,410	38,848
= Net cash flow from operating activities	**31,062**	**-23,357**	**54,420**
Cash flow from investing activities	-33,252	74,976	-108,228
Cash flow from financing activities	3,281	-64,268	67,549
Effect of exchange rate fluctuations	842	-484	1,326
= Free cash flow	**1,932**	**-13,133**	**15,066**
Cash and cash equivalents, opening balance	**15,023**	**21,815**	
Cash and cash equivalents, closing balance	**16,956**	**8,682**	

During the first half of the accounting year 2014/2015 there was a free cash flow of €1.9 million.

The operational cash flows that were realized are higher than the investments, including the acquisition of the production site in King's Lynn in the United Kingdom.

Declaration of the auditor

The limited review of the interim financial information executed by the auditor did not reveal any specific remarks.[4]

Events after the balance sheet date

Between 30 September 2014 and the date on which this press release was released for publication, the following significant event after the balance sheet date has occurred: as per 12 November 2014 the assets located in Manschnow in Germany were sold to KTG Agrar Group. However the gain that was realised on this sale has no significant impact on the consolidated results.

Outlook[5]

After a high-performance first half of the year the Board of Directors and management believe that the foundations are present for further profitable growth. However, due to the seasonality and the price pressure, the advance of the first half year cannot be fully preserved.

[4] For a complete version of the limited review report we refer the reader to the half-year consolidated financial statements (IAS 34) on our website www.greenyardfoods.com under the heading *"Financial information > Reports > half-year consolidated financial statements 2014-2015"* (available as from 20 November 2014 onwards).

[5] Disclaimer: this press release contains forward-looking information that is based on current internal estimates and expectations and as well as market expectations. The forward-looking statements contain inherent risks and are valid only on the day on which they are made. Actual results may differ substantially from the results included in forward-looking statements.

Financial calendar

- Announcement of annual results of the Group (01/04/2014-31/03/2015): 19 May 2014 (17:45 hrs)
- Availability of annual report 2014-2015: 22 July 2014 (17:45 hrs)
- General Assembly 2014-2015: 18 September 2015 (14:00 hrs)

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About Greenyard Foods

Greenyard Foods NV is active predominantly in the processing and commercialization of fruit and vegetables and ready-to-eat food, both deep-frozen and canned. The Group has 15 production sites in 6 different countries (Belgium, France, United Kingdom, Poland, Germany and Hungary) and subsidiaries and sales offices on five continents. (**www.greenyardfoods.com**)

Annex 1: Condensed consolidated income statement in accordance with IFRS 5

Consolidated income statement (in thousands of €)	H1 AY 14/15	H1 AY 13/14
CONTINUING OPERATIONS		
Sales	297,564	295,559
Increase/decrease (-) in inventories: finished goods and work in progress	60,617	56,605
Other operating income	8,445	7,144
Raw materials, consumables and goods for resale	-211,689	-212,954
Services and other goods	-68,302	-75,146
Personnel costs	-44,559	-44,164
Depreciation and amortization	-15,049	-11,235
Impairment losses on assets		-2,423
Impairments, write-offs	-1,034	-196
Provisions	-186	3
Other operating charges	-3,047	-3,314
Operating result (EBIT)	**22,758**	**9,880**
Non-recurring income	7	
Non-recurring expenses	-252	-2,726
Operating result before non-recurrings (REBIT)	**23,002**	**12,605**
Financial income	4,672	1,359
Financial expenses	-8,945	-10,172
Result before taxes	**18,485**	**1,066**
Taxes	-4,195	-4,330
Profit (loss) of the period from continuing operations	**14,290**	**-3,264**
DISCONTINUED OPERATIONS		
Profit (loss) of the period from discontinued operations		65,435
PROFIT (LOSS) OF THE PERIOD	**14,290**	**62,172**
Attributable to:		
- The shareholders of Greenyard Foods (the 'Group')	14,219	62,285
- Non-controlling interests	71	-113

Profit (loss) from discontinued operations (in thousands of €)	H1 AY 14/15	H1 AY 13/14
Sales		51,953
Increase/decrease (-) in inventories: finished goods and work in progress		-5,914
Other operating income		2,888
Gain on disposal of potato division		65,471
Expenses (operating and financial)		-47,791
Loss on the remeasurement to fair value less costs to sell		
Result before taxes		**66,607**
Attributable income tax expense		-1,172
Profit / (loss) of the period from discontinued operations		**65,435**
Attributable to:		
- The shareholders of Greenyard Foods (the 'Group')		65,435
- Non-controlling interests		

In the first half of the accounting year ending as per 30 September 2014, no major changes took place in the valuation rules compared with the previous reporting period, apart from those mentioned in the financial result (application of hedge accounting for interest hedging instruments)

Annex 2: Condensed consolidated statement of financial position

(All amounts in € '000)	30/09/2014	31/03/2014	Evolution in %
Assets			
Non-current assets	*298,442*	*280,831*	*6.27%*
Intangible fixed assets	*22,575*	*23,117*	*-2.34%*
Goodwill	*10,331*	*10,258*	*0.71%*
Tangible fixed assets	*257,196*	*238,457*	*7.86%*
Financial fixed assets	*41*	*39*	5.15%
Other amounts receivable after one year	*25*	*72*	*-64.71%*
Deferred tax asset	*8,273*	*8,888*	*-6.91%*
Current assets	*390,749*	*323,944*	*20.62%*
Inventories	*286,006*	*224,905*	*27.17%*
Amounts receivable	*87,695*	*84,015*	*4.38%*
Cash at bank and in hand	*16,956*	*15,023*	*12.86%*
Derivatives	*92*		*100.00%*
Total	***689,191***	***604,775***	***13.96%***
Equity and liabilities			
Equity*	*226,498*	*211,936*	*6.87%*
Provisions and deferred tax liabilities	*28,161*	*28,454*	*-1.03%*
Financial debts to credit institutions (ST)	*63,692*	*49,560*	*28.52%*
Financial debts to credit institutions (LT)	*7,052*	*7,444*	*-5.27%*
Subordinated loan (LT)	*36,238*	*35,707*	*1.49%*
Subordinated loan (ST)			
Bond loan (LT)	*149,651*	*149,621*	*0.02%*
Other amounts payable (LT)	*370*	*371*	*-0.46%*
Other amounts payable (ST)	*177,529*	*121,682*	*45.90%*
Total	***689,191***	***604,775***	***13.96%***
Net financial debt**	*239,584*	227,308	*5.40%*
Working capital	*212,881*	206,630	*3.02%*
* including non-controlling interests			
** including (subordinated) bond loans			

Annex 3: Definitions

Liquidity	Current assets / current liabilities.
Non-recurring elements	Operating charges and revenue that are related to restructuring programs, impairment losses, environmental provisions or other events and transactions that are clearly distinct from the normal activities of the Group.
REBIT	EBIT + non-recurring result.
REBITDA	EBITDA + non-recurring result.
H1 AY 14/15	First half of accounting year 2014/2015.
H1 AY 13/14	First half of accounting year 2013/2014.
REBITDA-margin	REBITDA / sales