GREENYARD

Half Year Financial Report 2017-2018








for a healthier future

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GREENYARD

Greenyard is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers, plants and growing media. Counting Europe's leading retailers amongst its customer base, the Group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market-leading innovation, operational excellence and outstanding service.

With more than 9.000 employees operating in 25 countries worldwide, Greenyard identifies its people and its key customer and supplier relationships as the key assets which enable it to deliver goods and services worth almost € 4,25 billion per annum.

Our Mission: We are committed to grow consumption of fruit & vegetables for a healthier future by partnering from fork to field to meet consumer needs – creating value for all.

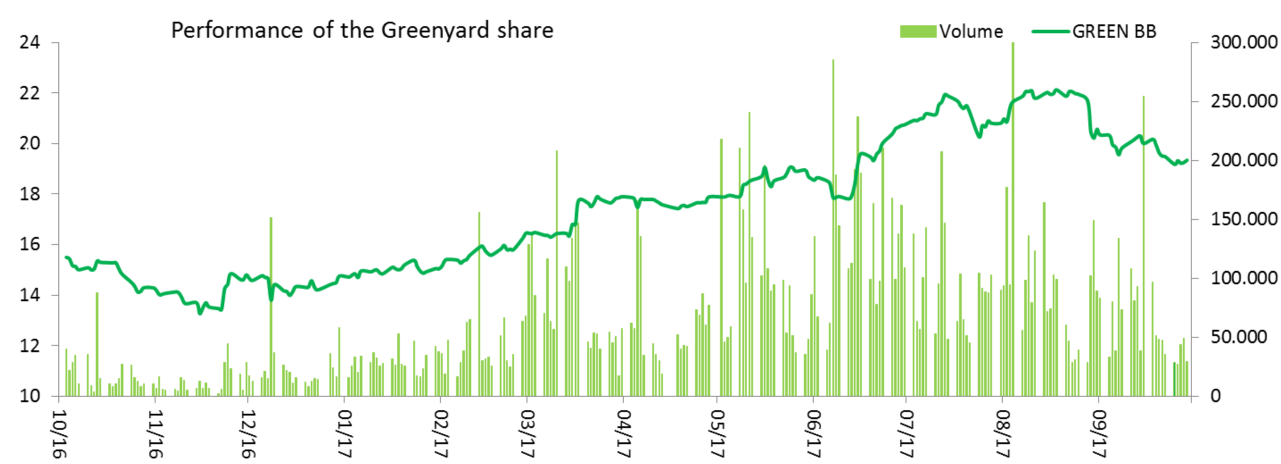
Our Vision: To make lives healthier by helping people enjoy fruit & vegetables, at any moment easy, fast & pleasurable whilst fostering nature.

INFORMATION FOR SHAREHOLDERS

The Company's shares are listed on the continuous market of Euronext Brussels (ticker: GREEN), more specifically in the compartment B (mid-caps) of this market, since 1 March 2005. The Greenyard share was introduced onto the Brussels Stock Exchange in June 1999. Greenyard NV has a liquidity contract with Bank Degroof Petercam. On 14 March 2017 the Company initiated a share buyback program representing 1.750.000 shares or almost 4% of outstanding shares. The Company has ended its share buyback program by 31 August 2017. On average € 17,17 per share was paid.

On 30 September 2017 the share capital was represented by 44.372.585 shares, which have the same rights.

Shareholder structure	Number of shares	%
Deprez Holding NV	15.327.254	34,5%
Food Invest International NV	6.534.173	14,7%
Sujajo Inv.	3.957.145	8,9%
Treasury shares	1.750.000	3,9%
Public	16.804.013	38,0%
TOTAL	**44.372.585**	**100%**



