

Annual Report

2013/2014



623.1

SALES (million euro)

51.4

REBITDA (million euro)

211.9

EQUITY (million euro)

2,470

EMPLOYEES

15

FACTORIES

6

COUNTRIES

ANNUAL REPORT

2013/2014

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We offer a unique variety of
affordable and sustainable
vegetable based food
solutions with a long shelf
life, recognized as every day's
most tasty and healthy
experience.

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PREFACE

A new company with very familiar roots

Marleen Vaesen, CEO Greenyard Foods



2013-2014 was a brilliant year full of changes for Greenyard Foods. The name change in June 2013 was the starting shot for a number of structural interventions. These resulted in a growth in turnover to 623.1 million euro achieved in stable markets and a strong increase in REBITDA to 51.4 million euro.

This result was largely achieved through an improvement in the operational results, thanks to a clear focus on operational excellence and customer management. The success factors that have contributed to this result were improvement processes, efficiency enhancing investments and the acquisition of production facilities. This was done in the context of further international integration in the frozen division.

Besides the various structural actions, we have also formulated a joint vision for the group: “We offer a unique variety of affordable and sustainable vegetable based food solutions with a long shelf life, recognized as every day’s most tasty and healthy experience.”

This vision forms the basis for future profitable growth. It’s clear that a number of aspects from the past remain the same, and have even become more current than ever for us. We are pleased to present these aspects in further detail in this annual report.

Our focus on the optimal processing of harvest-fresh vegetables and fruit, for example. There is a wealth of expertise available in both divisions on the way in which harvested fruit and vegetables can be kept field-fresh for longer, so consumers can enjoy tasty and healthy products all year round.



We want to contribute to health as well. Everyone speaks about the recommended five portions a day, but few consumers meet this standard. Greenyard Foods wants to make people more aware of the added value of processed vegetables and fruit, and ready to use recipes. This presents us with exciting challenges.

Aspects such as quality, sustainability and respect for people and planet are becoming more and more important to Greenyard Foods. Our connection with the farmers who provide our basic raw materials is based on mutual respect and long-term collaboration.

Greenyard Foods has set out four strategic priorities for 2013/14:

Growth through focus on consumer and customer

We want to achieve growth by responding even better to the needs of consumers and customers in the different markets in which we operate. Ongoing innovation is crucial to this. Our specialists keep their finger on the pulse of the latest developments in flavours and techniques. The modern consumer wants to cook and eat a varied selection of foods but has less and less time to dedicate to this. Cooking programmes spark a taste for new flavours and methods of preparation, so our large assortment evolves constantly in a dynamic response to that demand. Besides that we strive for a long-term relationship with our customers. We continuously optimise and update our portfolio of products and also deliver innovative solutions in other areas, such as logistics.

Improving operational efficiency and where possible acquiring production facilities

We have successfully completed the acquisition of our production facilities, which was initiated last year. Now we are in a position to make more targeted investments in our own real estate and thereby better coordinate the various sites and countries to increase efficiency. We also continue to optimise our processes to increase our operational efficiencies. The improvements have more than compensated the cost inflation this year.

Reduction of working capital

Stocks have risen to the normal level thanks to a normal harvest. This has of course meant that working capital has not reduced despite our efforts. Thanks to the acquisition of production facilities, rental costs were replaced by depreciation, thereby increasing operational cash flow.

Today the financial structure of Greenyard Foods is stronger than ever. Our successful bond issue, together with the working capital financing, forms the basis for the financing of our growth over the coming years.

Further increasing the organisation's efficiency

Finally, we want to make our organisation even more efficient. We are striving for a results-oriented way of working. Therefore we continue to invest in training of our staff. The business processes are also being further standardised.

We could only achieve our operating results thanks to our strongly motivated organisation. I would like to take the opportunity to thank our colleagues and staff for their enthusiasm and efforts with these new ventures. Without them, these results wouldn't have been possible.

In 2014/15, we will continue to focus on achieving profitable growth. Based on the results of the first financial year of the renewed Greenyard Foods we can see an encouragement to continue down our chosen path. Hence we will continue to build upon the four strategic priorities: focus on consumer and customer intimacy; operational excellence; cash flow and; a performant organisation.

In doing so, we are convinced we have laid the right foundation for further profitable growth for the coming years.

Marleen Vaesen,

CEO Greenyard Foods



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Making consumers even more aware of the added value of our products: a fantastic opportunity.



VISION

Greenyard Foods is ready to grow

The Chairman of the Board of Directors,
Mr. Hein Deprez talks about the future and broader vision behind Greenyard Foods



2013/14 was a year full of changes for Greenyard Foods. You were CEO of the company until 2012 and at the beginning of 2014 you became chairman of the Board of Directors. What is your view on what is happening today at Greenyard Foods?

“The changes that Greenyard Foods initiated last year are the result of ideas — or dreams — that already existed and were then shared and strengthened by many people. Over the course of the years, these ideas evolved to become a vision, and that vision in the end grew to become a clear strategy. Their development and implementation is now a shared task and the responsibility of the entire Greenyard Foods organisation.”

What makes Greenyard Foods and its products so special?

“Greenyard Foods starts with what nature provides with farmers’ help and adds value through processing. We offer very healthy, tasty and easy to use products with multiple advantages, rich in vitamins and basic nutrients, and plenty of applications in our time-challenged world. One of the greatest challenges I can foresee in the future is to convince people to appreciate their value. The added value of our products is immense.”

What are the most significant challenges for Greenyard Foods and perhaps for the whole sector?

“We work in a sector born from a fragmented landscape. Initially, fruit and vegetable producers worked on a relatively small scale. We have evolved since then and today it is time to think even bigger. We have to facilitate further investments through economies of scale, increase profitability and continue to build and invest in all parts of the supply chain. There are still ample possibilities. For example, cultivation techniques, plant materials and seeds can be improved through better types and varieties that are more productive, sustainable or nutritious. By working together, every part of the production chain can become stronger, so we can position our products better in the market and make them more attractive for the consumer.”

What role can Greenyard Foods play in this?

