Financial report

2013-2014

Proposed to the General Meeting of Shareholders of the 19th of September 2014

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CONSOLIDATED ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear shareholders,
This annual report should be read in conjunction with the consolidated annual financial statements of Greenyard Foods NV and the related notes. These consolidated financial statements were approved for publication by the Board of Directors on 8 July 2014.

Operational highlights in 2013-2014

2013/14 was a good year of transformation for Greenyard Foods. We have realised a sales increase in stable markets and a strong increase in REBITDA and margin. This was largely achieved by an improvement of the operational results, thanks to a clear focus on operational excellence and customer management. The efficiency improvements are important to help offset the cost inflation. The success factor for this is the consistent follow-up of results and improvement processes, as well as efficiency-enhancing investments and the acquisition of production facilities. This is all done in the context of further international integration in the frozen division. This good operating profit could be achieved because we are evolving to a more high-performance, goal-oriented organisation with unambiguous, aligned strategic priorities. Therefore, we have invested heavily in training for our people. We are confident that we have the right basis for further profitable growth in the years to come.

Scope of consolidation and period

As per 31 March 2014 the results from continuing operations include the consolidated results for Greenyard Foods NV, consisting of 12 months of results of the frozen and canning division. When comparing the consolidated income statement one needs to note that the past year (closing as per 31 March 2014) includes 7 months (September 2013 - March 2014) of the results of the acquired production facilities of UFM and the production facilities of Noliko (see note "2.4. Changes in consolidation scope"), whereas the production facilities were rented during the same months of the previous year.

The past year of the discontinued operations includes only a 2 month period for the potato division, whereas the comparative results related to the previous year included a period of 12 months. As per 31 May 2013 the potato activities were sold to McCain Foods. As per 31 March 2013 these discontinued operations (potato segment) are, according to IFRS 5, classified and accounted for as a disposal group related to discontinued operations and as per 31 March 2014 as discontinued operations. The results of these discontinued operations are consequently included separately in the consolidated income statement and are disclosed in note "5.7. Discontinued operations".

Commentary on the consolidated financial statements

The consolidated financial statements are prepared in conformity with the International Financial Reporting Standards (IFRS) published by the International Accounting Standard Board (IASB) and the interpretations issued by the IASB's International Financial Reporting Interpretation Committee (IFRIC, previously SIC), which have been approved by the European Commission.

The consolidated financial statements provide a general overview of the Group's activities and the results achieved. They give a true and fair view of the entity's financial position, its financial performance and cash flows on a going concern basis.

The Board of Directors believes that the application of the valuation rules on a going concern basis is justified. It is basing its view on the positive figures which the divisions can present and on the positive prospects.

Consolidated income statement from continuing operations

Sales

The increase of sales from continuing operations by +1.8% (or €11.0 million) comprises an increase of sales of 0.5% in the frozen division and of 4.4% in the canning division. At stable exchange rates, the sales increase would amount to +3.1%.

Operating result

The increase of the REBITDA from continuing operations by +18.2% (or €7.9 million) compared to the previous accounting year can be partly explained, +7.8% (or €3.4 million), due to the operational results including commercial results, both within the frozen and canning division. In addition, ceasing the rent of production facilities following their acquisition had an impact of +13.6% (or €5.9 million) on the REBITDA and negative economies of scale of corporate charges have been absorbed by the continuing operations, following the deconsolidation of the potato division, in an amount of €-1.4 million (-3.2%).

Ceasing the rent of the acquired production facilities will have an impact of €10.0 million over an entire accounting year.

The REBIT from continuing operations increased by +13.8% (or € 3.1 million) compared to the previous accounting year. This increase can be nearly entirely explained by the operational results both within the frozen and canning division.

Non-recurring elements

The non-recurring charges from continuing operations amount to €-4.9 million. These include an impairment loss on part of machinery within the Belgian subsidiaries in an amount of €-3.4 million. The remaining amount consists mainly of impairment losses in subsidiaries. The consolidated results include net non-recurring income of €60.4 million. These consist mainly of the gain realized on the sale of the potato division in an amount of €65.3 million.

Financial result

The improvement of the net financial result from continuing operations amounts to €2.7 million (€-16.7 million compared to €-19.4 million prior year). This can be mainly explained by the decrease of the interest charges on average lower financial debts. The recurring financial result improved by €4.8 million compared to previous accounting year. In addition the financial result includes non-recurring charges (charges of the club deal financing which were previously capitalised) in an amount of €-2.1 million that were taken into charges at the repayment of the club deal financing.

Taxes

The total tax effect on the result from continuing operations amounted to €-7.5 million. During accounting year 2013/2014 no additional deferred tax assets have been recognized on tax losses carried forward.

Consolidated income statement from discontinued operations

The sales from discontinued operations, being the potato division, include two months of activities and amounted to €52.0 million.

The EBIT from discontinued operations amounted to €66.0 million. This includes mainly a gain on disposal of €65.3 million. The remaining EBIT from discontinued operations over the first two months of the accounting year amounted to €0.7 million.

The net result after taxes from discontinued operations amounted to €65.3 million.

Consolidated income statement per operating segment

Frozen division

Frozen division (in € '000)	AY 13/14	AY 12/13	Difference
Sales	409,817	407,722	0.51%
REBITDA	26,149	21,289	22.83%
REBITDA-margin	*6.38%*	*5.22%*	
REBIT	11,659	9,675	20.51%

The frozen division accounts for 65.8% of the consolidated revenue from continuing operations. Sales increased by +0.5% compared to previous accounting year, but would have increased by +2.4% in the case of stable exchange rates.

The REBITDA increased by +22.8% (+€4.9 million), of which +9.9% (or €2.4 million) can be explained by the operational results. In addition, important efficiency improvements have been realised, which help to compensate the cost inflation of the accounting year. These improvements are also reflected in an improvement of the REBITDA margin. In addition, +17.8% of the increase of the REBITDA can be explained by ceasing of the rent of the production facilities. Of this increase, -4.7% (or €-1.0 million) was compensated by the reduction of the economies of scale of corporate costs following the sale of the potato division.

The increase of the REBIT by +20.5% (or €2.0 million) can almost entirely be explained by the operational results of the division.

Canning division

Canning division (in € '000)	AY 13/14	AY 12/13	Difference
Sales	213,303	204,346	4.38%
REBITDA	25,290	22,234	13.74%
REBITDA-margin	*11.86%*	*10.88%*	
REBIT	13,936	12,813	8.76%

The canning division accounts for 34.2% of the consolidated revenue from continuing operations. Sales increased by +4.4% compared to the previous accounting year.

The REBITDA increased by +13.7% (or €3.1 million), of which +3.9% (or €1.0 million) can be explained by the increase of sales compared to previous accounting year. The remaining +9.8% increase (or €2.1 million) can be explained by the ceasing of the rent following the acquisition of the production facilities.

The REBITDA margin of the canning division also increased from 10.9% to 11.9%. The increase of REBIT by 8.8% can be largely explained (4.4% or €0.5 million) by the increase of sales and the remaining part (4.4%) by the net effect of the replacement of the rent by depreciation charges.

Statement of financial position

The increase of the tangible fixed assets by €107.1 million can be explained by the impact of the acquired production facilities of UFM, Noliko and in Boston (€+106.6 million) and the investments of the accounting period (€+29.0 million). This increase is partially compensated by the depreciation charges in the various entities (€-21.5 million), the impairment losses (€-3.9 million), and the remaining combined impact of transfers, disposals and foreign exchange rate fluctuations (€-3.1 million).

Inventories increased by €24.4 million, of which €16.7 million can be explained by the frozen division and €7.7 million by the canning division. The increase of inventories in both divisions is caused by an increased production volumes compared to the previous accounting year. These increased production volumes, which are due to a normal production season, bring inventories back to normal levels.

Globally, equity (including non-controlling interests) amounts to 35.1% of the statement of financial position total and amounted to €211.9 million in total, representing an increase by €29.8 million. Equity as per 31 March 2014 was influenced positively by the inclusion of the results of the period in an amount of €61.8 million and was compensated partially by the share capital reduction of € 56.5 million as per 30 September 2013. This capital reduction includes a 'real' capital reduction in an amount of €39.5 million in total (or €2.4 per share) and a formal capital reduction in an amount of €17.0 million in order to compensate accumulated losses. Following the partial acquisition of the French production facilities of UFM as per end of August 2013, non-controlling interests were additionally acquired in an amount of €7.8 million.

The Group did not own treasury shares as per 31 March 2014 and 31 March 2013.

The financial debts from continuing operations increased slightly by €3.1 million compared to end of March 2013. However the composition of the financial debt in both accounting periods is different: as per the end of May 2013 the existing club deal financing has been fully repaid in an amount of €189.7 million and in addition, the related financial hedging instruments in an amount of €6.5 million have been repaid. As per 5 July 2013 a bond loan has been issued with a gross coupon of 5.0% fixed interest for a nominal amount of €150.0 million. On 16 December 2013 a working capital financing in an amount of €158.5 million was signed, of which as per year end an amount of €25.2 million was drawn as financial debt. This working capital financing was signed on the one hand to finance the peaks in working capital needs and on the other hand to support the growth of the Group. By issuing the bond loan and signing of the working capital financing, the foundations have been built for a stable financing structure in the medium term in order to realize the strategic plan.

The other debts decreased by €72.5 million, mainly due to the total payment of the outstanding debts with the potato division.

Cash flow

The free cash flow of the accounting year 2013/2014 amounted to €-6.8 million.

The increase of the working capital by €59.5 million can be mainly explained by the working capital of the acquired CECAB entities. This was previously financed by UFM and is included in the working capital of the group as from acquisition date onwards. In addition, inventories increased again to a normal level following a normal harvest season.

The positive cash flow from investing activities of €62.1 million includes €244.0 million for the sale of the potato division, but this amount has been reduced on the one hand by the settlement of the outstanding debts following the sale and on the other hand by €-122.9 million of investments, including the acquisition of production facilities.

The decreased cash flow from financing activities is mainly due to the repayment of the club deal financing of €201.1 million and the capital decrease of €39.5 million. In addition, there is an increase of €150.0 million following the issuance of the bond loan and €46.0 million which was drawn from the working capital financing agreement.

Dividends

The Board of Directors has proposed to the Annual General Meeting of Shareholders that no dividend will be paid. Any dividends in the longer term will depend on the net unconsolidated results of Greenyard Foods NV, the company's financial situation, its legal reserves and other factors that the Board of Directors or the Annual Meeting consider important.

Investments and disinvestments

The total investments in intangible fixed assets from continued operations amounted to €1.3 million. This mainly consists of software, more precisely licenses and implementation costs for the ERP.

The investments in tangible assets from continued operations (including acquisitions through acquisitions) amounted to €137.7 million per 31 March 2014. These consist of 'land and buildings' (€2.2 million), 'plant, machinery & equipment' (€23.5 million), 'furniture and vehicles' (€1.6 million) and 'other tangible fixed assets' (€1.7 million). The acquisition of land and buildings resulting from the acquisition of production facilities from UFM (+€57.2 million), Noliko (+€46.6 million) and in Boston (+€4.8 million) accounted for €108.6 million in total.

The disposals of the Group amount to €2.5 million in accounting year 2013/2014. This is largely explained by various disposals in Belgian subsidiaries.

Position of the Company: risks and uncertainties

The most important market risks for the Group are the availability of the raw materials, the fluctuations in prices of raw materials, in interest rates and in foreign exchange rates.

Availability of raw materials

Climatologic circumstances do have an important impact on the availability of raw materials in the frozen and in the canning division. These can lead in both divisions to an under- or oversupply of raw materials. The availability of raw materials needs to be sufficient during harvest periods for Greenyard Foods in order to guarantee the sales during a full year.

Along with other elements, such as soil fatigue in fields for specific crops, the weather conditions are a compelling reason for Greenyard Foods to reduce its dependency on the harvest in a specific region as much as possible. This is being achieved by the international spread of the activities, by sustainable relations with agriculture and by concluding cooperative agreements with other companies in alternative regions.

Prices of raw materials

The frozen division and the canning division work in principle with fixed annual contracts, where the price per vegetable is set for the entire season before the vegetables are sown or planted. Possible shortfalls in the market can be compensated by purchasing raw materials on the free market.

Despite the high level of attention dedicated to these aspects, the production of the divisions of Greenyard Foods depends on temporary weather phenomena, while climatological circumstances can influence supplies and raw materials prices. Harvest yields can fluctuate sharply depending on the weather conditions.

Exchange rate risk

The Group is subject to fluctuations in exchange rates which could lead to a profit or loss in currency transactions. Like any company with non-euro sales, the Group is subject to the normal exchange rate risks.

The Group realizes a significant portion of its turnover outside the Euro zone, mainly in the United Kingdom. The British pound and the Brazilian real are the most important non-euro currencies for the Group and in minor importance as well the Polish zloty and the Hungarian forint. In addition, there are also purchase and sales contracts in American dollar (USD) and Australian dollar (AUD). These are limited and the Group strives for a natural hedging.

Greenyard Foods makes use of forward contracts as a function of the expected sales in order to partially hedge itself against negative exchange rate evolutions.

As per 31 March 2014 there are several hedging instruments for exchange rate risk outstanding. The total net fair value ('marked to market value') amounted to €0.3 million as per 31 March 2014.

Risks related to the financing structure

Due to the debt level, the company must generate sufficient cash-flows in order to pay back its debt as well as paying the interest costs. Following the sale of the potato division, the existing club deal debts in an amount of €189.7 million have been repaid as per end of May 2013.

On July 5, 2013 Greenyard Foods NV issued a retail bond with a nominal amount of €150.0 million over 6 years with a gross coupon of 5.0% fixed interest. The bond is issued to mainly acquire the production facilities. On 16 December 2013 a financing of €158.5 million was signed with a bank consortium. This consists for €150,0 million of a working capital financing by means of straight loans and for €8,5 million of a long term credit facility.