HIGHLIGHTS – H1 ending 30 September 2017

- Sales are down 2,4% YoY to € 2.094,5m. Excluding the currency effect (-0,4%), sales declined internally by 2,0% compared to strong base last year of +6,8%
  - Fresh reports a sales decline of 2,5%. Internally, top line dropped by 2,2% versus a high comparable base and a stable price evolution after strong price inflation last year
  - Long Fresh' sales were down 2,6% but currencies explain 1,2% of the drop. Sales declined by 1,4% internally, which implies a strong Q2 (+1,4%). Long Fresh was confronted with shortages, while ongoing price and product mix improvements continued to contribute to top line growth
  - Horticulture sales were up 4,5%, mainly thanks to internal growth (+3,0%)
- REBITDA declined by 5,5% to € 73,4m. This entails a € 4,3m drop driven by:
  - Fresh dropped by € 2,6m largely driven by price pressure on bananas, combined with challenging sourcing and lower volumes YoY
  - Long Fresh' was slightly down (€ -1,1m). The continuing efforts to improve portfolio management and ongoing progression in Frozen France were curbed by the impact of shortages, ongoing price pressure in Prepared and irregular supply caused by adverse weather conditions
  - Horticulture declined by € 0,5m due to tough harvest conditions during summer and higher transportation costs
- Net result came in at € 11,7m. Excluding the non-cash impact of the fair value adjustment on the convertible bond, net result arrives at € 12,5m, up 84% YoY
- Including the impact of the share buyback, adjusted EPS increased to € 0,29, up more than 90% YoY
- A significant step-up in CAPEX spent to € 35,2m driven by growth investments in Fresh and timing effect
- Net financial debt dropped by € 32,5m YoY to € 346,5m. This translates into a leverage of 2,4x, down from 2,7x last year. This was realised despite the strong rise in investments and our share buyback programme
- The corporate tax rate showed a structural decline towards 37,3%, down from 47,2% last year
- Closing the acquisition of Mykogen following approval of all competent authorities. Mykogen adds 8% to group REBITDA with consolidation as from December 1, 2017

MANAGEMENT COMMENT

CEO Marleen Vaesen comments on the results and the past 6 months:

'We are pleased with the good improvement of the net result of our company further benefitting from the refinancing and ongoing tax savings. At the same time, our net debt continued to decline despite high investments in the growth of our business.

Nevertheless, both in Fresh and Long Fresh, adverse weather conditions hindered our operations and hence financial performance. In Long Fresh, price pressure in Prepared is still ongoing as well.

Going forward, we remain determined to keep our focus on profitable growth, and therefore accelerated a number of initiatives to improve profitability. Actions taken include rightsizing of our Fresh operations in Poland, Germany, Belgium and the UK. These actions lead to more streamlined operations in these countries and lower overhead costs. These initiatives are combined with investments in new state-of-the-art operations that ensure that Greenyard stays at the forefront of our sector.

To conclude, we remain confident Greenyard has the right strategy and priorities in place to generate profitable growth and further strengthen our position as a global leader of fruit & vegetables in all its forms.'

CONSOLIDATED KEY FIGURES

The reported condensed consolidated income statement of the first half of AY 16/17 and AY 17/18 includes 6 months of Fresh, Long Fresh and Horticulture.

Greenyard	H1 17/18 €'000 000	H1 16/17 €'000 000	Difference
Sales	2.094,5	2.146,1	-2,4%
REBITDA	73,4	77,7	-5,5%
REBITDA-margin %	3,5%	3,6%	
Profit/loss (-) for the period	12,4	6,8	82,1%
NFD	346,5	379,0	-8,6%

EBIT before non-recurring items - REBITDA	H1 17/18 €'000	H1 16/17 €'000
EBIT before non-recurring items	**40.511**	**45.529**
Depreciation, amortisation and impairments	32.824	30.901
Divestitures (not in IFRS 5 scope)	105	1.272
REBITDA	**73.440**	**77.703**

Reconciliation net financial debt	30 September 2017 As reported €'000	Reconciliation (*) €'000	Total €'000
Cash and cash equivalents	-80.014	-	-80.014
Interest-bearing loans (non-current/current)	409.618	16.895	426.514
Net financial debt			**346.500**

(*) Primarily net capitalised transaction costs related to the refinancing (€ 6,5m) and net value of the conversion bond option at inception after amortisation (€ 10,4m) are added back in order to present the nominal amounts of drawn financing as part of the reported net financial debt.

SEGMENT PERFORMANCE

Fresh

Fresh	H1 17/18 €'000 000	H1 16/17 €'000 000	Difference
Sales	1.707,3	1.751,0	-2,5%
REBITDA	42,9	45,5	-5,8%
REBITDA-margin %	2,5%	2,6%	

Sales of Fresh declined by 2,5%. With a small FX impact of -0,3%, growth dropped internally by 2,2%. Growth was realised in the Netherlands, Poland and the Growth Markets. However, this was more than offset by declines in both German Market and Belgium.

Whereas last year's top line was helped by price increases, H1 of this year was marked by less inflationary effects. This could not be compensated by ongoing product mix improvements driven by exotics, Ready-To-Eat and mixes. Moreover, availability issues impacted top line as well.

REBITDA dropped by 5,8% translating into a margin of 2,5% (-9bps YoY). There are two key reasons for this drop. Firstly, price pressure on bananas. Secondly, operational efficiencies were impacted by challenging sourcing over the period combined with the drop in volumes.