“In essence, it is the entire sector that plays an important role here. But one of the most important tasks we have now is the removal of

prejudices. Many things have happened over the last few years. Frozen and canned products have improved greatly thanks to technological innovation. We have to ensure that this message is clear for consumers. People have to know how our products grow, how they are handled, how they can prepare them in a variety of ways... We need to communicate the multiple advantages more clearly.”

What message would you like to explicitly make clear to the consumer?

“I want to make it clear to consumers that our fruit, vegetables and ready-to-use meals are particularly easy to use, but that at the same time they offer an excellent quality/price ratio. What many people don’t know, for example, is that frozen vegetables are actually fresher than so-called ‘fresh vegetables’. And that they can be used without waste because what you don’t use can be put back in the freezer. Making these things clear to the consumer contributes to efficient consumption of foods; an important factor in times of threat of food scarcity the world over. Fresh fruit and vegetables can co-exist perfectly with processed vegetables in the freezer, a tin or a glass jar, and there is a time and a place for both. If we can better inform consumers, everyone, including our sector, will reap the benefits.”

You believe in targeted clustering in the vegetable processing sector. Why?

“The clusters I believe in are collaborations between farmers and gardeners with a very strong mentality, involvement, passion and work ethic. Their efforts have helped to bring a great dynamism to our industry, which in turn has led to a new wave of innovation in automation and cultivation techniques. This will result in a stronger and better product offer. This means, too, that processors like us have more possibilities for processing. Highly efficient production lines make sure that everything remains profitable. That also creates prosperity in other industries, such as processing machine manufacturing, a branch of industry in which Flanders is on top of its game. This cluster formation in our sector works enormously well and ensures that everyone can benefit from the success of the others.”

So you see a bigger picture than Greenyard Foods?

“Yes, especially because our sector can also contribute to solutions for wider problems such as food waste in times of food shortages. To be able to tackle that problem, we must continue to innovate and particularly to be able to produce in the right place and with the right resources. With the right vision and drive, famine in the world can, over time, be resolved with fruit and vegetables. These products can be produced on a large-scale in places where the conditions are optimal. With companies such as Greenyard Foods, these products can be processed and kept for longer, transported if needed, and without losing their nutritional value.”

Finally, back to the year 2013/14 again, a crucial year for Greenyard Foods. What, in particular, should stakeholders remember about this year full of changes?

“How our organisation is growing in professionalism. How we have strengthened our team with top people, from the grass roots to the level of CEO. Greenyard Foods is now especially focused on optimising its infrastructure. We want to be able to produce our products as efficiently as possible at our production plant, taking into account the climate conditions. Over the past year we have laid the foundations for the further expansion of our company and we look at the future with great optimism.”

THE MOST SIGNIFICANT EVENTS OF 2013/14

Greenyard Foods, a strong start



We spoke to... Valerie Vanhoutte, CFO

Valerie Vanhoutte is the Chief Financial Officer responsible for managing the financial organisation at Greenyard Foods. Her main focus for 2013/14 was concluding the working capital financing of 158.5 million euro, improving the financial reporting and further developing the long-term financial planning.

6 June 2013

Change of name to Greenyard Foods NV

Pinguin NV changed its name to Greenyard Foods NV, underlining its ambitions for further profitable growth. The new name, mission statement and four strategic pillars were launched at the same time.

5 July 2013

150 million euro bond issue

One of the new strategic pillars of Greenyard Foods was the acquisition of real estate. In order to finance these transactions, a bond issue of 150 million euro over six years was chosen with a yearly gross coupon of 5%. This successful issuance was concluded early which indicates a great vote of confidence.

31 May 2013

Completion of sale of potato division

The completion of the sale of the potato division to McCain took place on 31 May 2013 and included the Lutosa brand, the full product range, the client portfolio and the two production sites. The proceeds of the sale allowed the Group to become debt-free and to pay off the club deal financing from 2011. As a consequence, the corporate offices have moved to Ghent-Harbour.

2013

30 August 2013

Acquisition of real-estate companies of frozen and canning division

The purchase of the production sites in the frozen division in France, Poland and Hungary was successfully concluded. Alongside this, Greenyard Foods acquired the production sites of the canning division. By becoming the owner of these production facilities, the Group can better respond to new opportunities, improve efficiency more easily and target investments better. The elimination of the rental costs generates an operational cash flow of 10 million euro a year.

30 September 2013

Capital reduction of 39.5 million euro

The Extraordinary General Meeting of 28 July 2013 decided on a capital reduction of 39.5 million euro or 2.4 euro per share.

24 July 2013

Purchase of Boston (UK) site concluded

16 December 2013

Working capital financing on schedule

Greenyard Foods decided to obtain working capital financing of 158.5 million euro in order to meet a number of sector-specific funding needs, such as considerable working capital requirements due to the seasonal nature of the activities. The financing, which was organised by a consortium of banks, assists us in funding targeted growth.

OUR GROUP

Our common goal: capturing and preserving all the goodness of nature

Greenyard Foods is a new name that will not yet sound familiar to many people. However, our group has a lot that is familiar. The two divisions of the group - the frozen division known as Penguin and the canning division under the name of Noliko - are very recognised brands with a long history. Thanks to their knowledge and expertise, Greenyard Foods is, as a group, at the forefront of processing and commercialising harvest-fresh fruit and vegetables turned into food products with a long shelf life.

A leading group with two strong divisions

With fruit and vegetables as a basis and its world-class expertise in agriculture, frozen food technology and canning, we at Greenyard Foods can say that we have the know-how, people, resources and volumes in house to fulfil our role as a leading player in the market of foods with a long shelf life. Within the group, the frozen division makes up 66% of the group turnover and the canning division 34%. Both divisions are leading international players in the market; number 2 in the market for frozen vegetables and a place in the top 5 for the canning division.

Both divisions work on the same principle: processing and increasing the shelf life of harvest-fresh fruit and vegetables. Our canning division is a specialist in

extended shelf-life technology with heat treatment. The frozen division does this with cold treatment. In both divisions a strictly measured process with either heat or cold guarantees a product that has a very long shelf-life and preserves all the healthy properties, vitamins and minerals, colour and flavour. Our joint goal is to capture and preserve all of the healthy elements nature offers.