Interest-rate risk

The interest-rate risk of the Group is spread. Greenyard Foods issued a retail bond with a fixed interest rate of 5%. On the other hand, the Group is subject to current interest rates on the financing signed with the bank consortium. The Group wishes to hedge against increases of the current interest rates and closed IRS (Interest Rate Swaps) to cover the risk on the long term financing. The Group will also conclude on hedge instruments on the working capital financing when this is judged to be needed from a risk perspective. The total fair value ('marked to market value') is €-1.3 million on 31 March 2014.

The maximum hedging period for the outstanding IRS on the long term financing continues to run until June 2024.

Liquidity risk

The liquidity risk with respect to clients is limited by following strict procedures. In addition, credit insurance is also considered.

Research and Development, Innovation and sustainability

Innovation and product development

Quality assurance is more important than it has ever been in all Greenyard Foods activities. All employees are involved in the continuous effort to improve product and process quality.

Investments in the best-performing and innovative machines and installations are continuous and on-going. The Group develops products at a quick pace, in step with rapidly changing market trends. In product development the Group is constantly taking account of market trends and consumer needs such as globalization, a concern for tasty and healthy food, convenience food, etc. The Group wants to remain a leading product innovator in each of the different divisions. In 2013-2014, as well as in previous years, many new products, product varieties, dishes and packaging were developed and marketed.

To achieve this, an international group like Greenyard Foods can also cooperate closely with specialists at home and abroad. The Group has its own R&D teams in each division to transform all of this into ecologically responsible, hygienic and profitable products. The team which deals specifically with product development comprises 5 permanent employees for the frozen division and 5 people for the canning division. Development quality and the circulation of information throughout the organization are monitored throughout the process by the Group's own R&D department.

Sustainability

Sustainability and good corporate governance, in addition to operational efficiency and absolute focus on quality, are important pillars on which the strategy of Greenyard Foods is based. Sustainability itself is defined as the art to combine the 3 Ps – People, Planet (environment) and Profit – in a harmonious way.

The Group is working on farming policies, pesticides, water consumption and recuperation, electricity consumption and green energy, waste management, recycling programs, strong efficiency on supply chain and sustainable packing for our products.

Our loyal participation in the Sustainable Entrepreneurship Charter (an initiative of the Flemish Government, Voka and the Provincial Development Agency) is used internally as a catalyst in order to draw up an overall action plan that is also subject to an external audit and commentary each year. In this way we are contributing to a social environment that will offer coming generations the necessary opportunities and possibilities as well.

Important events after balance sheet date

Between 31 March 2014 and the date on which this annual report was released for publication, following significant events after the balance sheet date have occurred.

Greenyard Foods acquires real estate company in King's Lynn (UK)

On July 7, 2014, Greenyard Foods NV acquired the real estate company of the production site in King's Lynn (United Kingdom). This is a further implementation of its strategic plan. Following the acquisition of this real estate, Greenyard Foods now owns all its production facilities. This acquisition is part of the allocation of the bond loan that was issued in July 2013.

There are no other major events subsequent to the balance sheet date which have a major impact on the further evolution of the company.

Corporate Governance

For the required legal information with respect to Corporate Governance in accordance with article 119, §2, 7° of the Company Code, please refer to paragraph 'internal control and risk management' of the "Corporate Governance" section of Greenyard Foods' annual report.

CORPORATE GOVERNANCE STATEMENT

The general principles regarding the role and responsibilities, nomination procedures and the organization of the Board of Directors are set out in Greenyard Foods Group's Corporate Governance Charter. Greenyard Foods uses the Belgian Corporate Governance Code of 2009 as a reference. In the past financial year the Charter has been reviewed. This Corporate Governance Charter can be consulted on the website (www.greenyardfoods.com).

In accordance with the Corporate Governance Code, this chapter mentions the relevant events that have taken place during the past financial year. Where there has been a deviation from the Corporate Governance Code, this is explained.

Board of Directors

The Board of Directors decides on the values and the strategy of Greenyard Foods, its approach to risk and the key elements of its policy. The Board of Directors meets at least six times a year. The company is represented legally and otherwise by one managing and one independent director acting jointly. There are at least three independent directors. The Legal Counsel (Mrs. Elisabeth Muylle) is invited to attend meetings of the Board of Directors as secretary. The division managers of the frozen and canning divisions were also invited regularly to the Board of Directors´ meeting.

Composition

At 31 March 2014 the Board of Directors consisted of 9 non-executive members and 2 executive members. 3 directors are independent within the meaning of article 526ter of the Company Code.

Director's name	Date of appointment	Term of office ends on	Executive / non-executive	Independent / non-independent director
NV Deprez Invest p.r. by Mr Hein Deprez	1/01/2010	AGM 2015	Non-executive	Non-independent director
BVBA The Marble p.r. by Mr Luc Van Nevel	1/07/2004	AGM 2015	Non-executive	Independent director
Frank Donck	20/05/2011	AGM 2015	Non-executive	Independent director
BVBA Ardiego p.r. by Mr Arthur Goethals	20/05/2011	AGM 2015	Non-executive	Independent director
BVBA Management Deprez p.r. by Mevr. Veerle Deprez	9/11/2005	AGM 2015	Non-executive	Non-independent director
BVBA Bonem p.r. by Mr Marc Ooms	9/11/2007	AGM 2015	Non-executive	Non-independent director
Peter Maenhout	15/02/2012	AGM 2015	Non-executive	Non-independent director
Thomas Dewever	24/01/2014	AGM 2015	Non-executive	Non-independent director
Jozef Marc Rosiers	2/12/2011	AGM 2015	Non-executive	Non-independent director
NV Vijverbos p.r. by Mr Herwig Dejonghe	12/01/2000	AGM 2015	Executive (COO)	Non-independent director
BVBA Mavac p.r. by Mrs. Marleen Vaesen	30/08/2013	AGM 2015	Executive (CEO)	Non-independent director

On 30 August 2013, Mr Jean-Michel Jannez resigned from his mandate as director. On the same date, Mavac BVBA, with Mrs Marleen Vaesen as permanent representative, was co-opted by the Board of Directors as director to replace Mr Jean-Michel Jannez. The appointment of Mavac BVBA, with permanent representative Marleen Vaesen, as executive, non-independent director will be submitted for confirmation to the Annual General Meeting to be held on 19 September 2014.

In May 2013 Alain Keppens has stopped his mandate of director. Mr. Thomas Dewever was appointed by the Board of Directors´ meeting of 24 January 2014 via co-optation as director to replace Mr. Alain Keppens. During the Annual General Meeting of 19 September 2014, the appointment of Thomas Dewever as non-executive, non-independent director will be submitted for confirmation.

At the Board of Directors´ meeting of January 24th it was unanimously decided to appoint Deprez Invest NV, represented by Mr Hein Deprez, as chairman to replace The Marble bvba, represented by Mr Luc Van Nevel. The Marble bvba, represented by Mr Luc Van Nevel, shall continue, given his many years of experience, to sit as an independent director. This change in chairmanship also took effect on 24 January 2014.

The present Board of Directors is composed of:

Deprez Invest NV, chairman, represented by Hein Deprez, permanent representative
Hein Deprez is - via Deprez Holding NV, Food Invest International NV and 2D NV - the controlling shareholder of Greenyard Foods NV. Hein Deprez is also the reference shareholder of the Univeg Group, where he holds the position of Executive Chairman. On 24 January 2014 Hein Deprez was appointed as chairman of the Board of Directors.

The Marble BVBA, independent director, represented by Luc Van Nevel, permanent representative
Luc Van Nevel was chairman of the Board of Directors of Greenyard Foods from 2004 through January 2014, after which he has continued to sit as an independent director on the Board of Directors. In addition, Mr Luc Van Nevel holds director´s mandates as an independent director. Earlier within the Samsonite Corporation he occupied the position of President International and Chairman & CEO until his retirement.

Frank Donck, independent director
Frank Donck is managing director of 3D NV. He is also a member of the Belgian Corporate Governance Committee, as well as being chairman of Atenor Groep NV. In addition, he holds several director´s mandates as an independent director.

Ardiego BVBA, independent director, represented by Arthur Goethals, permanent representative
Arthur Goethals has many years of knowledge and experience in the retail sector, including as CEO of Delhaize Belgium NV. Arthur Goethals is also a member of the Board of Directors of several companies.

Management Deprez BVBA, director, represented by Veerle Deprez, permanent representative
In 1987, together with her brother Hein Deprez, Veerle Deprez laid the foundations for what would later become the Univeg group. Veerle Deprez also holds several director´s mandates in port-related companies.

Bonem BVBA, director, represented by Marc Ooms, permanent representative
Marc Ooms has many years of experience in the financial sector, among others as managing director of Petercam. In addition, he also holds several director's mandates.

Peter Maenhout, director
Peter Maenhout is Managing Partner of Gimv and is responsible for the Gimv-XL fund and the consumer 2020-platform.

Thomas Dewever, director
Thomas Dewever is active as Principal at the Gimv since 2009. Prior to that he worked in the Investment Banking Department of Credit Suisse in London.

Jozef Marc Rosiers, director
Jozef Marc Rosiers is CEO of Agri Investment Fund CVBA and advisor of the president of Boerenbond.

Vijverbos NV, Managing Director, represented by Herwig Dejonghe, permanent representative
Herwig Dejonghe began his career at Pinguin in 1982 as marketing director. In 1986 he became sales director and as of 1992 Managing Director and General Manager (CEO). Herwig Dejonghe is also a consular commercial judge at the Commercial Court of Kortrijk.

Mavac BVBA, director, represented by Marleen Vaesen, permanent representative
Marleen Vaesen is CEO of Greenyard Foods. She held a number of different positions within Sara Lee and Procter & Gamble. Marleen Vaesen is also a director at Van de Velde NV.

Within the framework of art. 96 §2.6° of the Company Code, the company will be taking steps in the future to increase the percentage of female directors from 25% up to a third of all members.

During the past year the Board of Directors has been engaged with:

- The annual results, the annual financial statements and the annual report;
- Convening and setting the agenda of the General Meeting;
- Approval of budgets and investment projects for accounting year 2014/2015;
- Long-range financial planning;
- Regular assessment of activities;
- Approval of press releases;
- Reporting by the committee chairmen;
- Financing structure: issuance of retail bond and closing of working capital financing;
- Operational organisation;
- Reorganizations and changes in group structure and organisation chart;
- Sale of the potato division;
- Purchase of the real estate companies;

The terms of office of all Board members expire after the Annual General Meeting to be held in 2015.

Evaluation

Under the direction of the Chairman, the Board of Directors reviews its size, composition and functioning bi-annually, as well as the size, composition and functioning of the Committees and the interaction with the management team. This self-assessment is prepared by the Appointment and Remuneration Committee.

The non-executive directors regularly evaluate their interaction with the executive management. To do so they meet at least once a year in the absence of the CEO and the other executive directors.

Audit Committee

The Audit Committee has been set up to assist the Board of Directors in reviewing the company's financial statements. It also helps the Board to check compliance with legal and judicial regulations, and to assess the competence and independence of the statutory auditor.

The Audit Committee has 4 members:

- Mr Frank Donck, president;
- The Marble BVBA, permanently represented by Mr Luc Van Nevel;
- Management Deprez BVBA, permanently represented by Mrs Veerle Deprez;
- Mr Thomas Dewever.

The Chief Executive Officer and the Chief Financial Officer are invited to the Audit Committee meetings.

The Board of Directors' meeting of 24 January 2014 appointed Mr Thomas Dewever as a member of the Audit Committee in order to replace Mr Alain Keppens, who resigned as a member of the Audit Committee in May 2013.

In accordance with article 526bis of the Company Code, the Group declares that the president of the Audit Committee, Mr Frank Donck, complies with the independence principles and disposes of the sufficient aptitudes with regard to accounting and auditing matters. The Audit Committee is composed only for one-half - not for a majority - of independent directors, and the Company is thus at variance with Recommendation 5.2/4 of the Belgian Corporate Governance Code. The Board of Directors believes that the members of the Audit Committee are sufficiently independent and capable of fulfilling their role.

The Audit Committee has engaged with the following subjects throughout the financial year ending 31 March 2014:

- The half year and annual results and reviewing the consistent application and any changes in valuation and accounting principles;
- The course and evaluation of the external audit;
- Evaluation and control of the one-to-one rules;
- Internal control and risk analysis;
- Simplification of the Group structure;
- Evaluation of the functioning of the Audit Committee

After every meeting the chairman of the Audit Committee reports to the Board of Directors on these items. The Audit Committee advises the Board of Directors on these items.

The Audit Committee met on 4 occasions over the past financial year. The statutory auditor was invited to and attended 2 meetings.

Nomination and Remuneration committee

The Nomination & Remuneration Committee supports the Board of Directors in the execution of its task in the preparation of the (re-)appointment of directors and appointments of the Members of the Management Committee, and in the execution of its tasks with respect to the remuneration policy and the individual compensation of Directors and Members of the Management Committee. The Nomination and Remuneration Committee possesses the necessary expertise in the area of remuneration policy.

The Nomination and Remuneration Committee has 3 members:

- The Marble BVBA, permanently represented by Mr Luc Van Nevel; President
- Ardiego BVBA, permanently represented by Mr Arthur Goethals;
- Management Deprez BVBA, permanently represented by Mrs Veerle Deprez;

Mr. Peter Maenhout is also invited to the meetings of the Nomination and Remuneration Committee as an observer. The Chief Executive Officer is also invited to the meeting. The CEO does not take part in the discussions on her own remuneration.