Long Fresh

Long Fresh	H1 17/18 €'000 000	H1 16/17 €'000 000	Difference
Sales	349,4	358,8	-2,6%
REBITDA	25,7	26,8	-4,0%
REBITDA-margin %	7,4%	7,5%	

Long Fresh witnessed a sales decline of 2,6%. Foreign currencies impacted sales negatively by 1,2%, driven by the GBP. As such, internal sales evolution showed a -1,4% decline. This is an improvement compared to the -4,0% in Q1, entailing a solid performance in Q2 (+1,4%). This progress was mainly driven by the ongoing price and product mix improvements in Frozen, which largely curbed the impact of shortages due to last year's harvest. Prepared's top line was still impacted by shortages as well as ongoing price pressure. Also the mushroom activities within Prepared are not yet performing as anticipated both in terms of top line and margins.

REBITDA declined by 4,0%, only slightly ahead of the sales drop resulting in stable margins YoY. Underlying improvements stemmed from an ongoing trade-up in the portfolio mix and further enhancement in Moréac (Frozen France). This was more than offset by operational inefficiencies due to lower processing volumes and irregular supply resulting from adverse weather conditions.

Horticulture

Horticulture	H1 17/18 €'000 000	H1 16/17 €'000 000	Difference
Sales	37,9	36,3	4,5%
REBITDA	4,9	5,4	-10,1%
REBITDA-margin %	12,9%	15,0%	

Sales are up by 4,5% in H1. Internal growth amounted to 3,0% as growth in Q2 continued at the 3% level, as was the case in Q1. The acquisition of Nesterovskoye contributed 0,9% to top line whereas the impact of currencies was minimal (+0,6%).

The vast majority of internal growth is driven by strong demand for winter products in Q2, mainly in Western Europe, after a decent start in Q1 as well. Poland is weaker due to bad spring weather. The integration of Nesterovskoye is proceeding according to plan, significantly increasing Horticulture's sourcing hereby securing future growth.

REBITDA dropped by 10,1% representing a margin drop to 12,9%. The decline is mainly driven by a temporary deterioration of the product mix as well as tough harvest conditions in the summer period. Additionally, transportation costs increased after the exceptionally low levels reached last year. This could not be curbed by ongoing tight cost control efforts.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	H1 17/18 €'000	H1 16/17 €'000
CONTINUING OPERATIONS		
Sales	2.094.546	2.146.092
Cost of sales	-1.942.691	-1.991.743
Gross profit/loss (-)	**151.855**	**154.349**
Selling, marketing and distribution expenses	-47.019	-46.989
General and administrative expenses	-67.457	-64.024
Other operating income	2.986	2.916
Share of profit/loss (-) of equity accounted investments	147	-723
EBIT before non-recurring items	**40.511**	**45.529**
Non-recurring items	-2.076	-5.887
EBIT	**38.434**	**39.642**
Interest expense	-14.330	-21.174
Interest income	224	1.017
Other finance result	-4.541	-6.569
Net finance income/cost (-)	**-18.647**	**-26.726**
Profit/loss (-) before income tax	**19.787**	**12.916**
Income tax expense (-)/income	-7.377	-6.102
Profit/loss (-) for the period from continuing operations	**12.411**	**6.814**
DISCONTINUED OPERATIONS		
Profit/loss (-) for the period from discontinued operations (attributable to the shareholders of the Group)	-	-
PROFIT/LOSS (-) FOR THE PERIOD	12.411	6.814
Attributable to:		
The shareholders of the Group	11.688	6.786
Non-controlling interests	722	29

Earnings per share (in € per share)	H1 17/18	H1 16/17
Basic	0,27	0,15
Diluted	0,27	0,15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	H1 17/18 €'000	H1 16/17 €'000
Profit/loss (-) for the period	**12.411**	**6.814**
Remeasurements on post employment benefit obligations, gross	-	-3.192
Deferred tax on remeasurements on post employment benefit obligations	-	830
Items that will not be reclassified to the income statement	**-**	**-2.362**
Cash flow hedges, gross	-1.275	729
Deferred tax on cash flow hedges	382	-278
Currency translation differences	-4.119	-1.157
Fair value reserve	5	-1
Items that may be reclassified to the income statement	**-5.007**	**-708**
Other comprehensive income	**-5.007**	**-3.070**
TOTAL	**7.403**	**3.745**
Attributable to:		
The shareholders of the Group	6.816	3.697
Non-controlling interests	587	48