Joint vision

In 2013, a joint vision was formulated for the group as the basis for future growth. This vision draws attention to a number of clear key priorities that can guide the group and our divisions and help to focus on the future. The emphasis here is on further expansion of a unique, broad and varied range of products to perfectly meet the needs of our consumers and customers. We keep



The Group Management Team with (left to right) Hans Luts, Valerie Vanhoutte, Marleen Vaesen, Dominiek Stinckens and Herwig Dejonghe.

these products affordable thanks to a high level of cost competitiveness, production with economies of scale and efficiency. The divisions always work in close partnership with our farmers and with respect for man and nature, with sustainability playing an important role over the whole supply chain. Our products also offer a number of sustainability advantages. The focus of our products lies on vegetables, from basic vegetables to more complex ready-to-use solutions. Finally, we want our healthy and tasty foods to feature on consumers' menus day in, day out. Frequency of use also offers further room for growth.

Joint strengths and useful differences

Greenyard Foods strives for an optimal relationship between the possible synergies and useful differences between the divisions. Both divisions operate under a joint vision and strategic priorities within which they can place their own accents where necessary. These strategic pillars focus on the consumer and client, operational

excellence, cash flow and service-oriented organisational structures.

It is clear that both divisions of Greenyard Foods have a lot in common and stand strong within the group. Both divisions play an important role in the group management team. They assist to determine the policies of the group of which they are a part. The mutual reporting is streamlined for smooth information exchange.

IN THE PICTURE

The Greenyard Foods supply chain

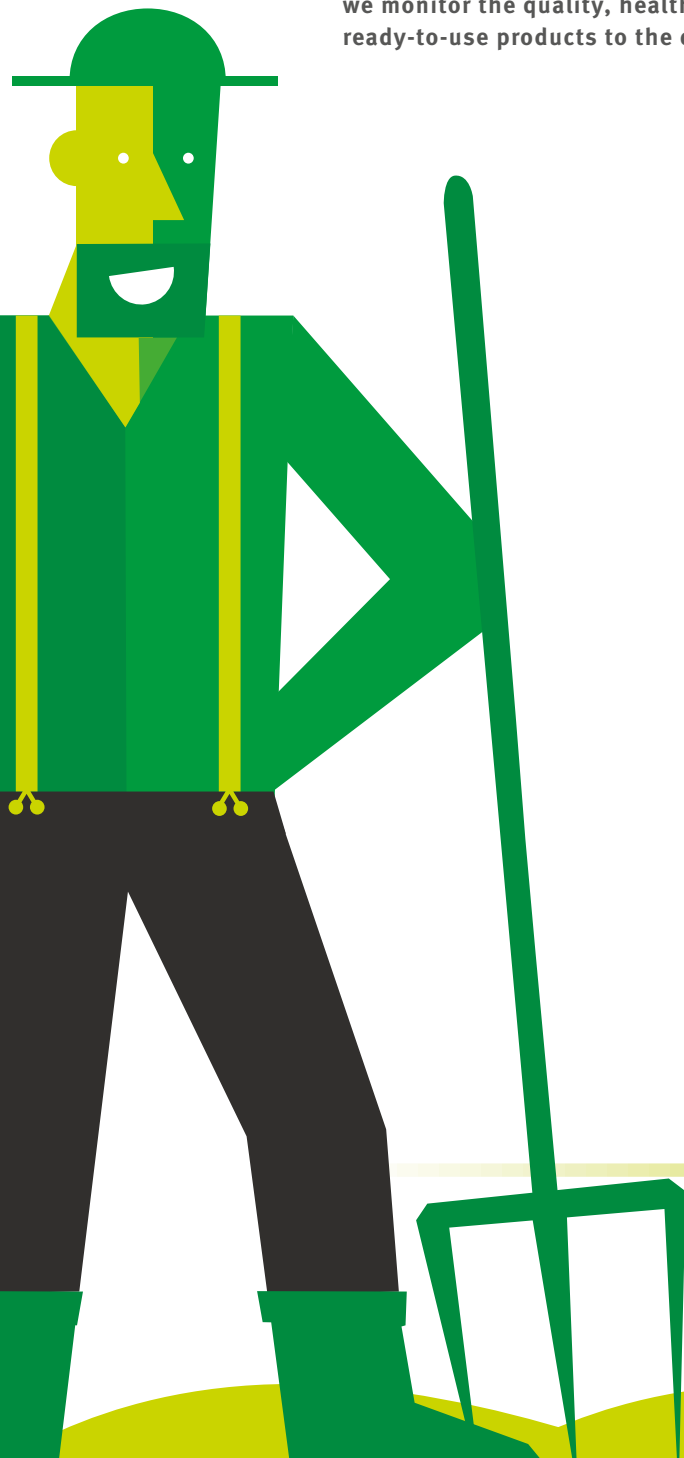
From field to table, we combine the best of nature with our unique expertise and know-how in the processing, packaging and storage of harvest-fresh vegetables and fruit. During the entire production chain, we monitor the quality, health and sustainability to bring tasty and ready-to-use products to the consumer.

Sustainable

1

Meticulous preparation

Each year, the Greenyard Foods agronomists draw up a sowing and harvesting schedule. Together with the farmers, they select for each crop the best piece of land, in the right regions of Europe. In collaboration with seed refiners, the optimal seeds are selected to bring the very best vegetables to the consumer.





2

On the field

Our agronomic specialists also help farmers to get the best results during growing periods. This involves constantly searching for the best yield, while respecting people and the environment.

Agricultural precision technology

For each specific crop and location, the most efficient crop technology is selected. With less water, fertilizers and plant protection products, we grow more and better vegetables.



Maximum yield

Greenyard Foods strives for the maximum yield, with as little as possible impact on nature and the environment. Details regarding growth are registered in crop reports that are available in a database.



Fresh

3

From the field to processing

Our fields are never far from the factory. Due to the limited transportation time the freshness of our fruit and vegetables remains intact. In the case of our English peas, it only takes 150 minutes from harvesting to the finished frozen product.



Season planning

The crops are timed and monitored perfectly to harvest at optimal ripeness and process as quickly as possible in our nearby plants.