The Nomination and Remuneration Committee met on 3 occasions on the past financial years to discuss, among other things:

- Determination of the variable remuneration for the executive directors and the Management Committee;
- Discussion on the composition of the Management Committee;
- Results of the Human Resources internal audit and the follow-up;
- Preparation of the remuneration report;
- Remuneration of the Management Committee and other key managers.

Strategic Committee

The mission of the Strategic Committee is to advise the Board of Directors about the key points of the company's general policy and strategy, mergers & acquisitions, etc. The Strategic Committee met four times in the past financial year.

The Strategic Committee has 6 members:

- Deprez Invest NV, permanently represented by Mr Hein Deprez: non-executive director;
- Ardiego BVBA is permanently represented by Mr Arthur Goethals: independent director;
- Mr Peter Maenhout: non-executive director;
- Mr Jozef Marc Rosiers: non-executive director;
- Vijverbos NV, permanently represented by Mr Herwig Dejonghe: executive director: COO;
- Mavac BVBA, permanently represented by Mrs Marleen Vaesen: CEO.

During the past year ending as per 31 March 2014 the Strategic Committee has been engaged with:

- Determination of the most important responsibilities of the committee;
- Agro strategic plan;
- Financial long-range planning of the Group;
- Strategic plan of canning and frozen division;
- Budgets for the accounting year 2014/2015.

Attendance

04/2013-03/2014 (12 months)	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Strategic Committee
Total number				
NV Deprez Invest	11/11			4/4
BVBA The Marble	11/11	4/4	3/3	
NV Vijverbos	8/11			¾
BVBA Management Deprez	11/11	4/4	3/3	
BVBA Bonem	11/11			
Frank Donck	8/11	3/4		
BVBA Ardiego	11/11		3/3	4/4
BVBA Mavac	5/5			4/4
Jean-Michel Jannez	2/7			
Jozef Marc Rosiers	11/11			4/4
Peter Maenhout	10/11			4/4
Alain Keppens	1/1	1/1		
Thomas Dewever	2/2	2/2		

Management Committee

The Board of Directors has mandated the Management Committee to undertake the day-to-day activities of the company, taking into account the company's values, its approach to risk and the key elements of its policy. The Management Committee is not a committee of directors in the sense of article 524bis of the Company Code.

The Management Committee consists per 31 March 2014 of:

- Mavac BVBA, permanently represented by Mrs. Marleen Vaesen, CEO;
- Mrs. Valerie Vanhoutte, CFO;
- Vijverbos NV, permanently represented by Mr. Herwig Dejonghe, COO;
- Haluvan BVBA, permanently represented by Mr. Hans Luts, responsible for the frozen division; and
- Mr. Dominiek Stinckens, responsible for the canning division.

Statutory auditor

The auditing of the company's annual accounts has been entrusted to Deloitte Bedrijfsrevisoren BV under the form of a CBVA, whose registered office is at Berkenlaan 8B, 1831 Diegem, represented by Mr Kurt Dehoorne and Mr Mario Dekeyser, auditor, whose office is at 8500 Kortrijk, President Kennedypark 8A.

Remuneration report

Description of the procedure used during the past financial year in order (i) to develop a remuneration policy for the non-executive directors and members of the executive management and (ii) to set the remuneration of the individual non-executive directors and members of the executive management

The remuneration policy and annual fees for attending the meeting for non-executive directors is set by the Board of Directors at the proposal of the Nomination and Remuneration Committee, thereby taking into account market standards, the listed character and the scope of the company and the industry of Greenyard Foods. The remuneration policy set by the Board of Directors and the attendance fees are subsequently approved by the General Meeting.

The remuneration policy for the members of the Management committee is set by the Board of Directors at the recommendation of the Nomination and Remuneration Committee. This procedure takes place in absence of the members of the Management committee. The remuneration is set to attract, motivate and retain highly qualified and promising management talent, and to ensure that the interests of managers and all stakeholders of Greenyard Foods are aligned. This is done according to available benchmarking studies by independent agencies.

Statement of the remuneration policy for non-executive directors and executive management, as applicable for the past financial year

The remuneration of the independent and the other non-executive directors is made up of a fixed remuneration and a fee for attending the meetings of the Board and the Committees within the Board (including attendance by video conferencing or telephone conferencing), payable semi-annually. The remuneration also pays due regard to a director's specific role, i.e. as Chairman of the Board of Directors, Chairman or member of a Committee and the associated responsibilities and expenditure of time.

On the proposal of the Nomination and Remuneration Committee, the General Meeting may further decide to grant a fixed remuneration to one or more independent or other non-executive directors.

The directors that have executive functions within Greenyard Foods NV or in one of its subsidiaries do not receive an additional compensation for their mandate as director. They do receive management remuneration as members of the Management Committee.

The remuneration of the CEO and the members of the Management Committee are set by the Board of Directors at the recommendation of the Nomination and Remuneration Committee and consists of a fixed part and a variable part. The variable part always relates to performance of the past financial year. When meeting the objectives which have been set forward, the variable remuneration amounts to 20% to 50% and depends on the function within the Management Committee.

There are no performance bonuses in shares, options or other rights to acquire shares. The remuneration policy followed was not significantly adapted after the end of the financial year.

The remuneration policy is evaluated annually by the Nomination and Remuneration Committee.

Remuneration of the non-executive directors

The Chairman of the Board of Directors receives a fixed remuneration of €90,000 a year. He receives no additional remuneration such as fees for attending the Board of Directors or committee meetings.

The independent non-executive directors receive a remuneration that depends on their presence at board and committee meetings. This remuneration amounts to €1,500 per meeting. The non-executive directors receive in addition a fixed remuneration of €15,000 a year. No variable remuneration was awarded to directors for performance with respect to their mandate for the financial year ending 31 March 2014. There are no pension plans for directors, nor was there any long-term remuneration, severance pay or remuneration in shares paid out to the directors in the past financial year.

The total remuneration of Board members for the exercise of their mandate amounts to €0.4 million.

Directors' remuneration (in thousands of €)	Fixed remuneration	Attendance fees	Total
NV Deprez Invest	15.00	22.50	37.50
BVBA The Marble	90.00		90.00
NV Vijverbos			
BVBA Management Deprez	15.00	27.00	42.00
BVBA Bonem	15.00	16.50	31.50
Frank Donck	15.00	16.50	31.50
BVBA Ardiego	15.00	27.00	42.00
BVBA Mavac			
Jean-Michel Jannez	7.50	3.00	10.50
Jozef Marc Rosiers	15.00	22.50	37.50
Peter Maenhout	15.00	25.50	40.50
Alain Keppens	2.50	3.00	5.50
Thomas Dewever	3.75	6.00	9.75
Total	**208.75**	**169.50**	**378.25**

Remuneration of the CEO

The CEO has a management contract and receives a fixed remuneration that includes social security charges, taxes and defined contributions. In addition, the CEO receives a variable remuneration.

The annual compensation of Mavac BVBA in the capacity of CEO amounted to €450,000 for the financial year 2013-2014. A variable compensation of €276,801 was allocated and a reimbursement of expenses made in an amount of €16,901.

No non-statutory benefits were paid out, not in cash, nor in the form of share options or warrants.

Remuneration of the members of the Management committee (excluding CEO)

Remuneration Management Committee members (in thousands of €)	AY 13/14
Number of persons at year end	4
Basic remuneration	833
Variable remuneration	228
Other benefits	72
Total	**1,133**

The other benefits consist mainly of the reimbursement of expenses incurred by members who operate on a self-employed basis on behalf of the Greenyard Foods Group: travel and accommodation expenses, etc. For the members who operate as employees, the ‘other’ benefits concern the fringe benefits such as pension plan on the basis of a defined contribution from the employer and the reimbursement of travel and accommodation expenses.

With respect to the members of the Management Committee that only were members of the management or of the Group during a part of the year, only the relevant amounts were included.

No share options or other rights have expired or were exercised by the members of the Management Committee during the financial year.

Evaluation criteria for the remuneration of the executive directors and members of the Management Committee

The members of the management team receive a variable remuneration in addition to the fixed remuneration. This bonus plan is 75% based on quantitative targets (REBITDA, REBIT, working capital) and 25% on qualitative personal objectives related to the exercise of the job. This can involve the efficiency of certain processes, the delivery of a number of projects, etc.

The evaluation period corresponds to the financial year of the company. The payment takes place in the following year. The quantitative calculation is performed on the basis of audited figures by the CFO. The evaluation of the personal qualitative objectives is done by the CEO in consultation with the Nomination and Remuneration Committee and the Board of Directors. The bonus plan is submitted each year to the Nomination and Remuneration Committee.

Article 520ter, 2nd paragraph, Company Code is clear on the subject*: "(...) Unless there are provisions of the articles of association to the contrary or there has been express approval by the General Meeting of Shareholders, at least one-fourth of the variable remuneration for an executive director in a company whose shares are admitted for trading on a market as intended in article 4 must be based on performance criteria that are established in advance and objectively measurable over a period of at least two years, and at least another fourth must be based on performance criteria that are established in advance and objectively measurable over a period of at least three years. The obligation set forth in the preceding paragraph does not apply if the variable remuneration concerns one-fourth or less of the annual remuneration. (...)"*

Greenyard Foods opts to pay out variable remunerations of executive directors on a yearly basis, despite the size to these variable remunerations. This yearly payment, as a deviation from Art 520ter Company Code, will be presented to the Annual Shareholders Meeting of 19 September 2014 for ratification.

In addition to the annual bonus plan, the Nomination and Remuneration Committee can decide ad hoc to award an exceptional bonus of the annual compensation when exceptional events have occurred or when special services were provided that were not planned at the beginning of the financial year concerned.

Declaration on an individual basis of the main provisions of the contractual relationship concerning severance pay with the CEO and with each of the executive managers.

Severance pay: number of months contractually stipulated	Number of months
Mavac BVBA	12
Vijverbos NV	18
Haluvan BVBA	6
Dominiek Stinckens [1]	25

In the event of departure of an executive manager (including the CEO), the Board of Directors justifies and decides, at the proposal of the Remuneration Committee, whether the parties involved qualify for the departure compensation, and the basis on which it is calculated. No executive managers left during the past year.

Recovery provision

The company does not dispose of recovery rights with regard to the variable remuneration of the executive managers or the CEO, should it be awarded on the basis of incorrect financial data.

Transactions with related parties

Pursuant to the Corporate Governance Code, the Board of Directors has developed a policy with respect to transactions with related parties that do not fall under the conflict of interest regulations. Under this regime, all Directors, their permanent representatives and all members of the Management Committee shall give prior notice to the Board of Directors of all proposed transactions between them and Greenyard Foods NV or one of its subsidiaries. Only the Board of Directors is authorised to decide whether Greenyard Foods NV or the subsidiary concerned may enter into such a transaction. The Board of Directors will provide the reasons for its decision in its minutes and, in particular, will ensure that the transaction takes place at market terms. By way of exception, this prior approval by the Board of Directors of Greenyard Foods NV is not required if the transaction concerned fits within the normal business activities of Greenyard Foods NV or its subsidiary. In that case, the Board of Directors shall approve all transactions annually.

[1] relates to a labour contract concluded before 3 May 2010.

Application of art. 523 of the Company Code

Article 523 of the Company Code provides for a special procedure within the Board of Directors in the event that one or more directors or one or more permanent representatives of a director-company have a possible financial interest that conflicts with one or more decisions or transactions falling within the Board of Directors´ scope of authority. This procedure was applied two times in the past financial year.

Takeover participation Scana Noliko Real Estate and De Binnenakkers

On 28 August 2013 the Board of Directors had to pronounce on the approval of the acquisition of the shares of Scana Noliko Real Estate NV and De Binnenakkers NV, both subsidiaries of Food Invest International NV. The latter was the owner of Noliko´s industrial production sites located in Bree and Rijkevorsel. Scana Noliko Real Estate NV and De Binnenakkers NV leased the sites to Noliko NV.

By taking over the shares of Scana Noliko Real Estate NV and De Binnenakkers NV, the production sites in Bree and Rijkevorsel have become the property of Greenyard Foods. This application was recorded as follows in the minutes of the Board of Directors´ meeting on 28 August 2013:

"Deprez Invest NV and its permanent representative Hein Deprez on the one hand, and Management Deprez BVBA and its permanent representative Veerle Deprez on the other, request in their capacity as director of the Company to make a declaration in application of article 523 of the Companies Code, since they might have a conflicting financial interest with respect to the agenda items regarding the purchase of the companies Scana Noliko Real Estate NV / De Binnenakkers NV from Food Invest International NV.

The potential conflicting interest consists in the fact that the above-mentioned directors and/or their permanent representatives are director and (indirect) shareholder of Food Invest International NV, the company which acts as counterparty (sellers) in the transaction regarding the purchase of the shares of Scana Noliko Real Estate NV and De Binnenakkers NV by the Company. In that capacity, the above-mentioned directors and their permanent representatives could have an interest in seeing that the above-mentioned transaction is completed at market conditions that are favourable for the sellers. Adduced as ground for justification is the fact that (i) the transaction as a result of which the Company can acquire ownership of the property is of great strategic importance for the Company and will take place at market conditions and (ii) the above-mentioned directors as directors, respectively indirect shareholders of the Company, have every interest in seeing that the transaction for the benefit of the Company takes place at market conditions.

Deprez Invest NV, Hein Deprez, Management Deprez BVBA and Veerle Deprez request that their statement in application of art. 523 of the Companies Code be included in the minutes of the Board of Directors´ meeting. After having made the above-mentioned declaration, Deprez Invest NV, and Management Deprez BVBA in application of article 523, §1, para 4 of the Companies Code declare that they did not participate in the deliberation and the voting on the agenda items regarding the Scana Noliko Real Estate/ De Binnenakkers transaction. Deprez Invest NV, Hein Deprez, Management Deprez BVBA and Veerle Deprez undertake to inform the statutory auditor of the Company of the application of article 523 of the Companies Code immediately after the Board of Directors´ meeting."