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	30 September 2017 €'000	31 March 2017 €'000
NON-CURRENT ASSETS	**1.260.730**	**1.265.218**
Property, plant & equipment	378.527	375.952
Goodwill	591.923	591.923
Other intangible assets	232.766	238.541
Biological assets	20.493	20.353
Investments accounted for using equity method	9.529	8.975
Other financial assets	183	183
Deferred tax assets	22.512	22.579
Trade and other receivables	4.795	6.711
CURRENT ASSETS	**673.327**	**725.454**
Biological assets	23	66
Inventories	344.056	296.217
Trade and other receivables	248.112	313.892
Other financial assets	1.123	2.037
Cash and cash equivalents	80.014	113.242
TOTAL ASSETS	**1.934.056**	**1.990.673**

Equity and liabilities	30 September 2017 €'000	31 March 2017 €'000
EQUITY	**691.572**	**706.246**
Issued capital	288.392	288.392
Share premium and other capital instruments	317.882	317.882
Consolidated reserves	79.992	91.257
Cumulative translation adjustments	-6.871	-2.875
Non-controlling interests	12.177	11.590
NON-CURRENT LIABILITIES	**508.055**	**517.718**
Employee benefit liabilities	21.042	21.245
Provisions	9.885	8.855
Interest-bearing loans	399.097	410.472
Other financial liabilities	28.510	28.572
Trade and other payables	1.067	1.116
Deferred tax liabilities	48.455	47.458
CURRENT LIABILITIES	**734.429**	**766.708**
Provisions	615	894
Interest-bearing loans	10.521	8.409
Other financial liabilities	2.442	781
Trade and other payables	720.851	756.624
TOTAL EQUITY AND LIABILITIES	**1.934.056**	**1.990.673**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity H1 17/18	Attributable to shareholders of the Group									Non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation	Fair value reserve	Defined benefit liability	Total		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2017	**288.392**	**317.882**	**-16.436**	**111.924**	**-1.901**	**-3.449**	**27**	**-1.784**	**694.656**	**11.590**	**706.246**
Profit/loss (-) for the period	**-**	**-**	**-**	**11.688**	**-**	**-**	**-**	**-**	**11.688**	**722**	**12.411**
Cash flow hedges, gross	-	-	-	-151	-1.124	-	-	-	-1.275	-	-1.275
Deferred tax on cash flow hedges	-	-	-	-	382	-	-	-	382	-	382
Currency translation differences	-	-	-	-	-	-3.984	-	-	-3.984	-135	-4.119
Fair value reserve	-	-	-	-	-	-	5	-	5	-	5
Other comprehensive income	**-**	**-**	**-**	**-151**	**-742**	**-3.984**	**5**	**-**	**-4.872**	**-135**	**-5.007**
Total comprehensive income for the period	**-**	**-**	**-**	**11.538**	**-742**	**-3.984**	**5**	**-**	**6.816**	**587**	**7.403**
Dividend payment	-	-	-	-8.525	-	-	-	-	-8.525	-	-8.525
Scope and other changes	-	-	-	50	-	-	-	-	50	-	50
Buyback program	-	-	-13.603	-	-	-	-	-	-13.603	-	-13.603
Balance at 30 September 2017	**288.392**	**317.882**	**-30.039**	**114.988**	**-2.643**	**-7.433**	**32**	**-1.784**	**679.395**	**12.177**	**691.572**

Equity H1 16/17	Attributable to shareholders of the Group									Non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Fair value reserve	Defined benefit liability	Total		
	€'000	€'000		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2016	**288.392**	**317.882**	**-**	**120.284**	**-3.900**	**-4.370**	**87**	**-1.801**	**716.574**	**11.718**	**728.292**
Profit/loss (-) for the period	**-**	**-**	**-**	**6.786**	**-**	**-**	**-**	**-**	**6.786**	**29**	**6.814**
Cash flow hedges, gross	-	-	-	-	729	-	-	-	729	-	729
Deferred tax on cash flow hedges	-	-	-	-	-278	-	-	-	-278	-	-278
Currency translation differences	-	-	-	-	-	-1.176	-	-	-1.176	19	-1.157
Remeasurements on post employment benefit obligations, gross	-	-	- -	-	-	-	-	-3.192	-3.192	-	-3.192
Deferred tax on remeasurements on post employment benefit obligations	-	-	- -	-	-	-	-	830	830	-	830
Fair value reserve	-	-	-	-	-	-	-1	-	-1	-	-1
Other comprehensive income	**-**	**-**	**-**	**-**	**451**	**-1.176**	**-1**	**-2.362**	**-3.089**	**19**	**-3.070**
Total comprehensive income for the period	**-**	**-**	**-**	**6.786**	**451**	**-1.176**	**-1**	**-2.362**	**3.697**	**48**	**3.745**
Dividend payment	-	-	-	-8.875	-	-	-	-	-8.875	-	-8.875
Scope and other changes	-	-	-	-35	-	-	-	-	-35	34	-1
Balance at 30 September 2016	**288.392**	**317.882**	**-**	**118.160**	**-3.449**	**-5.546**	**86**	**-4.163**	**711.362**	**11.797**	**723.160**