Quality

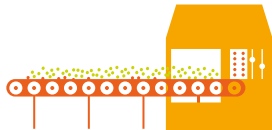
4

How we keep fresh fresh

The fruit and vegetables which come in fresh from the harvest at Greenyard Foods are processed in no time at all into tasty, healthy and ready-to-use products. Our two divisions each have their own in-house expertise.

1. Control

Once they have arrived at the factory, the products are immediately checked for quality. If they meet all requirements they are released and transported to their specific production line. Each load is given a unique code to guarantee traceability throughout the chain.



2. Cleaning

The first step in processing is a very thorough cleaning, that removes sand, earth, stones and insects. After this we peel and cut the vegetables. Most vegetables are then blanched briefly. Blanching deactivates the enzymes and micro-organisms, fixes the natural colour and prevents flavour changes.



3. Preserving

A. Frozen

At the frozen division, the vegetables are cooled after being blanched and spread out over a conveyor belt. They head towards the 'flow-freezer' where an airflow at a temperature of -38°C is blown onto the vegetables, so they are cooled to -20°C in a few minutes.



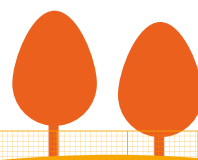
B. Canning

At the canning division, fruit and vegetables are sterilised, appertized or pasteurised at precisely measured temperatures for a precise length of time. This optimally preserves the flavours and colours.



4. Packing

Initially, the frozen division packs the vegetables in large boxes and stores them at a temperature of -20°C. The canning division stores all of its filled containers in its warehouse.



Healthy and tasty

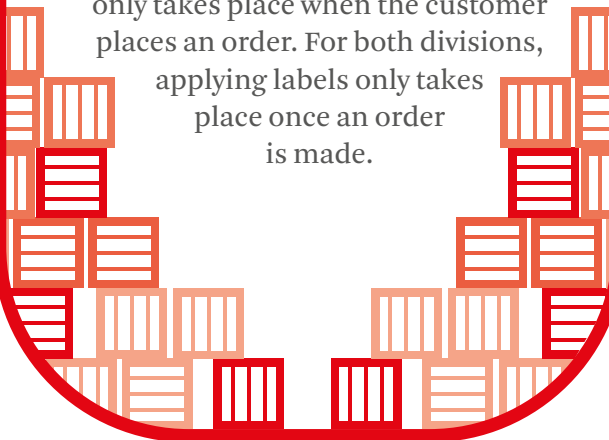
Quick and easy



5

Storing and packing

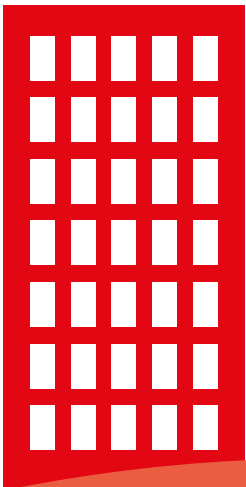
Our warehouses contain stock to supply consumers throughout the year. Vegetables are therefore available for the year in frozen or canned form, regardless of the harvesting season. In the frozen division, packing in smaller boxes or bags or mixing convenience products only takes place when the customer places an order. For both divisions, applying labels only takes place once an order is made.



6

Our products at the consumer

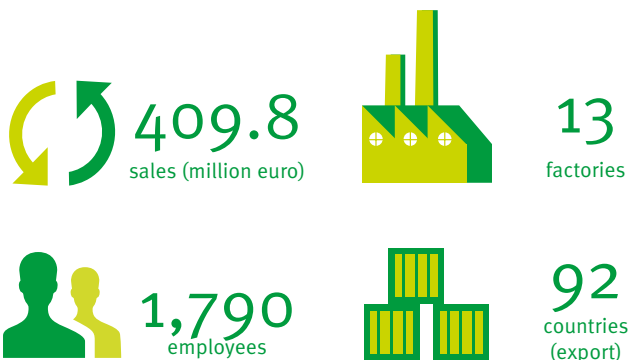
Thanks to its wide range of tasty, healthy and long-life vegetables, fruit and ready-to-use preparations in frozen and canned form, Greenyard Foods reaches millions of consumers per day in more than 90 countries.



DIVISIONS

Greenyard Foods' frozen division

The Penguin frozen division is specialised in processing and marketing frozen vegetables and fruit and a wide range of deep-frozen vegetable dishes and ready-to-use meals. The frozen division supplies various segments such as Retail, Food service and Food industry. This is done under distribution brands as well as the Penguin brand.



Ownership

In 2013/14 the frozen division successfully continued the integration of its various entities in Europe. This resulted in an integrated supply chain with its own Sales & Operations planning programme and intense cooperation in various fields as purchasing, sales, transport and logistical activities. At the same time the division succeeded in further improving the operational performance of the different companies thanks to the roll-out of programmes within the domains of six sigma, lean manufacturing and best practices.

Important steps were also taken in the financial field, such as laying the foundations for working capital management and monitoring operational activities. Furthermore, the flow of information was further optimised by implementing the ERP system in Hungary. The implementation of this system in Poland and France will take place within the next 2 years, so that the entire frozen division can operate on the same platform.

One of the division's most important achievements in 2013/14 was the purchase of various production facilities which had previously been rented. The investments in the production sites in England, France, Poland and Hungary will make further investments in efficiency possible in the future.





We spoke to...

Hans Luts, Managing Director Frozen division

As Managing Director of the frozen division at Greenyard Foods, Hans Luts is responsible for all activities within Pinguin. His main focus for 2013/14 was to further integrate the supply, production and packaging processes, continue to roll out training courses and encourage more intense collaboration between different countries through more detailed reporting.



Internationally local

Processing fresh vegetables begins with mutual respect for the environment and the farmers, with a real person-to-person dialogue. The frozen division premises are located in fertile areas which allows freezing of products quickly and highly monitoring quality. As such demand from local customers can be met quickly and efficiently. Having a presence in different countries gives the division the opportunity to enter into relationships with international customers who consider it important to buy their products from a strong, reliable international partner. In terms of logistics, the division plays an innovative role by guaranteeing full loads. This is good for the environment and offers a solution to customers who demand only a limited amount but still want to use Pinguin's high quality products. Together with our farmers and customers, the division is building sustainable relationships, which offer an answer to a number of market needs.