Resolution 28 August 2013
The Board of Directors approves the proposed transaction to acquire the shares of Scana Noliko Real Estate NV and De Binnenakkers NV for a total price of 40 million euros, whereby the strategic value of the purchase of the property for the Group is acknowledged.

Sale of the potato division

During the 2012/2013 financial year, and more specifically on 19 July 2012, the Board of Directors discussed the possible sale of the potato division. Deprez Invest NV and Hein Deprez thereby declared that they had a functionally conflicting financial interest in the possible sale of the potato division by the company. This application of art. 523 of the Companies Code was described in the annual report for the 2012/2013 financial year.

During the 2013/2014 financial year, the sale of the potato division and the application of art. 523 was also discussed at the Board of Directors´ meetings of 14 May 2013, 22 May 2013 and 30 May 2013.

Application of art. 524 of the Company Code

Article 524 of the Company Code provides for a special procedure that applies to certain intra-group transactions or transactions between Greenyard Foods NV and related companies that are not subsidiaries of the former. The procedure of art. 524 of the Companies Code was applied for the securities of the group companies within the framework of closing the working capital financing on 16 December 2013. The application of art. 524 of the Companies Code was determined when closing the working capital financing, but at that time the possibility was offered to carry out the procedure several months later. The Board of Directors´ meeting of 16 May 2014, after the end of the 2013/2014 financial year, adopted a decision with regard to Art. 524 of the Companies Code.

"Authorisation in compliance with article 524, § 5, of the Companies Code of subsidiaries of the Company for ratification of the approval of the New Credit Facility.

1. The Chairman declares that the Company, in application of article 524, § 5, of the Companies Code, must authorise its subsidiaries to approve the New Credit Facility.

2. The chairman proposes to authorise Pinguin Langemark NV, De Binnenakkers NV, Noliko NV, Scana Noliko Holding NV and Noliko Real Estate NV to ratify the New Credit Facility and the granting of the securities included therein.

3. Resolution: The Board of Directors unanimously authorises Pinguin Langemark NV, De Binnenakkers NV, Noliko NV, Scana Noliko Holding NV and Noliko Real Estate NV to ratify the New Credit Facility and the granting of the securities included therein."

More detailed information on the subject of the transactions with the related parties is given in the section *« 7.4. Related Parties »* of the annexes to the Financial Report.

Measures for the prevention of market abuse

In compliance with provision 3.7. of the Corporate Governance Code, a dealing code was included in the Company's Corporate Governance Charter. In accordance with this dealing code, the Board of Directors keeps a list of insiders who could have regular or ad hoc access to inside information.

The dealing code imposes limitations on insiders with regard to transactions in securities of Greenyard Foods NV during closed periods. The code also contains rules regarding the reporting duty of insiders concerning proposed transactions and the disclosure of implemented transactions via a report to the FSMA.

Internal control and risk management

The Board of Directors of Greenyard Foods NV is responsible for estimating the risks that are specific to the Company and for the evaluation of the effectiveness of the internal control.

Greenyard Foods has an internal control system based on the COSO model. The following pillars are discussed below: 'control environment', 'risk management systems and internal control', 'financial reporting and communication', and, to conclude, 'oversight and monitoring'.

The management has implemented a variety of controls to manage the risks that could undermine the achievement of the strategic spearheads and axes.

Control environment

General

Greenyard Foods is dedicated to conscious risk management based on an internal control system achieved by encouraging a company culture in which all personnel are empowered to fulfil their roles and responsibilities in accordance with the highest standards of integrity and professionalism.

Audit Committee

The Audit Committee investigates the system for internal control and risk management set up by the management of Greenyard Foods in order to confirm that the principle risks (including those related to compliance with legislation and regulations) are identified, managed and brought to the notice of the responsible individuals, in accordance with the framework established by the Board of Directors.

The Audit Committee investigates the specific regulations by which personnel of Greenyard Foods are able to express in confidence any concerns they have about possible irregularities concerning financial reporting or other matters. If it is considered to be necessary, arrangements will be made for an independent investigation and a suitable monitoring of these matters, in proportion to the alleged seriousness of the matter. Procedures are also being implemented by which personnel can inform the Chairman of the Audit Committee directly.

At least twice per year, the Audit Committee meets the auditor in the presence of the Management Committee to discuss with the auditor the subjects that fall under his remit and all matters that arise from the auditing process.

In addition, the management team is given a regular update on the pending disputes. In that respect, a quantified risk assessment and classification is always carried out.

Internal audit

The mission of internal audit is, along with the external auditor, to create an independent and objective evaluation of the risks and the internal control systems of the Group. There is no formal internal audit department in the Group, but the Management Committee demands on a regular basis internal audits on subjects which are selected in accordance with the Audit Committee. The Audit Committee evaluates on a regular basis the internal controls that have been executed.

If necessary, the internal auditor calls on the support of a specialised external consultancy firm for the performance of his responsibilities. This makes it possible to place even higher demands and, at the same time, also stay up to date with respect to common practices within the internal auditing environment.

Risk management systems and internal control

The most important aspects of the risk management and internal control process can be summarised as follows:

- the risk position of the company, the possible financial impact and the required action points are evaluated regularly by the management and by the Board of Directors, advised by the Audit Committee; hereby risks are prioritized and action plans are implemented.
- the Board of Directors discusses the strategy and investment projects, an evaluation is also made of the associated risks. Where needed, appropriate measures are taken;
- the internal audit reports are always discussed with local management and a summary is discussed with the Audit Committee every half year.

For a discussion of the principal risks and the associated control activities, please see explanation *"6.20. Risk management policy"* of the Financial Report.

Financial reporting and communication

The financial reporting and communication process of Greenyard Foods NV can be summarised as follows:

A closing plan with checklist is drawn up with the tasks that must be accomplished by the quarterly, semi-annually, and annual closing of Greenyard Foods NV and its subsidiaries. The financial department provides the accounting figures under the supervision of the chief accountant or financial director of each subsidiary. The controllers verify the validity of those figures and issue a report. Both coherence testing by making comparisons with historical or budgetary figures and transaction controls using random samples are performed. As part of the closing process, an extensive reporting set with financial and operational data must also be provided in each case.

The Audit Committee supports the Board of Directors in overseeing the integrity of the financial information provided by Greenyard Foods NV. In particular, it confirms the relevance and the consistency of the application of the accounting standards used within the Greenyard Foods Group and '*inter alia*' on the criteria for the consolidation of the accounts of the companies of the Greenyard Foods Group. The oversight covers the periodic information before it is published and is based on the audit program used by the Audit Committee. Management informs the Audit Committee about the methods that are used for to account for significant and unusual transactions of which the accounting treatment could be open to a variety of interpretations. The Audit Committee discusses the financial reporting methods with both the Management Committee and the external auditor.

Oversight and monitoring

Oversight of the internal controls is exercised by the Board of Directors, supported by the activities of the Audit Committee.

The external auditor carries out an annual evaluation of the internal controls related to the risk associated with the financial statements of Greenyard Foods NV. In that regard, the external auditor of Greenyard Foods NV has made several recommendations concerning the internal control and risk management systems. The recommendations were contained in a management letter that was discussed with the management. The management has undertaken action points to handle the findings and thereby achieve an even better control environment. Those points are being followed up by management and the Audit Committee is monitoring if the Management Committee is fulfilling the recommendations presented by the Auditor.

INFORMATION FOR SHAREHOLDERS

Shares

Greenyard Foods's shares have been listed on Euronext Brussels (stock code: GRYFO) since 1 March 2005. The Greenyard Foods share was introduced onto the Brussels Stock Exchange in June 1999. Greenyard Foods NV has liquidity maintenance agreements with Petercam.

The share capital on 31 March 2014 was represented by 16,459,520 shares which have the same rights. All shares are listed on the continuous market of Euronext Brussels, more specifically in the compartment C (small caps) of this market.

Market capitalization on 31 March 2014 was €186.0 million.

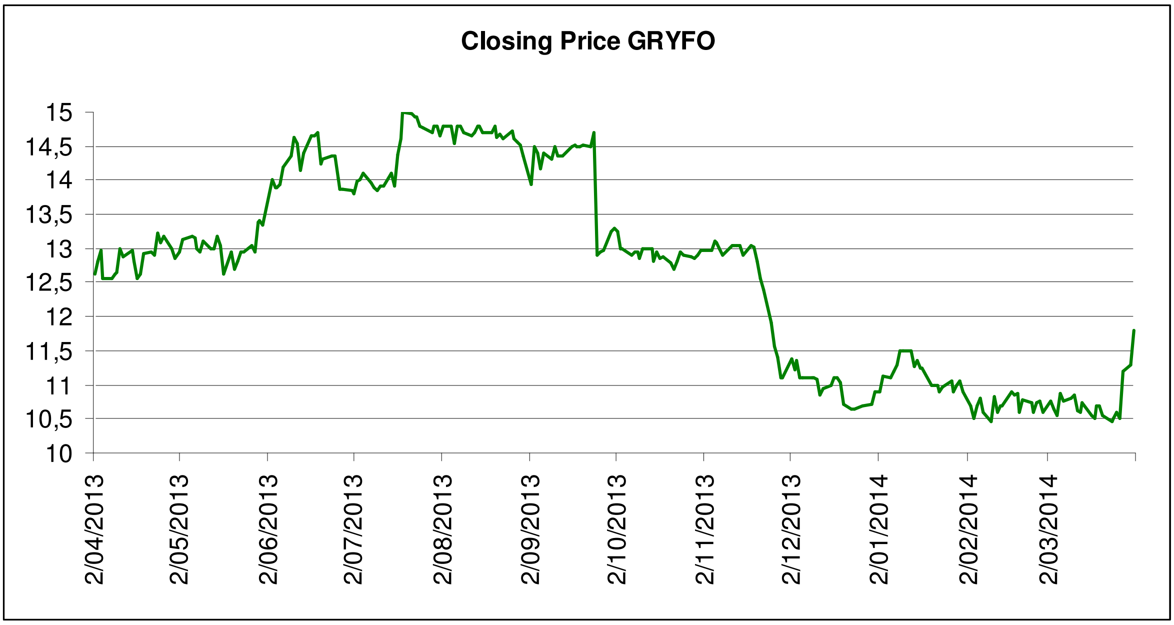
On 2 December 2011 the General Assembly of Greenyard Foods NV issued 2,400,000 warrants for a total amount of €30.6 million (85% of the amount of the subordinate loan) with an initial exercise price of €12.75 which are subscribed by Gimv-XL (see note '*6.13. Options and warrant plans*').

Share trading evolution

The table below shows the key figures of the Greenyard Foods share:

	Financial year 2013-2014	**Date**	**Financial year 2012-2013**	**Date**
Highest price	14.99 €	19/07/2013	13.20 €	29/01/2013
Lowest price	10.45 €	10/02/2014	7.50 €	24/07/2012
Opening price	12.47 €	1/04/2013	8.16 €	1/04/2012
Closing price	11.30 €	31/03/2014	12.47 €	28/03/2013
Average daily trading volume	3,081		3,729	
Total number of shares	16,459,520		16,459,520	
Market capitalization	185,992,576 €		205,250,214 €	

The graph below shows the Greenyard Foods share price evolution during the 2013-2014 financial year:



Trading volume

The graph below shows the trading volume of Greenyard Foods shares by month:

Monthly trading volume	**Financial year 2013-2014**	**Financial year 2012-2013**
April	97,971	25,084
May	97,884	32,099
June	118,434	6,792
July	49,657	32,859
August	25,607	13,137
September	53,298	297,355
October	52,969	97,354
November	30,696	52,564
December	35,104	42,188
January	83,710	181,592
February	51,015	130,733
March	92,450	31,706

The average daily trading volume in 2013-2014 was 3,081 shares, compared to 3,729 shares the year before.

Capital structure

On 31 March 2014 the capital was represented by 16,459,520 shares, which have the same rights.

Shareholder structure

Every shareholder with at least 5% of the voting rights is required to comply with the act of 2 May 2007 concerning the disclosure of the major holdings, the Royal Decree of 14 February 2008 and the Company Code.

The legal thresholds of 5% apply. The people concerned are required to send a notification to the Financial Services and Market Authority (FSMA) and to the company.

Based on the latest transparency declarations received by Greenyard Foods NV on 31/12/2013 and 04/02/2014, the company's shareholder structure as per 31 March 2014 is as follows:

Shareholder structure 31/03/2014	**Number of shares**	**%**
Food Invest International NV	3,779,481	22.96%
2 D NV	3,243,293	19.70%
Gimv-XL (***)	2,842,228	17.27%
Agri Investment Fund CVBA	1,776,393	10.79%
Familie Dejonghe**	1,015,057	6.17%
Union Fermière Morbihannaise SCA	642,441	3.90%
Volys Star NV	42,894	0.26%
Public*	3,117,733	18.94%
TOTAL	**16,459,520**	**100.00%**

* including shares at Primco, Degroof Corporate Finance and employees
** includes following shareholders: Vijverbos NV, Kofa BVBA, Koen Dejonghe, Herwig Dejonghe, Pinguin Invest NV and Burgerlijke Maatschap Dejonghe-Dejonckheere
*** includes following shareholders: Gimv-XL Partners Invest Comm, Vennootschap, Gimv NV and Adviesbeheer Gimv-XL NV

An overview of all current notifications received by Greenyard Foods, and the corresponding shareholder structure, is available on our website www.greenyardfoods.com under the heading *"Financial information › Information for the shareholders › shareholder structure and transparency"*.