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	H1 17/18 €'000	H1 16/17 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE	**112.735**	**137.949**
CASH FLOW FROM OPERATING ACTIVITIES (A)	**41.476**	**49.971**
EBIT	**38.434**	**39.642**
Income taxes paid	**-2.674**	**-4.770**
Adjustments	**30.653**	**25.521**
Fair value adjustments biological assets	-759	-905
Amortisation and impairment of intangible assets	7.952	7.278
Depreciation and impairment of property, plant & equipment	24.872	24.542
Write-off on stock/trade receivables	-1.437	-2.106
Increase/decrease (-) in provisions and employee benefit liabilities	661	-3.503
Gain (-)/loss on disposal of property, plant & equipment	-489	-508
Share of profit/loss (-) of equity accounted investments	-147	723
Increase (-) /decrease in working capital	**-24.938**	**-10.423**
Increase (-)/decrease in inventories	-49.205	-35.730
Increase (-)/decrease in trade and other receivables	70.496	49.219
Increase/decrease (-) in trade and other payables	-46.230	-23.912
CASH FLOW FROM INVESTING ACTIVITIES (B)	**-31.987**	**-22.418**
Acquisitions (-)	**-35.175**	**-24.205**
Acquisition of intangible assets and property, plant & equipment	-34.688	-21.282
Acquisition of subsidiaries/ associates	-487	-2.923
Disposals	**3.188**	**1.787**
Disposal of intangible assets and property, plant & equipment	1.172	1.287
Disposal of subsidiaries/ associates	2.017	500
CASH FLOW FROM FINANCING ACTIVITIES (C)	**-41.208**	**-61.192**
Acquisition of treasury shares	-13.603	-
Long- and short-term funds paid (-)	-10.265	-36.774
Net interests paid	-16.239	-23.043
Other financial expenses	-1.100	-1.375
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**-31.719**	**-33.639**
Effect of exchange rate fluctuations	-1.003	1.312
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE	**80.014**	**105.621**
Of which:		
Cash and cash equivalents	80.014	106.832
Bank overdrafts	-	-1.212

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Greenyard, domiciled in Belgium in Sint-Katelijne-Waver, is a global market leader in fresh and prepared fruit and vegetables, flowers, plants and growing media. Counting the majority of Europe's leading retailers amongst its customer base, the Group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market-leading innovation, operational excellence and outstanding service. The Group counts more than 9.000 employees in 25 countries worldwide.

2. FINANCIAL REPORTING PRINCIPLES

2.1. DECLARATION OF CONFORMITY

The condensed consolidated interim financial statements for the 6 months ended 30 September 2017 contain the financial statements of the Company, its subsidiaries (the 'Group'), and the Group's interests in associated companies and jointly controlled entities. The condensed consolidated interim financial statements provide a general overview of the Group's activities and performance. They give a true and fair view of the Group's financial position, financial performance and cash flows on a going concern basis.

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not contain all the information needed for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the reporting period ended 31 March 2017, published in the 2016-2017 Financial Report.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on the 16th of November 2017.

2.2. SEASONALITY

The performance of Greenyard is impacted by seasonality but the combination of Long Fresh and Fresh has a compensating effect on seasonality and working capital dynamics. Generally Long Fresh has a production peak in the period from July to November with corresponding inventory build up, whereas the demand is relatively stable during the year. This gives rise to high working capital swings in the last two quarters of the calendar year. In Fresh, a greater portion of the sales are realised during the first two calendar quarters, whereas the third and fourth calendar quarters typically have lower sales and less homogenous sales patterns. Horticulture has historically realised a greater portion of its revenues during the two first quarters of the calender year (especially between mid-January and mid-May).

2.3. CHANGES IN ACCOUNTING POLICIES AND PRESENTATION RULES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the financial year 2016-2017 ending as per 31 March 2017, except for the adoption of new standards and interpretations as of 1 April 2017 onwards, noted below:

- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 12 (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed by the EU);
- Amendments to IAS 7 Statement of Cash Flows - Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed by the EU);
- Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed by the EU);

With regard to the standards and interpretations which became applicable during the period April 2017 – September 2017, the Group is in the opinion that these have no or limited impact on the condensed consolidated interim financial statements of the Group.