The frozen division is impacted through its international character by the fluctuation of exchange rates. The evolution of the British pound and the Brazilian real influenced the results of the division during the financial year 2013/2014. A weakening of these currencies against the euro, resulted in lower sales in euros for imported goods from Europe. Greenyard Foods aims to reduce these risks by entering into hedging contracts.



Innovations

The products in the frozen division respond to many societal trends. For example having less time for cooking, greater concern for the environment and waste, yet the desire for availability and choice. New ideas for products come from the cooperation between the commercial teams in the division and the customers. New technologies or packaging can also lead to innovative products. As such certain trends in eating habits or health can be transformed into products that match these trends.



Green energy

The frozen division invests strongly in sustainability and limiting its carbon footprint throughout the cycle. Both in the past and in 2013/14, major investments were made in building our own waste water purification stations. In England and Belgium the division is particularly active in working with network operators towards optimising the high-voltage network, so that peak energy consumption can be absorbed. Aside from the obvious concern for people and the environment, these activities are also economically motivated: less energy consumption, less waste, and more recycling benefits everyone.





From pea to frozen pea in 150 minutes

Between being harvested and fully processed and frozen, the English peas only take a maximum of 150 minutes.

Harvesting and transporting

A pea thresher drives over the field and pulls the leaves along with the pods into the machine. The thresher then shakes the peas out of the pods and separates them using a powerful stream of air and sieves. The processing facilities are located near the fields.

Checking

Each load of peas is tested for colour and hardness and given a unique code to guarantee its traceability.

Cleaning and blanching

The peas are thoroughly cleaned with water. They are blanched extremely quickly with steam and cooled once again with water. This ensures optimal colour and flavour retention.

Freezing

The freezing tunnel can freeze up to 20 tons of peas per hour to a temperature of -20°C . Following this the peas are sorted according to diameter.

Packing

The peas are stored according to category in an automatic warehouse. Due to the fact that the actual pea season only lasts for 6 weeks, the stock for a whole year is harvested and processed during this brief period. Only later will the peas be packed into portions.

DIVISIONS

Greenyard Foods' canning division

The canning division processes vegetables and fruit fresh from the field into preserved foods in cans and jars. The division also prepares ready-to-eat food such as soups, sauces, dips and pasta dishes. That is why Noliko is the specialist in heat-treated preserves. Classic methods such as appertization, sterilisation and pasteurisation are combined with a broad range of up-to-date packaging. The products are usually distributed to the consumer via retailers, often as an own brand or as an A brand produced for a third party. Besides this, Noliko also supplies the catering market and institutional food services, as well as high quality semi-finished products for other food companies.



213.3
sales (million euro)



680
employees



2
factories



14
countries
(export)



Growing on the Green Yard

The “Growing on the Green Yard” growth strategy for 2020 is focused on profitable growth with fair, honest margins for all parties and continued innovation in consultation with customers. The three pillars, customer intimacy, product leadership and operational excellence, continue to guide this growth. Sustainability, health and quality also remain important values for the canning division. Ensuring quality has therefore become an almost routine activity within the company, fully supported by an extensive range of quality systems. The transparency and alertness within the system are further strengthened by the high frequency of external and customer audits. This means Noliko continues to hold onto its “Best in Class” status year after year, or even improve upon it.





We spoke to...
Dominiek Stinckens,
Managing Director
Canning division

Dominiek Stinckens is Managing Director of the canning division at Greenyard Foods. In this capacity he focuses in particular on achieving results. In 2013/14 the emphasis was on the reduction of working capital and starting-up the new business plan for 2014-19, "Growing on the Green Yard", following the successful completion of the previous plan, "Customer Intimacy".




Products and innovations

Noliko's products can be divided into two segments: on the one hand potatoes, vegetables and fruit in jars and cans – whereby the fruit is processed in Rijkvorsel and the vegetables in Bree – and on the other hand the convenience segment with sauces, pastas and soups, which come in a diverse range of packaging. This segment includes hundreds of types of dips, cooking sauces and exotic sauces, Italian pasta specialties and soups. The product portfolio is one of the major strengths. The division continues to innovate. It is notable that these innovations almost always come in response to a customer request: new product requests come in to the R&D department, which comprises 4 chefs and a food technologist, on an almost daily basis. Of course they also work on our own suggestions. That way it is possible to ensure there is always demand for a new product. A new product is launched almost every week, totalling around 70 new products per year. In 2013, many sauces were also modified in connection with the rising demand for reduced salt and sugar content, which poses a major technological challenge in this product group. So we are always actively looking for products that are tasty and healthy, with different recipes and approaches for almost every customer.



Working capital

Noliko is confronted with a number of sector-specific challenges on working capital on which it has been working hard for the past five years. Today the division has a highly-specialised, world-class machine park for the preparation, processing and packing of vegetable and fruit-based food preparations. In the seven packing lines, 40,000 extensions are carried out per year in order to supply 4,000 different labels and 200 million packs. At the same time, a section of the capital-intensive machine park is crop-specific, and can therefore only be used during a limited vegetable growing season. The rest of the year these machines are idle. This makes stock management particularly important. Major efforts have been made over the past few years concerning these challenges, namely through targeted investments, improvement projects and the introduction of KPI monitoring. In 2013 further management projects have been set up and training programs have been implemented.



Human capital

The canning division is committed to its relationship with various stakeholders, from employees to growers, local residents and shareholders. Individual personal development, respect for CAOs and regulation and mutual discussion are central to this notion. This means that the growers are not simply considered as suppliers, but as a natural extension of our own organisation. Of course, they are and will remain independent entrepreneurs, but the relationship has always been very close. Noliko's agricultural department has agronomists who are always out on the road to guide the farmers through cultivation. In order to be able to guarantee the required inflow of high quality employees, we have worked hard on "employer branding", further strengthening the positive image with, for instance, employee testimonies.



Green energy

Sustainability has an important impact on both image and turnover. Green energy, sustainable farming and health have always been important aspects for the division, with a strong policy focus on people, planet and profit. Over the last few years attention directed towards people and the environment has only increased. Any opportunity to reduce energy consumption or to use alternative energy sources is closely examined.

Pasteurisation or appertization?