Major changes in shareholder structure

As per 30 August 2013 Union Fermière Morhibannaise Société Coopérative Agricole transferred its shares, being 621,441 shares, in Greenyard Foods NV to Food Invest International NV. At that moment of time both a purchase and a sale option have been signed. Food Invest International NV has the right, respectively the obligation to buy the abovementioned shares.

As per 31 December 2013 Lur Berri SCA transferred its shares, being 934,264 shares, in Greenyard Foods NV to Food Invest International NV. As per 4 February 2014 Sill SA transferred its shares, being 90,197 shares, in Greenyard Foods NV to Food Invest International NV.

In the accounting year that closed on 31 March 2014 there were no other major changes in shareholder structure.

Elements which might have an impact in case of a public takeover bid

Pursuant to Article 34 of the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted to trading on a regulated market, an overview of elements that could have an impact in the event of a public takeover bid for the shares of Greenyard Foods NV is shown below.

Statutory limitation to the exercise of voting rights

Article 8 of the Articles of Association of Greenyard Foods NV states that, if a shareholder has not fully paid up his shares as requested by the Board of Directors within the period stated by the Board of Directors, the exercise of the voting rights associated with the shares concerned will be legally suspended until such time as the payment has been completed.

On 31 March 2014, however, the capital was fully paid up.

Shareholders' agreements that are known to the issuer and that could give rise to share transfer restrictions and/or limitations to the exercise of the voting rights.

The Board of Directors has no knowledge of shareholder agreements that could give rise to share transfer restrictions or to limitations to the exercise of the voting right, except for the following agreements:

- agreement of 15 February 2012 between Food Invest International NV, Agri Investment Fund CVBA (AIF) and Greenyard Foods NV.
- agreement of 15 February 2012 (amendment 27 November 2013) between Gimv NV, Gimv-XL Partners Invest Comm. VA, Adviesbeheer Gimv-XL NV (together Gimv XL), Food Invest International NV, Greenyard Foods NV and Hein Deprez.
- agreement of 30 August 2013 between Food Invest International NV, Union Fermière Morhibannaise Société Coopérative Agricole (UFM) and Greenyard Foods NV.

1. Agreement of 15 February 2012 between Food Invest International NV, Agri Investment Fund CVBA (AIF) and Greenyard Foods NV.

This agreement does not provide for special control rights for the parties. The parties have not made any voting agreements.

The shareholders´ agreement contains both a right of first refusal in favour of Food Invest International NV and AIF and a tag-along right in favour of AIF:

a) On the basis of the right of first refusal, each shareholder (Food Invest International NV, or AIF) that wishes to transfer all of its shares in Greenyard Foods NV, undertakes to first offer them to the other shareholder (either Food Invest International NV, or AIF). The exercise period of the right of first refusal will expire on 15 February 2022. The price at which the right of first refusal can be exercised is equal to the price offered by the prospective buyer to the prospective seller.

b) On the basis of the tag-along right, AIF, in so far as it does not exercise its right of first refusal, has the right to sell its shares in Greenyard Foods NV to the third party who acquires all or a majority of the shares that Food Invest International NV holds in Greenyard Foods NV. The tag-along right can be exercised at the same price, conditions and terms as those offered by the third party. The exercise period of the tag-along right will expire on 15 February 2022.

The shareholders´ agreement provides for a standstill period on the part of AIF that will expire on 1 December 2017.

2. Agreement of 15 February 2012 between Gimv NV, Gimv-XL Partners Invest Comm. VA, Adviesbeheer Gimv-XL NV (together Gimv XL), Food Invest International NV, Greenyard Foods NV and Hein Deprez.

These agreements do not provide for special control rights for the parties. The parties have not made any voting agreements.

The shareholders´ agreement contains a right of first refusal in favour of Food Invest International NV and a tag-along right in favour of Gimv-XL:

(a) On the basis of the right of first refusal, Gimv-XL undertakes, if it wishes to transfer at least 5% of the Greenyard Foods NV shares and in so far as Food Invest International directly or indirectly still holds at least 30% of the Greenyard Foods NV shares, to first offer them to Food Invest International NV. The exercise period of the right of first refusal will expire on 15 February 2022. The price at which the right of first refusal can be exercised is equal to the price offered by the prospective buyer to the prospective seller.

(b) In case Food Invest International NV proceeds to transfer shares of Greenyard Foods NV to a third party, then Gimv-XL has a pro rata tag-along right related to its shares and warrants of Greenyard Foods NV. The tag-along right can be exercised at the same price, conditions and terms as those offered by the third party. The exercise period of the tag-along right will expire on 15 December 2022.

The shareholders´ agreement provides for a standstill period on the part of Food Invest International NV until the earliest of (i) 31 December 2016 or (ii) the day that Gimv-XL holds less than 10% of the outstanding fully diluted capital of Greenyard Foods NV. A standstill period is also provided for on the part of Gimv-XL which will expire on 1 January 2015.

3. Agreements of 30 August 2013 between Food Invest International NV, Deprez Holding NV and Union Fermière Morbihannaise SCA.

These agreements do not provide for special control rights for the parties.

The shareholders´ agreement contains a purchase option in favour of Deprez Holding NV/Food Invest International NV and a sales option in favour of Union Fermiere Morbihannaise SCA related to the 642,411 shares that Union Fermière Morbihannaise SCA obtains in Greenyard Foods NV:

(a) On the basis of the purchase option in favour of Deprez Holding NV/Food Invest International NV, Union Fermiere Morbihannaise SCA agrees to sell the 642,411 shares that Union Fermière Morbihannaise SCA obtains in Greenyard Foods NV to Deprez Holding NV/Food Invest International NV. The purchase option can be exercised as from 1st of August 2013 till 31 July 2017.

(b) On the basis of the sales option in favour of Union Fermiere Morbihannaise SCA, Deprez Holding NV/Food Invest International NV agrees to buy the 642,411 shares that Union Fermière Morbihannaise SCA obtains in Greenyard Foods NV. The sales option can be exercised as from 1st of August 2017 until 1st of August 2018.

Authority of the Board of Directors to issue or purchase own shares

In accordance with article 7 of the articles of association, the Board of Directors is authorised to increase the subscribed capital one or more times, as of the date of the notification by the FSMA to the company of a public takeover bid on the shares of the company, by contribution in cash with suspension or limitation of the preferential right of the existing shareholders or by contribution in kind in conformity with article 607, 2° of the Company Code. This authority was granted for a period of three years counting from the publication of the determination of the implementation of the capital increase that was decided at the Extraordinary General Meeting of 15 February 2012 and can be renewed.

Furthermore, in accordance with article 12 of the articles of association, the Board of Directors is expressly authorised, in compliance with the provisions of the Company Code, to acquire by purchase or exchange or to alienate its own shares, without a preliminary resolution of the General Meeting being required, directly or via a person acting in his own name, but for the account of the company, or via a direct subsidiary within the meaning of article 627 of the Company Code, if this acquisition or alienation is necessary in order to avoid an imminent serious disadvantage for the company. This authorisation applies for a period of three years counting from the publication of the authorisation resolution of the

Extraordinary General Meeting of 2 December 2011. This authorisation can be renewed in accordance with article 620 of the Company Code.

Important agreements that take effect, undergo changes or expire in the event of changes of control of the company

In the context of the working capital financing, a 'Change of Control' clause has been included in the '*€158,500,000 Term and Revolving Facilities Agreement*', as agreed on 16 December 2013 between the Greenyard Foods NV and the bank syndicate with ING Bank NV as Lead Arranger, providing for the bank to demand repayment of the credit in the event of certain changes of control over the capital of Greenyard Foods NV.

Contacts

The investor relations team is available to answer shareholder and investor questions about the Group's activities, shares and other information requests (annual report, detailed accounts of Greenyard Foods NV):

For the attention of Mrs Valerie Vanhoutte
Greenyard Foods NV
Skaldenstraat 7c
B-9042 Gent
Or by e-mail: investorrelations@greenyardfoods.com

Financial calendar

General Assembly accounting year 2013-2014:	19 September 2014 (14:00 hrs)
Announcement of half-year results (01/04/2014-30/09/2014):	20 November 2014 (17:45 hrs)

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for publication by the Board of Directors on 8 July 2014.

CONSOLIDATED INCOME STATEMENT

Consolidated income statement (in thousands of €)	**Note (*)**	**AY 13/14**	**AY 12/13**
CONTINUING OPERATIONS			
Sales	5.1.	623,120	612,087
Increase/decrease (-) in inventories: finished goods and work in progress		22,925	3,714
Other operating income	5.2.	12,962	12,012
Raw materials, consumables and goods for resale	5.3.	-370,152	-344,424
Services and other goods	5.3.	-143,681	-148,293
Personnel costs	5.3.	-87,818	-85,296
Depreciation and amortization	5.3.	-25,897	-20,271
Impairment losses on assets	5.3.	-4,440	
Impairments, write-offs	5.3.	243	-681
Provisions	5.3.	-3,323	-1,128
Other operating charges	5.3.	-3,244	-7,666
Operating profit (EBIT)	5.4.	**20,695**	**20,055**
Non-recurring income	5.4.		
Non-recurring expenses	5.4.	-4,900	**-2,433**
Operating profit before non-recurrings (REBIT)		**25,595**	**22,488**
Financial income	5.5.	2,611	2,201
Financial expenses	5.5.	-19,281	-21,562
Profit (loss) before taxes		**4,025**	**695**
Taxes	5.6.	-7,540	-66
Profit (loss) of the period from continuing operations		-3,515	**629**
DISCONTINUED OPERATIONS			
Profit (loss) of the period from discontinued operations	5.7.	65,271	10,957
PROFIT (LOSS) OF THE PERIOD		**61,756**	**11,586**
Attributable to:			
The shareholders of Greenyard Foods (the 'Group')		62,306	11,102
Non-controlling interests		-550	484

Earnings per share (in € per share)	**Note (*)**	**AY 13/14**	**AY 12/13**
Basic		3.78	0.68
Earnings per share from continued operations	5.8.	-0.18	0.01
Earnings per share from discontinued operations	5.8.	3.96	0.67
Diluted		3.28	0.59
Earnings per share from continued operations	5.8.	-0.18	0.01
Earnings per share from discontinued operations	5.8.	3.46	0.58

(*) The attached notes form an integral part of this income statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income (in thousands of €)	AY 13/14	AY 12/13
Profit (loss) of the period	**61,756**	**11,586**
Other comprehensive income of the period		
Other comprehensive income of the period to be reclassified to income statement in subsequent periods		
Foreign currency translation differences for foreign operations	176	-150
Income tax relating to components of other comprehensive income		
Other comprehensive income of the period not to be reclassified to income statement in subsequent periods		
Actuarial gains and losses (-) on defined benefit contribution plans	-447	
Other	-30	-59
Income tax relating to components of other comprehensive income		
Other comprehensive income (net of tax)	**-301**	**-209**
Total comprehensive income of the period	**61,455**	**11,377**
Attributable to:		
The shareholders of Greenyard Foods (the Group)	62,005	10,893
Non-controlling interests	-550	484

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in thousands of €)	Note (*)	31/03/2014	31/03/2013
NON-CURRENT ASSETS		**280,831**	**180,788**
Intangible fixed assets	6.1.	23,117	24,322
Goodwill	6.2.	10,258	10,233
Tangible fixed assets	6.3.	238,458	131,449
Land and buildings	6.3.	103,872	26,383
Plant, machinery and equipment	6.3.	128,910	102,242
Furniture and vehicles	6.3.	2,243	1,517
Other	6.3.	3,433	1,306
Financial fixed assets	6.4.	39	3,350
Other non-current financial assets	6.4.	39	3,350
Deferred tax assets	6.7.	8,888	10,708
Long-term receivables (> 1 year)	6.6.	72	726
Other receivables	6.6.	72	726
CURRENT ASSETS		**323,944**	**603,200**
Inventories	6.5.	224,905	200,516
Raw materials and consumables	6.5.	23,966	21,839
Work in progress and finished goods	6.5.	200,940	178,677
Amounts receivable	6.8.	84,015	85,060
Trade receivables	6.8.	62,026	65,258
Other receivables	6.8.	21,990	19,802
Other financial assets	6.20.		561
Derivatives	6.20.		561
Cash and cash equivalents	6.9.	15,023	21,815
Assets classified as held for sale	6.19.		295,248
TOTAL ASSETS		**604,775**	**783,988**

(*) The attached notes form an integral part of this statement of financial position.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

EQUITY AND LIABILITIES (in thousands of €)	Note (*)	31/03/2014	31/03/2013
EQUITY		**211,936**	**182,181**
Share capital	6.10.	97,845	154,344
Issued capital	6.10.	97,845	154,344
Share premium and other capital instruments	6.10.	14,309	14,309
Consolidated reserves		93,063	14,426
Cumulative translation adjustments		-3,023	-3,199
Non-controlling interests	6.14.	9,742	2,301
NON-CURRENT OBLIGATIONS		**221,597**	**72,375**
Provisions for pensions and similar rights	6.15./6.16.	1,747	1,536
Other provisions	6.15.	1,054	2,152
Financial debts at credit institutions	6.17.	7,444	2,167
Finance leases	6.17.		
Bank loans	6.17.	7,440	100
Other financial debts	6.17.	4	2,067
Interest-bearing liabilities	6.17.	185,327	39,089
Convertible bond loans with warrants	6.17.	35,707	39,089
Bond loans	6.17.	149,621	
Other amounts payable	6.17.	371	3,128
Deferred tax liabilities	6.7.	25,653	24,302
CURRENT LIABILITIES		**171,241**	**529,431**
Financial debts at credit institutions	6.17.	49,560	197,572
Finance leases	6.17.		3
Bank loans: debts > 1 year payable within current year	6.17.	879	126,923
Bank loans	6.17.	17,705	61,864
Derivatives	6.20.	1,529	7,663
Other financial debts	6.17.	29,446	1,119
Interest-bearing liabilities	6.17.		400
Convertible bond loans	6.17.		400
Bond loans	6.17.		
Trade payables	6.18.	93,352	138,230
Advances received on contracts	6.18.	5	5
Tax payable	6.18.	6,445	5,062
Remuneration and social security	6.18.	15,103	14,837
Other amounts payable	6.18.	6,775	73,696
Liabilities related to assets held for sale	6.19.		99,629
TOTAL EQUITY AND LIABILITIES		**604,775**	**783,988**