The Group did not apply prospectively to the AY 17/18 the following new standards and interpretations, which had been issued but had not yet come into effect at the date of approval of these condensed consolidated interim financial statements:

- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU);
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU);
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU);
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed);
- IFRIC 23 Uncertainty over Income Tax Treatments (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU);
- IFRS 15 Revenue from Contracts with Customers. The Group plans to adopt the new standard on the required effective date using the modified retrospective method. During 2017, the Group performed a preliminary assessment of IFRS 15, and based on the current status of the assessment the Group deems that there will not be a significant impact on revenues;
- IFRS 9 Financial Instruments. The Group plans to adopt the new standard on the required effective date. During 2017 the Group has performed a high-level impact assessment of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no significant impact on its balance sheet and equity.

3. SEGMENT INFORMATION

For management purposes the Group is organised in three operating segments based on the activity of the Group.

The Fresh segment supplies high quality fresh and fresh-cut fruit and vegetables, flowers and plants and logistics services. Segment Long Fresh includes the Frozen activities processing a wide range of freshly harvested fruits and vegetables into fresh frozen products. The Prepared entities, also being part of the Long Fresh segment, process harvest-fresh vegetables and fruits and deliver ready-to-eat food products. Segment Horticulture offers a wide range of growing media for growing plants, fruit and vegetables.

Management assesses segment performance and allocates resources based on REBITDA and sales.

The segment's assets are assets belonging directly to it. Segment assets and segment sales are presented before elimination of intersegment transactions. Sales between segments are on an arm's length basis in a manner similar to transactions with third parties.

The tables below provide a summary of the performance of each business segment, for H1 17/18 and H1 16/17.

Segment information H1 17/18	Continuing operations					
	Fresh	Long Fresh	Horticulture	Eliminations (*)	Unallocated (**)	Consolidated
	€'000	€'000	€'000	€'000	€'000	€'000
Sales	**1.707.975**	**349.369**	**37.910**	**-707**	**-**	**2.094.546**
Sales	1.707.286	349.351	37.910	-	-	2.094.546
Intersegment sales	689	18	-	-707	-	-
REBITDA	**42.866**	**25.683**	**4.891**	**-**	**-**	**73.440**
Total assets at 30 September 2017	**1.036.694**	**675.673**	**148.965**	**-8.304**	**81.029**	**1.934.056**

Segment information H1 16/17	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
	Continuing operations					
Sales	**1.751.485**	**358.791**	**36.281**	**-464**	**-**	**2.146.092**
Sales	1.751.036	358.775	36.281	-	-	2.146.092
Intersegment sales	449	16	-	-464	-	-
REBITDA	**45.496**	**26.766**	**5.441**	**-**	**-**	**77.703**
Total assets at 31 March 2017	**1.094.264**	**635.115**	**160.610**	**-14.067**	**114.750**	**1.990.673**

(*) long-term intersegment receivables and intersegment participations are not included in the segment assets and therefore not included in the eliminations
(**) unallocated assets include derivative financial instruments and cash and cash equivalents

4. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The reported consolidated income statement of H1 16/17 and H1 17/18 includes 6 months for Fresh, Long Fresh and Horticulture.

4.1. Operating expenses

Operating expenses	H1 17/18 €'000	H1 16/17 €'000
Cost of goods	1.444.936	1.512.556
Transport	156.811	142.522
Packing, warehousing and farming	181.976	177.574
Personnel and temporary workforce costs	134.656	130.784
Other	24.313	28.307
Cost of sales (*)	**1.942.691**	**1.991.743**
Rentals	7.002	7.121
Maintenance and repair	1.729	1.905
Personnel expenses	62.051	59.969
Utilities	1.244	1.414
Travel and representation	4.438	5.098
Office expenses	1.863	1.619
Fees	10.655	7.877
Insurance	2.249	3.625
Information and communication technology	5.045	5.603
Depreciation	10.683	8.664
Quality	164	199
Other	7.355	7.919
Other operating expenses	**114.476**	**111.013**
TOTAL	**2.057.168**	**2.102.756**

(*) Contain rental costs, personnel expenses, depreciation and other direct operating expenses.

4.2. Other operating income

Other operating income	H1 17/18 €'000	H1 16/17 €'000
Income from rentals	872	1.023
Indemnities received	505	452
Sale of waste	318	213
Gain/loss (-) on disposal of property, plant & equipment	487	508
Operating subsidies	266	-
Recharge of costs from frozen division to CECAB (Groupe d'Aucy)	-	151
Other	537	569
TOTAL	**2.986**	**2.916**