Nicolas Appert (1749-1841)

Nicolas Appert is considered the father of the canning process. In 1809, this French confectioner won the reward of 12,000 francs for inventing a method to preserve food for the armies of Napoleon Bonaparte. Appert tinkered at his method for nearly 10 years before he submitted it and immediately won the prize.

With its patented invention to preserve food, Appert started the first commercial preserving factory in the world, in which he filled thick glass bottles with edibles (vegetables, but also meat, eggs and fully prepared meals), and then sealed and cooked them at 124 degrees for a precise fixed time per product. It was the more famous Louis Pasteur who, 100 years later, proved that this method was possible because the heat killed bacteria, which was already possible starting at 70 degrees. At Noliko, both methods are used depending on the product.



HUMAN RESOURCES

Reinforced at the top and strengthened at the bottom

With 2,470 employees, Greenyard Foods is a company that significantly invests in its human capital. Our people work together at every level. We strive for a high-performance HR policy with the same business objectives and strategic priorities for everyone, in an environment where talent can be developed to its fullest extent. In 2013/14, the strategy was further developed for this purpose. In both divisions investments continue to be made in knowledge and knowledge sharing among the staff.

Frozen division

The frozen division has made further investments in training for its staff over the past year and plans to continue this trend in the future. In 2013/14, several training courses were organised in the local branches regarding further development of skills within the production and packing lines and the optimal use of investments to guarantee the quality of our products. This was done both via training provided by internal employees and by the suppliers. Also, a course was set up to help give employees a deeper insight into the financial and organisational aspects of the everyday policy. Practical examples and workshops led to specific projects for various teams. By doing this, the frozen division combines what is best for its people with what is best for the future of the division.

Canning division

At the canning division, the Noliko Academy has ensured the conservation and transfer of company-specific knowledge since 2009. The Academy takes care of the necessary knowledge structures, the standardisation of internal training and the organisation of external training. Its slogan, "Conserving knowledge", reflects this objective. The Academy defined seven areas for training: Quality/Hygiene/Environment; Technology; Internal transportation and Safety; General; Job-specific; ICT and Management and; Personal skills. Instructors have been appointed to run the internal training sessions. These are employees who are specialists in their field and who receive extra guidance in that area. This includes refining their pedagogical skills, supplying extra training materials and, where necessary, organising extra training. In 2013/14 the canning division also remained active outside the company walls in the wider social-societal environment, namely through collaborating with educational institutions, participating in several professional networking organisations and government work groups.

PRODUCTS

A dynamic product range

Vegetable mixes

The vegetable mixes consist of pre-cut and mixed vegetables, from European classics such as mixed soup vegetables to newer combinations such as Mexican mixes.

Potatoes

Waxy potato varieties in all sorts of variations: peeled or unpeeled, sliced, cubed or whole potatoes are all part of our range.

Convenience

The convenience category groups a wide variety of vegetables in processed form: soups, sauces, prepared vegetables in mini portions or steaming bags, and also pasta and rice recipes.



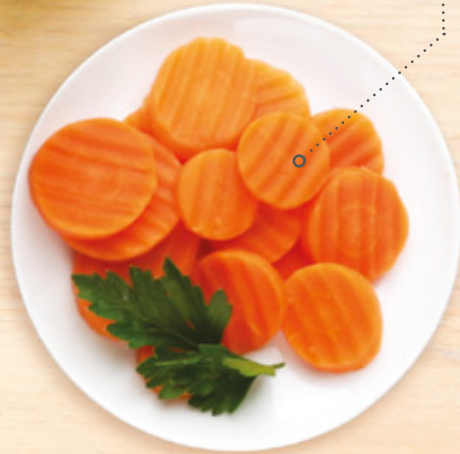
Aromatic herbs and spices

Greenyard Foods brings its flavour makers with the help of IQF (Individually quickly frozen) deep-frozen herbs and spices, for any dish. A selection from the range: parsley, garlic, shallots and basil.



Organic

Greenyard Foods offers a wide range of organic products for further processing by industrial customers (such as for baby food). Most of our products for retail customers are also available as organic.



Fruit

Greenyard Foods treats and preserves fruit with the greatest care. The selection and harvesting of the best varieties takes place when the fruits are at their sweetest.

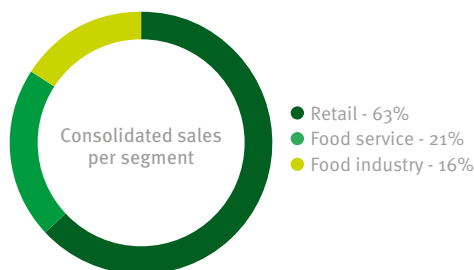
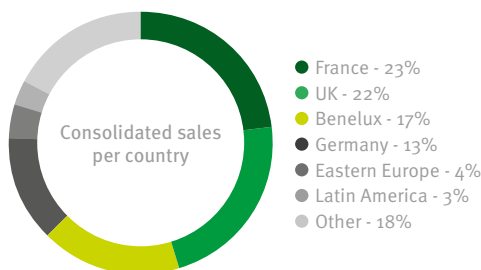


Vegetables

The range of vegetables of Greenyard Foods varies from traditional vegetables such as peas, carrots, beans, salsify or cauliflowers in different sizes and styles to more exotic varieties such as baby corn, palm hearts, ...

MARKETS AND SALES NETWORK

Greenyard Foods' markets



Retail

Greenyard Foods' products can be found in supermarkets in more than 90 countries. The very diverse range of delicious products is mainly produced for private labels and A brands in close collaboration with retail partners. Each partner often has its own recipes, packaging and labelling.



Food service

Food service customers are companies which process Greenyard Foods' products into meals. For them, our products are an essential element of a successful meal and are used in a large number of kitchens, both large and small. Restaurants, canteens, schools or hospitals - cooks everywhere trust the quality of Greenyard Foods.



Food industry

Many other food manufacturers, including brand manufacturers, are fans of Greenyard Foods' strong product catalogue. These companies process our fruit and vegetables as ingredients in their products, such as soups, ready meals, pasta products, salads or bakery products.

Sales network

The frozen and canned divisions of Green Yard Foods each have their own sales network. Within the frozen division, sales are driven by its own international production facilities. Sales in the Brazilian market, which grew substantially during the past years, is driven from our Brazilian sales office. The remaining export sales are primarily organised from Belgium.