(*) The attached notes form an integral part of this statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The table below summarizes the changes in equity in 2012-2013 and 2013-2014:

Consolidated statement of changes in equity (in thousands of €)	Attributable to the shareholders of Greenyard Foods							Non-controlling interests	Total equity
	Capital	Share premium	Treasury shares	Translation Differences	Other Reserves	Retained earnings	Total share of the Group		
Balance as at 31 March 2013	**154,344**	**14,309**	**0**	**-3,199**	**7,012**	**7,414**	**179,881**	**2,301**	**182,181**
Profit (loss) of the period						62,306	62,306	-550	61,756
Other comprehensive income				176		-477	-301		-301
Total comprehensive income	**0**	**0**	**0**	**176**	**0**	**61,829**	**62,005**	**-550**	**61,455**
Dividend payments									
Capital increase									
Capital decrease [2]	-56,499					16,986	-39,513		-39,513
Changes in consolidation scope						-168	-168	7,991	7,823
Others						-10	-10		-10
Balance as at 31 March 2014	**97,845**	**14,309**	**0**	**-3,023**	**7,012**	**86,051**	**202,194**	**9,742**	**211,936**

2 See note '*6.10. Issued capital, share premiums and other capital instruments.*'

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Consolidated statement of changes in equity (in thousands of €)	Attributable to the shareholders of Greenyard Foods							Non-controlling interests	Total equity
	Capital	Share premium	Treasury shares	Translation differences	Other reserves	Retained earnings	Total share of the Group		
Balance as at 1 April 2012	**154,810**	**14,309**	**0**	**-3,049**	**7,012**	**-3,500**	**169,582**	**1,818**	**171,400**
Profit (loss) of the period						11,102	11,102	484	11,586
Other comprehensive income				-150		-59	-209		-209
Total comprehensive income	**0**	**0**	**0**	**-150**	**0**	**11,044**	**10,894**	**484**	**11,377**
Dividend payments									
Capital decrease from incorporating reserves									
Capital increase [3]	-466						-466		-466
Changes in consolidation scope									
Others						-129	-129	-1	-130
Balance as at 31 March 2013	**154,344**	**14,309**	**0**	**-3,199**	**7,012**	**7,414**	**179,881**	**2,301**	**182,181**

[3] See note '*6.10. Issued capital, share premiums and other capital instruments*'.

CONSOLIDATED STATEMENT OF CASH FLOWS [4] [5]

Consolidated statement of cash flows (in thousands of €)	Note (*)	AY 13/14	AY 12/13
CASH AND CASH EQUIVALENTS, OPENING BALANCE	6.9.	*21,815*	*15,581*
CASH FLOW FROM OPERATING ACTIVITIES (A)		-13,612	41,543
Operating profit (EBIT)	5.4.	**20,695**	**20,055**
Income taxes	5.6.	**-6,908**	**-2,567**
Adjustments for non-cash items		**30,282**	**22,218**
Depreciation of tangible fixed assets	6.3.	23,901	18,197
Amortization of intangible fixed assets	6.1.	1,997	2,073
Increase/decrease (-) in amounts written off		4,438	
Write-off on stock/trade receivables		-243	819
Increase/decrease (-) in provisions	6.15.	189	1,128
Gain (-)/ loss on disposal of fixed assets			
Increase/decrease (-) in working capital		**-57,680**	**1,836**
Increase (-)/decrease in inventories		-4,416	-546
Increase (-)/decrease in trade and other receivables	6.8.	12,178	16,619
Increase/decrease (-) in trade and other payables		-65,672	-12,813
Effect of exchange rate on working capital		229	-1,424
CASH FLOW FROM INVESTING ACTIVITIES (B)		62,095	-20,894
Acquisitions (-)		**-123,091**	**-20,894**
Acquisition of intangible fixed assets		-1,338	-761
Acquisition of tangible fixed assets		-23,731	-20,133
Acquisition of production facilities		-98,021	
Disposals		**185,185**	**0**
Disposal of tangible fixed assets			
Disposal of potato division		185,185	
CASH FLOW FROM FINANCING ACTIVITIES (C)		-54,704	-14,268
Capital decrease	6.10.	-39,502	
Capital increase	6.10.		-466
Increase long- and short-term funding		193,967	17,140
Decrease (-) long- and short-term funding		-201,118	-15,419
Net interests paid		-6,707	-13,672
Other financial charges		-1,343	-1,851
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		*-6,222*	*6,381*
Effect of exchange rate fluctuations		-570	-147
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	6.10.	*15,023*	*21,815*

(*) The attached notes form an integral part of this consolidated statement of cash flows.

[4] Cash flow from continued operations. For an overview of the cash flow from discontinued operations we refer to heading 5.7. *Discontinued operations*.

[5] A reclassification has been made in the cash flow statement of 2012/2013 in order to correspond to the cash flow statement of accounting year 2013/2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Greenyard Foods NV is a company established in Belgium. Its legal address is Skaldenstraat 7c, 9042 Gent. The consolidated financial statements of Greenyard Foods NV for the financial year ending on 31 March 2014 cover Greenyard Foods NV and its subsidiaries ('the Group') and Greenyard Foods NV's interests in associated companies and entities over which joint control is exercised.

Greenyard Foods NV is active predominantly in the processing and commercialization of fruit and vegetables and ready-to-eat food, both deep-frozen and canned. Greenyard Foods has fifteen production facilities as per 31 March 2014: Westrozebeke, Langemark, Rijkevorsel and Bree (Belgium), Moréac, Comines and Ychoux (France), King's Lynn and Boston (UK), Baja (Hungary), Manschnow (Germany) and Dabrowa, Elk, Lipno and Adamow (Poland). In addition, the Company has sales offices in five continents.

Greenyard Foods's business is focused primarily on companies in the Food Industry, Food Service and Retail sectors. Greenyard Foods offers its customers a total "Vegetable Solution" concept, in line with a growing market trend towards "component cooking". The Group maintains its own R&D centre, focusing on product and process innovation.

The consolidated financial statements provide a general overview of the Group's activities and the results achieved. They give a true and fair view of the entity's financial position, financial performance and cash flows on a going concern basis.

On 8 July 2014 the consolidated financial statements were approved for publication by the Board of Directors.

2. FINANCIAL REPORTING PRINCIPLES

2.1. DECLARATION OF CONFORMITY

The present consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), as approved by the European Union.

2.2. NEWLY PUBLISHED STANDARDS AND INTERPRETATIONS WHICH ARE NOT YET APPLICABLE

The following (other) new Standards and Interpretations that came into application as from the period of 1st of April 2013 to 31st of March 2014 onwards have no or limited impact on the consolidated financial statements of the Group:

- IFRS 13 "*Fair Value Measurement*" (applicable for annual periods beginning on or after 1 January 2013);
- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013);
- Amendment to IFRS 1 "*First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*" (applicable for annual periods beginning on or after 1 January 2013);
- Amendment to IFRS 1 "*First Time Adoption of International Financial Reporting Standards – Loans received from governments at a below market rate of interest*" (applicable for annual periods beginning on or after 1 January 2013);
- Amendment to IFRS 7 *"Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities"* (applicable for annual periods beginning on or after 1 January 2013);
- Amendment to IAS 1 "*Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income*" (applicable for annual periods beginning on or after 1 July 2012);
- Amendment to IAS 12 "*Income Taxes – Deferred Tax: Recovery of Underlying Assets*" (applicable for annual periods beginning on or after 1 January 2013);
- Amendments to IAS 19 "*Employee Benefits*" (applicable for annual periods beginning on or after 1 January 2013);

The Group did not apply prospectively to the 2013-2014 financial year the following new Standards and Interpretations, which had been issued but had not yet come into effect at the date of approval of this annual report:

- IFRS 9 “*Financial Instruments”* and subsequent amendments (applicable for annual periods beginning on or after 1 January 2015, but not yet endorsed in EU);
- IFRS 10 “*Consolidated Financial Statements”* (applicable for annual periods beginning on or after 1 January 2014);
- IFRS 11 “*Joint Arrangements”* (applicable for annual periods beginning on or after 1 January 2014);
- IFRS 12 “*Disclosures of Interests in Other Entities”* (applicable for annual periods beginning on or after 1 January 2014);
- IAS 28 “*Investments in Associates and Joint Ventures”* (applicable for annual periods beginning on or after 1 January 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 27 – “*Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities”* (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU);
- IFRS 14 “*Regulatory Deferral Accounts”* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU);
- IFRS 15 “*Revenue with contracts with customers”* (applicable to an annual reporting period beginning on or after 1 January 2017);
- Amendments to IAS 19 “*Employee Benefits – Employee Contributions”* (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU);
- Amendments to IAS 32 “*Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities”* (applicable for annual periods beginning on or after 1 January 2014);
- Amendments to IAS 36 – “*Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset”* (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU);
- Amendments to IAS 39 – “*Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting”* (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU);
- Improvements to IFRS (2010-2012) (normally applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU);
- Improvements to IFRS (2011-2013) (normally applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU);
- Amendments to IFRS 11 “*Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations”* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU);
- Amendments to IAS 16 and IAS 38 “*Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization”* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU);
- IFRIC 21 – “*Levies”* (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU).

At the present time the Group does not expect that the first-time application of these standards and interpretations will significantly affect the financial statements of the Group during the period of first-time application, with the exception of:

- IFRS 9 “*Financial Instruments”* (applicable for annual periods beginning on or after 1 January 2015, but not yet endorsed in EU), the application of which can significantly affect the classification and measurement of financial assets;
- IFRIC 21 – *Levies* (applicable for annual periods beginning on or after 1 April 2015, but not yet endorsed in EU).

Based on its current assessment, the Group believes that the impact of IFRS 21 will be that several levies will no longer be allowed to be spread over the calendar year, as the obligating event occurs at a specific point of time and after which the Group can no longer avoid the outflow of economic benefits by its own actions. This might impact the Group’s year reporting.

2.3. VALUATION RULES

In the accounting year 2013-2014 no major changes took place in the valuation rules compared with the previous reporting period.

A. Consolidation principles

The consolidated annual financial statements consolidate the financial data of Greenyard Foods NV and the enterprises over which it has control, i.e. its subsidiaries, after eliminating all material transactions within the Group.

Subsidiaries

Subsidiaries are those companies over which the parent company has control, i.e. the power to direct the financial and operating policy of a company in order to benefit from its activities. In assessing whether control exists, account is taken of potential voting rights that are exercisable or convertible at that time. Subsidiaries are those companies in which Greenyard Foods NV has, directly or indirectly, over 50% of the voting rights or in which Greenyard Foods NV can exercise, directly or indirectly, a decisive influence on policy.

Subsidiaries are fully consolidated. The financial statements of subsidiaries are included in the consolidated financial statements from the date that the parent company gains control until the date that it loses control. Equity and net result attributable to minority shareholders are shown separately in the statement of financial position and income statement respectively.

The financial statements of subsidiaries and joint ventures are drawn up for the same financial year as that of the parent company, based on uniform financial reporting principles for comparable transactions and other occurrences in similar circumstances.

Non-controlling interests

Non-controlling interests represent the shares of minority shareholders in the equity of subsidiaries which are not fully owned by the Group.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and presented in a separate line under the equity of the Group. The book value of non-controlling interests in net assets consists of:

- On the one hand, the amount of the non-controlling interests at the time of the original business combination, measured in accordance with IFRS 3 *"Business Combinations (2008)"*. The revised Standard allows a choice of measurement: initial valuation at fair value or initial valuation at the minority shareholders' proportion of the fair values of net assets recognized on acquisition of a subsidiary (business combination) (see below in these notes under the heading 'business combinations'). The choice ('full goodwill'-option) can be made on a transaction-by-transaction basis.
- On the other hand, non-controlling interests' share in changes in equity since the acquisition date.

The losses in a consolidated subsidiary attributable to the non-controlling interests may be greater than the non-controlling interest in the equity of a subsidiary. Any such excess and any further losses applicable to the non-controlling interest are deducted from the non-controlling interests which makes it possible to have a negative amount under the revised Standard.

Business combinations

As from 1 January 2010 onwards, business combinations and acquisitions are accounted for using the purchase method in accordance with the revised Standard IFRS 3 "*Business combinations (2008)*".

For each acquisition the cost, in order to obtain control over an entity, is measured as the total fair value, at the date of exchange, of relinquished assets, issued 'equity instruments' and liabilities entered into or taken over. The consideration transferred in a business combination includes the fair value, at the date of exchange, of the assets and liabilities resulting from a contingent consideration arrangement. The costs made by the acquirer that are directly attributable to the business combination are recognized as an expense in profit and loss as incurred, except for the costs of the issue of bonds or shares and similar instruments that are handled in accordance with IAS 32 and IAS 39.

Identifiable acquired assets, liabilities taken over and contingent liabilities which are part of a business combination are initially measured at their fair value at acquisition date, with the exception of fixed assets held for sale in accordance with IFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"*, which are measured at fair value minus the cost of selling them, regardless of the existence of any non-controlling interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. Subsequent changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments are recognized in accordance with the relevant IFRS Standards (in equity or in profit or loss).

The 'full goodwill' option, which can be elected on a case by case basis, allows the acquirer to measure the non-controlling interest in the acquiree either at fair value or at its proportionate share of the acquiree's net assets.