4.3. Non-recurring items

Non-recurring items	H1 17/18 €'000	H1 16/17 €'000
Reorganisation costs Belgium	-433	-3.090
Reorganisation costs Germany	-1.100	-1.365
Other reorganisation costs	-665	-
Impact of acquisition accounting on inventory valuation Lutèce	-	-617
Merger & acquisition costs	-404	-238
Project costs	-191	-99
Loss on sale H-Pack & H-Fruit	-	-81
Other	-675	-397
Non-recurring expenses	**-3.467**	**-5.887**
Post-sale settlement H-Pack & H-Fruit	1.379	-
Other	12	-
Non-recurring income	**1.390**	**-**
TOTAL	-2.076	-5.887

4.4. Finance result

Finance result	H1 17/18 €'000	H1 16/17 €'000
Interest expense - Fresh bond (redeemed in AY 16/17)	-	-11.226
Interest expense - Retail bond	-3.760	-3.755
Interest expense - Convertible bond	-2.350	-
Interest expense - Bank borrowings	-3.062	-2.878
Amortisation transaction costs - Fresh bond (redeemed in AY 16/17)	-	-814
Amortisation transaction costs - Retail bond	-37	-37
Amortisation transaction costs - Convertible bond	-246	-
Amortisation conversion option	-1.072	-
Amortisation transaction costs - Fresh revolving credit facility (redeemed in AY 16/17)	-	-195
Amortisation transaction costs - Revolving credit facility (redeemed in AY 16/17)	-	-238
Amortisation transaction costs - Term loan / Revolving credit facility	-478	-
Amortisation fair value - Fresh bond (redeemed in AY 16/17)	-	996
Interest expense - Factoring	-2.283	-1.981
Interest expense - IRS	-772	-849
Other	-270	-197
Interest expense	**-14.330**	**-21.174**
Interest income	224	1.017
Interest income	**224**	**1.017**
Foreign exchange gains/losses (-)	-1.546	-5.935
Fair value gains/losses (-) on IRS	60	675
Fair value gains/losses (-) on conversion option	-800	-
Bank and other finance expenses	-2.255	-1.310
Other finance result	**-4.541**	**-6.569**
TOTAL	-18.647	-26.726

The decrease in foreign exchange losses can be explained by the significant change in GBP exchange rate in H1 16/17.

4.5. Income tax

Income tax	H1 17/18 €'000	H1 16/17 €'000
Current tax on profits for the year	-5.636	-6.460
Adjustments in respect of prior years	-450	569
Current tax	**-6.087**	**-5.891**
Origination and reversal of temporary differences	-1.539	-211
Deferred tax assets on tax losses and forfeited losses	249	-
Deferred tax	**-1.290**	**-211**
TOTAL	**-7.377**	**-6.102**

Income tax for H1 17/18 amount to € 7,4m, which implies an effective tax rate of 37,3%. The decrease in effective tax rate compared to H1 16/17 is the result of ongoing efforts to structurally improve the tax rate.

5. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.1. Property, plant & equipment

The increase in property, plant & equipment by € 2,6m is related to the investments during the first half year of the accounting period (€ 31,2m). This increase is largely compensated by the depreciation (€ 24,8m), and the combined impact of disposals, changes in scope, foreign exchange rate fluctuations and other movements (€ 3,8m).

The investments consist of 'land and buildings' (€ 1,9m), 'plant, machinery and equipment' (€ 9,1m), 'furniture and vehicles' (€ 1,7m), 'leasing' (€ 0,8m) and 'assets under construction' (€ 17,7m). The main investments concern new distribution centres in Germany and the United Stated.

5.2. Goodwill

The Group tests the goodwill for impairment annually and in case there are indications that the value of goodwill has decreased. The Group's impairment test for goodwill is based on value in use calculations resulting from a discounted cash flow model.

As per 30 September 2017 there are no circumstances that indicate that the carrying value of the goodwill may be impaired. Hence the impairment analyses as mentioned in the annual report ending as per 31 March 2017 are still valid.

5.3. Other intangible assets

The decrease of the other intangible assets by € 5,8m mainly results from the depreciation (€ 8,0m). This is primarily compensated by software investments (€ 2,0m).

5.4. Provisions

The increase of the provisions is mainly attributable to the increase in provisions for decommissioning, mainly related to a new distribution centre in Germany.

5.5. Financial assets and liabilities

The table below only includes the financial assets and liabilities for which the fair value differs from the carrying amount. For all other financial assets and liabilities we consider the carrying amounts approximate the fair values.