In the canning division, sales are mainly organized from Belgium (Bree), both within Europe and beyond. The neighbouring countries are the main markets for the canning division. Sales have also increased outside Europe, but remain limited because of the necessary special cans that need a different sterilisation process.

HARVEST

An average year with extremes

Greenyard Foods is a company that literally lives by the seasons: for us, spring truly is the beginning of the new year and is when we sow. Our fruit and vegetables are then able to grow under the best possible natural conditions in an open field, with sun, water and care. The strategic geographical spread ensures that we can deal with any poor harvests in one region by turning to the yield in another region. This means we succeed year after year in satisfying our customers' demands.

2013 was a year with major climatic extremes, though the final result was an average to good year with only a few shortages in corn, peas and spinach. From a global perspective, the spring was rather cold and the winter intense, which meant that everything grew somewhat later. A generous, mild summer provided a remedy to this, with a warm July and August which also had sufficient amounts of rain. In September the rain stayed away for rather too long in some regions. The wet autumn ensured the autumn period was positive, followed by a wet, mild winter without any frost damage.



We spoke to...
Herwig Dejonghe, COO

As Chief Operations Officer at Greenyard Foods, Herwig Dejonghe is responsible for the continued focus on innovation within agriculture. As an expert in the world of processed vegetables, he applied his knowhow in 2013/14 to creating the seven year plan for strategic agronomy with a focus on efficiency, quality and sustainability.



SPRING

Cold and wet
across all of Europe



END OF MAY

Extreme amounts of
rain in South-West France



SUMMER

Generous, mild summer,
a little too dry in
Western Europe



EARLY OCTOBER

Early frost
in Eastern Europe



AUTUMN

Excessive rain in
Belgium and Brittany



AUTUMN UP TO LATE NOVEMBER

Warm autumn in
all of Europe

Greenyard Foods
stands for...

Healthy and tasty

Vegetables play an important role in healthy food. At least 300g of vegetables, with a good balance between raw and cooked vegetables, reduces the chances of becoming overweight and other health issues. Processed vegetables easily help you to eat enough cooked vegetables, and hot processed vegetables ensure your body has a solid intake of antioxidants and fibres.

The guarantee of freshness offered by Greenyard Foods ensures that processed vegetables also remain tasty and healthy after being frozen or canned. Freezing over a ten minute period in a cold air stream of -38°C ensures minimal damage to the cells of vegetables or fruit, guaranteeing tasty 'al dente' vegetables. Similarly, with the canned products, precisely measured heat for an exact cooking time is essential for delicious vegetables.



Beetroot soup

SERVES 4

- 400 g beetroot
(Easy: Penguin beetroot cubes or Noliko organic sliced beetroots)
- 100 g cubed potatoes
- 1 pot of yoghurt
- 1 teaspoon hazelnut oil
- Cream
- ½ cube vegetable stock
- Salt and pepper

PREPARATION

Bring the beetroots and potatoes to the boil in 50 ml of water with a vegetable stock cube. Allow to simmer for 15 minutes. Mix the beetroot soup together until smooth. Afterwards add the velvety-soft yoghurt and oil. Add salt and pepper to taste. Bring the soup back to the desired heat without boiling. Serve warm with some cream.

Fresh

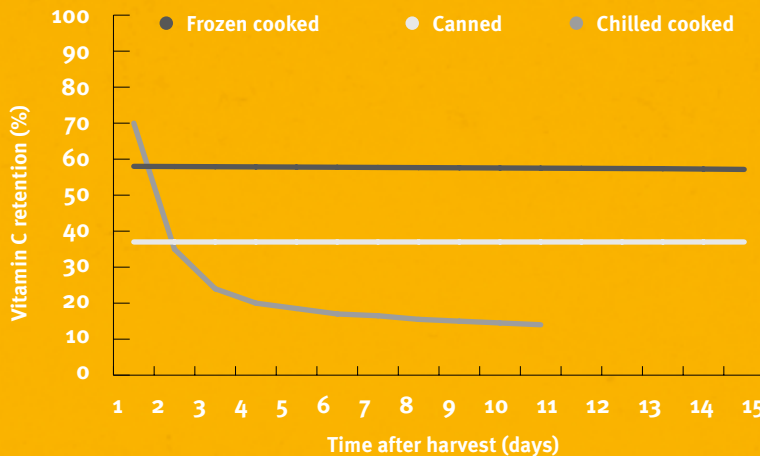
Why our processed and prepared vegetables stay fresh vegetables

The vegetables we use at Greenyard Foods come fresh from the fields, just as fresh as if you had picked them from your own garden. Within a couple of hours after harvesting we have already cleaned and frozen or canned them. As such vitamins are very well retained.

Greenyard Foods grows vegetables in regions with a climate that suits the vegetables best. But even more important is that Greenyard Foods harvests the vegeta-

bles at the right moment in terms of ripeness and at the best time in the season. This is an extra guarantee of optimal flavour and nutrients. The freezer tunnels at Greenyard Foods freeze the vegetables at -20°C in just a few minutes, and in the canning department, too, all of the goodness in the vegetables is preserved with heat in just a few minutes. Frozen and preserved vegetables therefore retain their original fresh nutritional value for many years.

Vitamine C retention of green beans



The vitamin C retention relative to the vitamin C green beans on the day vitamin C loss through boiling was set at 30 percent for chilled and frozen. Canned food is considered to be cooked.

Source: Greenyard Foods use of data from Nutritional Comparison of fresh, frozen and canned fruits and vegetables. Part 1. Vitamins C and B and phenolic compounds. University of California - Davis USA

Quality



9

CERTIFICATES



200

AUDITS PER YEAR

From field to plate: consistently top quality

Nature offers us delicious, healthy and pure products. With our passion for vegetables and fruit, we do everything we can to preserve quality. That is why we have an elaborate quality system that we apply to every step of the production process. And even before it. We select the seeds, the plants and the ground and we monitor the growing process of the crops long before they ever reach our factory. That way we ensure we get delicious, healthy and safe vegetables that meet the strictest standards, from the field to your table.