In accordance with IFRS 3, the purchase of a non-controlling interest after control is obtained cannot be accounted for as a business combination but an appropriate accounting treatment is not foreseen in the current standard. As a consequence, the Group has decided to apply the accounting principles set out in IAS 27 (revised January 2008), "*Consolidated and Separate Financial Statements"*, in this respect. Consequently, a purchase of a non-controlling interest after control is obtained is accounted for as a transaction between equity holders in that capacity. As such, the purchase of a non-controlling interest cannot give rise to goodwill or to a gain or loss in the income statement. Any difference between the fair value of the acquired non-controlling interest and the purchase consideration is recognized directly in equity. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in joint ventures and associated companies

Joint ventures are enterprises in which the Group enters into a contractual agreement with one or more parties to undertake, directly or indirectly, an economic activity over which they have joint control, i.e. that the strategic, financial and operating decisions on this activity require the unanimous agreement of the parties sharing control.

Associated companies are companies in which the Group exercises, directly or indirectly, significant influence, but has no control over the entity's financial and operating policy and which are neither subsidiaries nor joint ventures. This is presumed if the Group holds at least 20% or more of the companies' voting rights.

The consolidated financial statements include the Group's share of the results of joint ventures and associates accounted for using the equity method from the date when joint control or significant influence commences until the date when joint control or significant influence ceases, except where the investment is classified as held for sale and then needs to be accounted for in accordance with IFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"*.

Assets held for sale and discontinued operations

The financial information included for these companies is prepared using the accounting policies of the Group. Under the equity method investments in associated companies and joint ventures are initially recognized at cost and then adjusted to reflect changes in the investor's share in the net assets of the company subsequent to acquisition, less any impairment in the value of individual investments. Losses of an associated company that exceed the Group's interests in the associated company (also including all long-term interests which are in essence part of the Group's investments in this associated company) are not recorded, except to the extent that the Group has incurred obligations in respect of that associate.

The carrying amounts of investments in joint ventures and associates are reassessed if there are indications that the asset has been impaired or that impairment losses recognized in prior years have ceased to apply.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. The investments in joint ventures and associates in the balance sheet include the carrying amount of any related goodwill, which is assessed for possible impairment as part of this investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss ('badwill').

At 31 March 2013 and 31 March 2014 the Group had no interests in joint ventures and there were no associated companies.

Consolidation eliminations

All intra-group balances and transactions with subsidiaries, including unrealized gains on intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealized losses are also eliminated unless the impairment is permanent.

Unrealized gains on transactions with associated companies and joint ventures are eliminated in the amount of the Group's interest in the entity. The same elimination rules apply to unrealized losses as for unrealized gains, with the difference that they are eliminated only where there is no indication for recording an impairment.

Finally, we would refer the reader to our consolidation scope, as mentioned in note *"7.1. Subsidiaries"*.

B. Foreign currencies

The individual financial statements of each Group member are presented in the currency of the primary economic environment in which the entity is active (its functional currency). For the purpose of drawing up the consolidated annual accounts, the results and the financial position of each entity are expressed in euros, which is the functional currency of the parent company, and that in which the consolidated financial statements are presented.

Transactions in foreign currencies

A transaction undertaken in a foreign currency, when first recorded in the functional currency, is recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency on the date of the transaction. On every balance sheet date monetary items in a foreign currency are converted on the basis of the closing rate. Non-monetary assets and liabilities are converted at the exchange rate on the transaction date. Foreign exchange differences resulting from the settlement of monetary items or from the conversion of monetary items at exchange rates that differ from those at which they were translated when first recognized, are recognized in the income statement in the period in which they occur as realized or unrealized translation gains or losses. Realized or unrealized translation gains and losses are recognized in the financial result.

The Group enters into term contracts to hedge against exposure to certain exchange rate differences. We refer here to note *"(u) derivatives"* on the measurement rules for this type of financial instrument and to note *"6.20. Risk Management Policy"*, where this type of instrument is analyzed more closely.

Financial statements of foreign entities

Monetary assets, non-monetary assets and liabilities of foreign entities having a functional currency other than the euro are translated at the closing exchange rate at the balance sheet date. The benefits and charges in each income statement (including the comparative figures) are translated at the average exchange rate. All resulting translation differences are recognized in a separate equity line, more specifically 'translation differences'. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

The following exchange rates were used in preparing the financial statements:

	Closing rate			Average rate		
	31 March 2014	*31 March 2013*	*Change %*	*31 March 2014*	*31 March 2013*	*Change %*
1 GBP =	1.20970 €	1.18500 €	2.1%	1.18550 €	1.22740 €	-3.4%
1 USD =	0.72710 €	0.78000 €	-6.8%	0.74640 €	0.77670 €	-3.9%
1 PLN =	0.23960 €	0.23900 €	0.3%	0.23770 €	0.24010 €	-1.0%
1 HUF =	0.00320 €	0.00330 €	-3.0%	0.00330 €	0.00350 €	-5.7%
1 BRL =	0.32080 €	0.38510 €	-16.7%	0.33270 €	0.38600 €	-13.8%
1 JPY =	0.00710 €	0.00830 €	-14.5%	0.00750 €	0.00940 €	-20.2%
1 CNY =	0.11790 €	0.12420 €	-5.1%	0.12120 €	0.12310 €	-1.5%

The average rate has been calculated over the past twelve months (2012-2013: past twelve months).

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. The cumulative amount of translation differences that were previously allocated to the non-controlling interests are taken out of consolidation, but are not reclassified to profit or loss.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount of translation differences is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture which includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount of translation differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period.

C. Segmented information

IFRS 8 *"Operating segments"* requires disclosure of information about the Group's operating segments and requires a 'management approach', so that the segment information is presented on the same basis as for internal reporting purposes. Additional explanation about each of the operating segments is given in explanatory note *"4. Segmented information"*.

D. Non-current assets held for sale and discontinued operations

A discontinued operation is a component of the Group that has either been disposed of or is classified as held for sale, which represents a separate significant operating activity or geographical area of operations, is part of a coordinated plan to be disposed of as a separate significant business activity and which can be distinguished operationally and for financial reporting purposes.

The Group classifies a non-current asset (or a group of assets being disposed of) as held for sale when its carrying amount will be realized mainly in a sales transaction and not through the continued used of the same. This condition is fulfilled only when the sale is highly probable and the asset (or the group of assets being disposed of) is immediately available for sale in its present state.

For a sale to be highly probable, management must have committed itself to a plan for selling the asset (or group of assets being disposed of), which is expected to be recognized as a completed sale within one year of the classification date, and an active program to locate a buyer and complete the plan should be initiated. In addition the asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value.

Immediately before the asset is classified for the first time as held for sale the Group measures the carrying amount of the asset (or of all assets and liabilities in the Group) in accordance with the applicable IFRSs. Non-current assets and groups of assets to be disposed of, when first recognized as held for sale, are measured at the lower of carrying amount and fair value less the cost of selling them, Impairment losses are recorded in the event of any initial or later write-down of an asset (or group of assets to be disposed of) to fair value minus the cost of selling it. Depreciation of such assets is discontinued as from their classification as held for sale. Comparative balance sheet information for prior periods is not restated to reflect the new classification in the balance sheet.

E. Intangible fixed assets

Intangible fixed assets consist of titles, brand names, customer portfolios, software, licenses and ownership and similar rights acquired from third parties or acquired by contribution, along with internally generated software. Intangible assets acquired in a business combination are initially measured at fair value which thus becomes its deemed cost; intangible assets acquired separately are initially measured at cost.

Intangible fixed assets with unlimited useful life

Intangible fixed assets with unlimited useful life are recorded at cost. No amortization is taken on intangible fixed assets with unlimited useful life, but these will be assessed annually to determine whether any impairment has taken place. Where the realizable value of these intangible fixed assets is lower than their carrying amount, an impairment loss will be recorded in the income statement. At the balance sheet data no intangible fixed assets with unlimited useful life were identified.

Intangible fixed assets with limited useful life

Intangible fixed assets with limited useful life are recorded at cost less accumulated amortization and any accumulated impairments. Intangible fixed assets having a limited useful life are amortized over their expected useful life by the straight-line method from the date on which the asset was available. The remaining useful life and the amortization method are assessed annually during the financial year end closing. A change in the useful life of an intangible asset is accounted for prospectively as a change in estimate.

The following useful lives are applied by the Group:

- Software 5 years
- Development costs 5 years
- Licenses and ownership rights 5 years
- Customer portfolio Noliko Group 15 years

Where the fair value is lower than the carrying amount calculated in this way, impairments losses will be recorded in the income statement.

Research and development

Research expenditure undertaken with a view to acquiring new scientific or technical knowledge and insights is charged to the income statement when incurred.

Development expenditure, where the results are applied to a plan or a design for producing new or significantly improved products and processes, prior to commercial production or use is capitalized if, and only if, all of the recognition criteria set out below are met:

- The product or process is technically or commercially realizable;
- The Group intends to complete the intangible asset and either use it or sell it;
- The product or process can be used or sold;
- The assets are demonstrably likely to generate future economic benefits;
- The Group has adequate technical, financial and other resources to complete the development and to use or sell
- The intangible asset;
- The Group can reliably assess the expenditure allocated to the intangible asset during its development.

The capitalized amount contains all costs that are directly attributable to the bringing into being and production of the asset, so that it can function in the way intended by management. An in-process research and development project acquired in a business combination is recognized as an asset separately from goodwill if its fair value can be measured reliably.

Capitalized development costs are written off on a straight-line basis over the period during which benefits are expected to accrue, from the time that the product or process is ready for use.

F. Goodwill

Goodwill that arises upon a business combination is initially recorded as an asset on the day control is obtained ('acquisition date').

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is initially recognized as an asset at cost, and subsequently measured at cost less any accumulated impairments.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

The cash generating unit to which goodwill is attributed is tested annually for impairment, and also whenever an indication exists that the unit may have undergone an impairment, by comparing the carrying amount with its realizable value. The realizable value is the higher of the fair value minus costs to sell and value in use.

Where the realizable value of the cash generating unit is lower than its carrying amount, an impairment will first be recognized against the carrying amount of the goodwill attributed to the unit, and then against the other assets of the unit pro rata to the carrying amount of each asset in the unit. An impairment recognized on goodwill may not be reversed at a later date.

When a subsidiary, joint venture or associated company is sold, the goodwill attributed to it is taken into account in determining the gain or loss on the sale.

The Group policy with regard to the determination of goodwill on the acquisition of an associate is discussed above under the heading *"a) consolidation principles"*.

G. Tangible fixed assets

Owned assets

The Group has opted for the historical cost model and not for the revaluation model. Property, plant and equipment acquired separately is initially measured at cost. Property, plant and equipment acquired in a business combination is initially measured at fair value, which thus becomes its deemed cost. After initial recognition, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairments.

The cost consists of the initial purchase price together with all directly attributable costs incurred in order to make the asset able to function in the intended manner (non-refundable taxes, transport, etc.). The cost of a self-produced asset includes the cost of the materials, direct wage costs and a proportionate share of the production overhead.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that takes a substantial period of time to get ready for use or sale.

Subsequent costs

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, but only when it is probable that the future economic benefit linked to the item will flow to the Group and when the cost of the item can be reliably assessed. All other repair and maintenance costs are recognized in the income statement when incurred.

Depreciation

Depreciation is recorded by the straight-line method over the expected useful life of the asset. The depreciation of an asset begins as soon as it is ready for its intended use. The depreciation amount is charged to the income statement. No depreciation is taken on land and on properties under construction.

The remaining value and the useful life of an asset are reviewed at least at the end of every financial year, and where expectations differ from previous estimates, the change(s) are treated administratively as a change in estimate in accordance with IAS 8 *"Changes in Accounting Estimates and Errors".*

Initially the following average useful lives are applied:

• Buildings	18 years
• Plant, machinery and equipment	
○ Production	13 - 16 years
○ Packing	12 - 16 years
○ Energy	13 - 20 years
○ Other	12 - 15 years
• Furniture and vehicles	6 years
• Other equipment	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (see section on *"i) Impairment of assets"* below). Gains and losses on the disposal of fixed assets, being the difference between the sales price and the carrying amount of the assets being disposed of, are recognized in the income statement.

Government grants

Government grants relating to the purchase of property, plant and equipment are deducted from the cost of those assets. They are recognized in the balance sheet at their expected value at the time of initial government approval and corrected, if necessary, after final approval. The grant is amortized over the depreciation period of the underlying assets.

H. Leasing

A leasing agreement is classified as a finance lease when almost all the risks and benefits of ownership are transferred to the lessee. All other forms of leases are regarded as operating leases.

Finance leases

At the beginning of the lease period finance leases are recognized as assets and liabilities at amounts equal to the fair value of the leased asset or, where lower, at the present value of the minimum lease payments. The corresponding liability towards the lessor is recorded in the balance sheet as a liability under a finance lease. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine it; otherwise the Company's incremental borrowing rate is used.

The minimum lease payments are recorded partly as financing costs and partly as repayment of the outstanding obligation. Financing costs are allocated to each period of the total lease period in such a way as to give a constant periodic rate of interest over the remaining balance of the obligation. Conditional lease payments are charged to income in the periods in which they are made.

The depreciable amount of a leased asset is systematically attributed to each reporting period during the period of expected use, on a basis consistent with the depreciation principles applied by the lessee to its directly owned assets. When it is reasonably certain that the lessee will acquire ownership at the end of the lease period, the expected period of use is equal to the useful life of the asset. Otherwise the asset is depreciated over the shorter of the lease period or the useful life.

Operating leases

Lease payments on operating leases must be charged to income pro rata temporis during the lease period, except where another systematic form of allocation is more representative for the time pattern of the user's benefit. Benefits (to be) received as an incentive to conclude an operating lease agreement are also spread pro rata temporis over the lease period.