Financial assets and liabilities at 30 September 2017	Net carrying amount €'000	Fair value €'000
Retail bond	149.860	159.111
Host component of the convertible bond	112.175	126.896
Bank loans	146.741	158.895

Financial assets and liabilities at 31 March 2017	Net carrying amount €'000	Fair value €'000
Retail bond	149.822	160.419
Host component of the convertible bond	110.857	121.751
Bank loans	156.535	160.470

6. OTHER ELEMENTS

6.1. Subsidiaries and changes in consolidation scope

The parent company of the Group is Greenyard NV, Sint-Katelijne-Waver, Belgium. The subsidiaries and associates of the Group as per 30 September 2017 are the same as presented in the annual report as per 31 March 2017, apart from:

- On 17 July 2017 Greenyard divested its stake in Greenyard Logistics Bulgaria.
- On 29 August 2017 Greenyard divested its stake in Atabel.

6.2. Off-balance sheet commitments

There are no significant changes to contingencies compared with the previous reporting period.

6.3. Contingent assets and liabilities

During H1 17/18 there are no significant changes in the contingent assets and liabilities compared to the previous reporting period.

6.4. Related parties

During H1 17/18 there are no significant changes in related parties compared to the previous reporting period.

6.5. Risk management description

The principal risks and uncertainties for the remaining months of the financial year ending 31 March 2018 remain the same as those described in the previous annual report at 31 March 2017.

6.6. Litigations and claims

During H1 17/18 there are no new significant changes in the litigations and claims compared to the previous reporting period.

6.7. Events after balance sheet date

Between 30 September 2017 and the date the interim report was released for publication, no significant events occurred.

STATEMENT OF RESPONSIBLE PERSONS

Declaration regarding the condensed consolidated interim financial statements for the 6 months period ended 30 September 2017.

Sint-Katelijne-Waver, 21 November 2017

The undersigned, in the name and on behalf of Greenyard NV, declare that, as far as they are aware:

- the condensed consolidated interim financial statements for the 6 month period ended 30 September 2017, established in conformity with the applicable accounting standards, give a true and fair view of the equity, the financial position and the results of Greenyard NV, including its consolidated subsidiaries;
- this half year financial report for the 6 months period ended 30 September 2017 contains a true and fair statement of the important events, the results and the position of Greenyard NV, including its consolidated subsidiaries, as well as a comment on the principal risks and uncertainties confronting the Group.

Deprez Invest NV, represented by Mr Hein Deprez, president of Board of Directors

Mavac BVBA, represented by Mrs Marleen Vaesen, CEO

PDN BVBA, represented by Mr Karl Peeters, CFO

REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Deloitte.

Report on the review of the consolidated interim financial information of Greenyard NV for the six-month period ended 30 September 2017

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 September 2017, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes 1 to 6.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Greenyard NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 1 934 056 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 11 688 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Greenyard NV has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Ghent, 17 November 2017

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by

Charlotte Vanrobaeys

Mario Dekeyser

FINANCIAL DEFINITIONS

EBIT	Operating result
EPS	Earnings per share
IRS	Interest rate swap
Liquidity	Current assets (including assets classified as held or sale)/current liabilities (including liabilities related to assets classified as held for sale).
Net financial debt (NFD)	Interest-bearing debt (at nominal value) less bank deposits, cash and cash equivalents.
Non-recurring items	Non-recurring items mean any items that, in the opinion of management of the Company, must be disclosed (either on the face of the consolidated income statement of the Group or separately in the notes to the financial statements) by virtue of their size or incidence and including but not limited to certain restructuring activities, impairments, gains or losses on disposal of investments and IFRS 3 acquisition accounting and the effect of the accelerated repayment of certain financial indebtedness.
REBITDA	EBIT corrected for depreciation, amortisation and impairments excluding non-recurring items and EBIT corrected for depreciation, amortisation and impairments from minor divested operations.
Working capital	Working capital is the sum of the inventories, trade and other receivables (non-current and current) and trade and other payables (current). In this respect trade and other receivables are corrected for long-term (financing) receivables and accrued interest income and trade and other payables exclude accrued interest expenses and dividend payable.
AY 17/18	Accounting year ending 31 March 2018
AY 16/17	Accounting year ended 31 March 2017
H1 17/18	First half year of accounting year ending 31 March 2018
H1 16/17	First half year of accounting year ended 31 March 2017

About Greenyard

Greenyard (Euronext Brussels: GREEN) is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers, plants and growing media. Counting Europe's leading retailers amongst its customer base, the group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market leading innovation, operational excellence and outstanding service.

Our vision is to make lives healthier by helping people enjoy fruit & vegetables at any moment, easy, fast and pleasurable, whilst fostering nature.

With more than 9,000 employees operating in 25 countries worldwide, Greenyard identifies its people and key customer and supplier relationships as the key assets which enable it to deliver goods and services worth € 4.25 billion per annum.

www.greenyard.group

Greenyard Corporate Office / Strijbroek 10 / 2860 Sint-Katelijne-Waver

for a healthier future