The divisions at Greenyard Foods have been well-known to customers for decades for the impeccable quality of their products. As a supplier of retail brands and A brands, we are therefore relied upon to always offer flawless quality. So, for Greenyard Foods, supplying excellent quality products is a top priority. This desire is demonstrated by the quality tests carried out at all the critical moments, from seeds to the finished product. A large number of certified quality control and tracing systems vouch for our constant guarantee of freshness, quality, safety and traceability, in both the frozen and canning divisions. Daily audits carried out by various authorities and customers also ensure there is an external guarantee of this exceptional quality.

When buying tinned, bottled or frozen vegetables, you know exactly what you're getting



The label provides a lot of information:

- The name of the vegetable
- The preparation method
- Information about the nutritional value
- The net weight
- The name and address of the processing organisation,
- the packaging company or the supermarket
- The ingredients, in order of quantity
- The serial number makes the vegetables traceable
- Best before date

Easy and fast



Easy and simple



Cooking is fun, but there isn't always much time for it, so it also needs to be fast and easy. Processed vegetables offer a solution to this. Preparing our delicious vegetables only takes a few minutes. After all, they have already been cleaned, peeled, cut and sometimes even pre-cooked or seasoned. That way you have more time and less washing up.

Variety in range and preparation



With hundreds of types of vegetables and preparations, you can certainly say that Greenyard Foods offers a lot of variety. From string beans and spinach to ratatouille and stir-fry vegetables, there is a recipe and flavour for every taste. Furthermore, many processed vegetables can also be prepared in a number of ways: steaming, roasting, simmering, stir-frying, boiling, simply heating up in the microwave or even ready-to-eat in salads.

Long-life while retaining all the quality



Processed vegetables are available throughout the entire year, in every season. We harvest the best fruit and vegetables each season so our customers can enjoy the best nature has to offer every day. Thanks to the long lifespan, customers can also build up quite a decent stock at home, so they need never run out of vegetables.

Easily measurable



When using fresh-frozen vegetables you only take out of the packet what you need, whether you are cooking for yourself or twelve people. Many of our prepared vegetables are also divided into handy portions. With canned and bottled vegetables you can choose the right format for each dish and for each portion.

Sustainable

At Greenyard Foods, sustainability is in the DNA of the company. In each phase of the work cycle, effort is made to increase sustainability and encourage harmony between people, planet and profit. The basis for our activities is sustainable farming. We go further, however: we respect people and the environment during the production, packing and transportation of our products. To do this we work with precision crop farming, water and energy management systems, waste management, far-reaching recycling programmes, strict efficiency in terms of logistics and sustainable packaging for our products.



Transportation

Our logistical process begins in the field: by locating our fields near to our factories, our vegetables never need to be transported far before we process them. Once they are frozen or canned, the products are often stored on site in our own depots.

Farming

Our agronomists work in the most fertile regions of Europe. Thanks to their knowledge of the local soil and plants, they are able to choose the best soil for each type of fruit and vegetable every year. By growing vegetables in an open field using carefully selected seeds in the most appropriate soil, we achieve the best possible results, as well as the most sustainable.

Processing

Both energy and water are needed to process our fruit and vegetables. However, through installing solar panels, our choice of green electricity and our energy and water management systems, we are making the necessary effort to restrict our consumption. We are tackling the mountain of waste by efficient sorting and avoiding non-recyclable products. In this way the UK premises have succeeded in reducing the amount of non-recycled waste to zero. Meanwhile their example is being followed by other factories.

Processed vegetables: a sustainable choice

The principle of fruit and vegetables being frozen or canned is extremely sustainable in itself. After all, by preserving fruit and vegetables, we lengthen the lifespan of our food. We process vegetables and fruit that do not look perfectly “standard” into delicious, healthy portions of vegetables or into soup. The vegetable remains from our production process are processed into animal feed.

No waste at consumption

One kilogram of processed vegetables really means one kilogram of edible vegetables. Peeling, cutting or cleaning is no longer necessary. Our high-tech machines can peel vegetables at one-tenth of a millimetre. That means less waste and more healthy fibres and vitamins. Families or chefs who use processed products, also use only the amount of fruit and vegetables they need. Cans and jars are bought according to need, and in terms of frozen food, anything that is not used goes back in the freezer.

Colophon

Greenyard Foods Annual Report 2013/2014

Text, concept and design

Cantilis
www.cantilis.be

Printing

Drukkerij Bema-Graphics

Publisher

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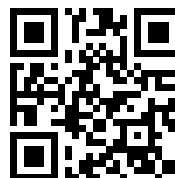
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Only the Dutch version is the official version.
The English version is a translation of the original Dutch version. The consolidated financial statements for the financial year ending as per 31 March 2014 are also available in Dutch on our website www.greenyardfoods.com.



Consolidated key figures profit or loss from continued operations¹

(In '000 euro)	AY 13/14	AY 12/13
Sales	623,120	612,087
REBITDA	51,439	43,524
REBITDA/Sales	8.26%	7.11%
REBIT	25,595	22,488
REBIT/Sales	4.11%	3.67%
EBIT	20,695	20,055
Financial result	-16,670	-19,360
Profit / (loss) before taxes	4,025	695
Nett profit / (loss) from continued operations	-3,515	629
Nett profit from discontinued operations	65,271	10,957
Consolidated profit	61,756	11,586

¹ – The results from discontinued operations include 2 months results of the potato division in AY 13/14 compared to 12 months in AY 12/13. The results from continued operations of the AY 13/14 include seven months results of the acquired production facilities of UFM and Noliko.

Consolidated key figures: IFRS balance sheet

(In '000 euro)	31/03/2014	31/03/2013
Equity (incl. minority interests)	211,936	182,181
Balance sheet total	604,775	783,988
Working capital	206,630	174,975
Net financial debt	227,308	215,150
Solvency	35.0%	23.2%

Frozen division

409.8

SALES (million euro)

26.1

REBITDA (million euro)

1,790

EMPLOYEES

80

SALES MARKETS

13

FACTORIES

6

COUNTRIES

5

CONTINENTS

Canning division

213.3

SALES (million euro)

25.3

REBITDA (million euro)

680

EMPLOYEES

15

SALES MARKETS

2

FACTORIES IN BELGIUM