Improvements to buildings held under operating leases are depreciated over their expected useful lives, or, where shorter, the term of the relevant lease.

I. Impairment of tangible and intangible fixed assets

In accordance with IAS 36, an assessment is made, at each balance sheet date, in respect of the Group's tangible and intangible assets, as to whether there are indications that an impairment loss needs to be recognized on a particular asset. Where an indication exists of such impairment, the realizable value of the asset is estimated. The realizable value of an asset or a cash flow-generating unit is the higher of the fair value after deducting the cost of selling it and its value in use. To determine the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks attached to the asset.

An impairment loss is recognized whenever the carrying amount of an asset, or the cash flow generating unit to which the asset belongs, is higher than the realizable amount. Impairment losses are recognized directly to the income statement.

Reversal of impairment losses recognized in prior years is included as income when there is an indication that the impairment losses recognized for the asset are no longer needed or the need has decreased. Whenever an impairment is reversed, the carrying amount of the asset is increased up to the revised estimate of its realizable amount, but in such a way that the increased carrying amount is no higher than the carrying amount that would have been determined if no impairment had been recognized on the asset in earlier years.

J. Inventories

Inventories are measured at the lower of cost (purchase costs or costs of conversion) by the FIFO (first-in, first-out) method and realizable value. The costs of conversion include all direct and indirect costs that are necessarily incurred in bringing the inventories to their present location and state. The net realizable value is the estimated sales price in the ordinary course of business, less the estimated costs of completion and the necessary costs of making the sale. Inventory is written down monthly on the basis of its market value. We refer to note *"6.5. Inventories"* for further information on the valuation of inventories.

According to IAS 41 *"Agriculture"*, own vegetables which are grown on rented land should be measured on initial recognition until the moment they are harvested at fair value minus costs to sell.

K. Financial assets

The Group classifies its financial assets in the following categories: 'at fair value through profit or loss' (FaAFVTPL/FaHT), 'available-for-sale' (FaAFS), 'held-to-maturity' (Htm) and 'loans and receivables' (L&R). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Criteria for the first-time recognition and for the derecognition of financial assets

The purchase and sale of financial assets are recognized at completion date. This means that an asset is recognized on the date that it is received by the Group, and that it is derecognized on the date that the Group disposes of it.

Criteria for the valuation of financial assets

Financial assets are initially measured at cost, which is equal to the fair value of the purchase price, including transaction costs. For derivatives, transaction costs should be charged to income immediately. Financial assets, other than those at fair value through profit or loss, are tested for impairment when there is objective evidence that they could be impaired. An impairment loss is directly recognized in the income statement.

- *Financial assets at fair value through the income statement (FaAFVTPL/FaHT)*
  These include:
  (a) Financial assets which are initially recognized and measured at fair value, and where subsequent changes in fair value are passed through the income statement;
  (b) Financial assets held for trading purposes. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. This includes derivatives that do not serve to hedge a specific transaction.

Both these categories are measured on recognition at their fair value, with subsequent changes in this fair value passed through the income statement.

- *Available-for-sale financial assets (FaAFS)*
  Non-current available-for-sale assets include investments in entities which were not acquired principally for the purpose of selling in the short-term, and which are neither consolidated nor accounted for using the equity method. Available-for-sale financial assets are classified under the 'other non-current financial assets' heading of financial fixed assets. Available-for-sale financial assets are measured, after initial recognition, at fair value in the balance sheet. Investments in equities that are classified as available-for-sale financial assets but for which no price quotation on an active market is available, and the fair value of which cannot be reliably determined, are recognised at their historical cost less any impairments. Gains and losses deriving from changes in the fair value of available-for-sale assets are recorded directly to equity. When the participating interest is sold, received or otherwise disposed of, or when the carrying value of the participating interest is written down owing to an impairment, the accumulated profit (or loss) previously included in equity is transferred to the income statement.

- *Held-to-maturity investments (Htm)*
  Held-to-maturity investments are measured at cost, amortized using the 'effective interest method' less any impairments.

- *Loans and receivables (L&R)*
  Loans and receivables are measured at amortized cost less any impairments. Based on an examination of all amounts outstanding at balance sheet date, an estimate is made of all loans and receivables of which the ability to collect is in doubt. An impairment loss is recognized in the income statement in the amount of the difference between the carrying amount of the receivables and the current value of the estimated future cash flows. Loans and receivables include here trade receivables, other receivables, short-term financial assets, cash and cash equivalents.

L. Trade and other receivables

Short-term trade receivables and other receivables are initially measured at fair value. At the end of the financial year, doubtful receivables are estimated based on an assessment of all outstanding amounts. Valuation allowances are recognized in the income statement whenever an objective proof exists that the asset has reduced in value.

The amount of the valuation allowance is determined as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the original effective interest rate at the time of first recognition. No valuation allowances are taken by the Group for overdue amounts where collection is still deemed probable, for example because outstanding amounts are recoverable from the tax authorities or because the Group holds sufficient security. We refer to note *"6.8. Trade and other receivables"* for more information with regard to the accounting of write-offs.

M. Cash and cash equivalents

Cash and cash equivalents consist of cash and call deposits, short-term (< 3 months) investments, cheques and highly liquid short-term investments that can be immediately converted into cash, of which the amount is known and which contain no material risk of reduction in value.

N. Equity instruments and interest-bearing liabilities: distinction

Equity instruments and interest-bearing liabilities issued by the Group are classified on the basis of the economic reality of the contractual agreements and the definitions of the interest-bearing instrument and the equity instrument.

Equity instruments

An equity instrument is any contract that consists of a remaining interest in the Group's assets, after deducting all liabilities. An equity instrument issued by the Group is recognized under equity on the basis of the income received less direct transaction costs.

Interest-bearing liabilities

Interest-bearing liabilities are measured initially at fair value, less attributable transaction costs. After initial valuation interest-bearing liabilities are recognized at their amortized cost price, with the difference between the initial amount and the redemption value taken into the income statement pro rata temporis based on the 'effective interest' method.

O. Equity instruments

Equity instruments of the Group are not revalued.

Own shares

Own shares are deducted from equity and reported in the statement of changes in equity. No gain or loss is recognized on the purchase, sale, issue or cancellation of own shares. Transaction costs directly attributable to the acquisition of own shares (after deducting any taxes) are also deducted from the equity attributable to the shareholders of the company. The result on the disposal of treasury shares sold or cancelled is recognized in retained earnings.

Dividends

Dividends are recognized as amounts payable in the period in which they are formally allotted, after approval by the General Meeting of Shareholders. Until such formal approval, the proposed dividends are included in the Group's consolidated equity.

P. Provisions

Provisions are set up in the statement of financial position whenever the Group has an existing (legally enforceable or 'de facto') obligation deriving from a past event and it is probable that an outflow of resources representing economic benefits will be necessary in order to complete the transaction, and the amount of the obligation can be reliably estimated. The amount recognized as a provision is the best estimate at the balance sheet date of the outflow needed in order to fulfill the existing obligation, eventually discounted where the time value of money is a relevant factor.

Reorganization or restructuring

A provision for reorganization costs is recorded in those cases where the Group has approved a detailed formal reorganization plan and has created a valid expectation among those involved that the reorganization will be carried out by beginning to implement the plan or by informing the parties involved of the key features of the same prior to the balance sheet date. Restructuring provisions include only the direct expenditure arising from the restructuring which is necessarily incurred on the restructuring and is not associated with the ongoing activities of the entity.

Environmental provisions

Environmental provisions are booked in accordance with applicable statutory duties on one hand and environmental policy developed by the Group on the other.

Q. Employee benefits

Pension obligations ('defined contribution plans')

In the 'defined contribution plans', the actuarial risk and the investment risk are borne entirely by the employee. Obligations relating to these plans are recognized directly in the income statement at the time incurred.

Defined pension schemes (‘defined benefit plans’)

In defined benefit plans, the amount on the balance sheet (the ‘net liability’) corresponds to the present value of the gross liability, reduced by potential plan assets. The ‘present value of the gross liability of a defined benefit plan’ is the present value of expected future payments required to settle the liability which results from the employee’s service record in the previous periods.

The discounted value of the liability arising from defined pension rights and the assigned pension costs associated with the year of service are calculated using the projected unit credit method. The discount rate corresponds to the rate of return on the balance sheet date on corporate bonds with a high degree of creditworthiness and a remaining term comparable with the term of the Group’s liabilities.

‘Actuarial gains and losses’ include adjustments on the basis of experience (the consequences of differences between previous actuarial assumptions and what has actually happened) and the consequences of changes to actuarial assumptions. Actuarial gains and losses are recognized in the other comprehensive income at the moment they arise.

‘Past service costs’ refers to the increase in the present value of the gross obligation for services that were delivered by employees in previous periods and that arise in the current period from the introduction of or changes in the remunerations after retirement. Past service costs are immediately recognised in the income statement.

Share-based payments

Share option programs and warrant plans enable employees and senior management to acquire shares in the company. The fair value of the services received from employees is recognized as an expense. The total amount to be recognized as an expense during the vesting period is determined on the basis of the fair value of the share options granted, not taking into account the impact of market price-unrelated conditions. Account is taken of market price-related conditions in the assumptions concerning the expected number of share options that will become unconditional. At each balance sheet date the Group revises its estimates of the numbers of share options that will become unconditional. Where applicable, the impact of the revision of the original estimates is recognized in the income statement with a corresponding entry to equity over the remainder of the vesting period. If and when the options are exercised, equity is increased by the amount of the monies received.

Other long-term employee benefits

Other long-term employee benefits consist of future remuneration to which employees are entitled based on services rendered during the present or previous periods. These benefits are treated in the same way as defined pension schemes, except that all actuarial gains and losses are recognized immediately, no bandwidth is applied and all past service costs are recognized immediately.

The Group has no other long-term employee benefits.

R. Other financial liabilities: bank loans

Interest-bearing bank loans and overdrafts are measured initially at fair value after deduction of transaction costs, and are subsequently measured at their amortized cost calculated according to the effective interest method.

S. Other financial liabilities: subordinated loans

Loans are initially recorded in the financial statements at fair value, net of transaction costs, and then at amortized cost. The difference between the income (net of transaction costs) and the redemption value is recognized in the income statement over the life of the loan by the effective interest method.

T. Other financial liabilities: trade and other payables

Trade and other payables are measured at amortized cost.

U. Financial assets and liabilities: derivatives

Financial risk factors

The Group uses derivatives to limit risks relating to unfavorable foreign currency and interest-rate fluctuations arising out of operating, financial and investment activities. It is the Group's policy not to speculate in financial derivatives. The Group uses foreign currency buy and sell options, interest-rate swaps and other derivative instruments to control the impact of foreign currency and interest-rate fluctuations. These financial instruments are used solely to hedge exposure to currency and interest-rate risks.

Hedging instruments

The Group has opted not to apply hedge accounting. Should the Group decide in the future to apply hedge accounting, a formal documentation system would then be implemented in order to identify the underlying transaction as fast as possible when entering into new contracts, in order to establish whether the hedging instrument squares with the Group's risk management and to test the appropriateness of the hedging instrument on a permanent basis.

Valuation

Derivatives that represent economic hedging but do not fulfill the strict hedge accounting criteria as prescribed in IAS 39 *"Financial Instruments: Recognition and measurement",* are treated for accounting purposes as financial assets or financial liabilities measured at fair value (FaAFVPL/FlFVPL), with changes in value being passed through the income statement. The fair value of traded derivatives is equal to their market value. If no market value is available, the fair value is calculated using standard financial valuation models, based upon the relevant market rates at the reporting date, In the case of interest-bearing derivatives, the fair values correspond to the clean price, excluding interest accrued.

V. Income taxes

Income taxes consist of current and deferred taxes.

The current tax liability is based on the fiscal profit for the year. The current tax is the amount of the income tax owed with respect to the fiscal profit of the period, together with any adjustments relating to prior periods. This amount is calculated based on local tax rates (or tax rates for which the legislative process is essentially completed) at balance sheet date. Current taxes for the current and prior periods are, in so far as not already paid, recognized as a liability. Where the amount already paid in respect of the current and prior periods is greater than the amount due in respect of this period, the balance is recorded as an asset.

Deferred taxes are recognized based on the 'liability' or balance method, for all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding fiscal carrying amount used in calculating the fiscal profit. In general deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that taxable profits are available for offsetting against deductible temporary differences. Such liabilities and receivables are not recognized when the temporary differences result from the first-time recognition of goodwill or from the first-time recognition (other than in a business combination) of other assets or liabilities in a transaction that has no effect whatsoever on the pre-tax profit, nor on the fiscal profit. The main temporary differences relate to the depreciation of tangible fixed assets, the effect of changed depreciations on the inventory valuation, the effect of changes in the inventory valuation method (full cost instead of direct cost) at the canning division, the recognition of grants and the impact of the acquisitions.

Deferred tax liabilities are recognized for all taxable temporary differences relating to investments in subsidiaries, branches, associated companies and interests in joint ventures, unless the Group is able to determine when the temporary difference reverses and it is likely that the temporary difference will not reverse in the near future.

The carrying amount of a deferred tax liability should be assessed at every balance sheet date. The Group will reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient fiscal profit will be available to permit its application, in part or in whole, to the benefit of the deferred tax asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applicable to the period when the asset is recovered or the liability is settled. Deferred taxes must be taken as income or expenses into the income statement of the period, unless they refer to elements recognized directly to equity, in which case the deferred tax is also recognized directly to equity.

Current tax assets and liabilities are offset only if the entity has a legally enforceable right to offset the recognized amounts and intends to settle the liability on a net basis, or to recover the asset at the same time as settling the liability.

W. Revenue

Revenue from the sale of goods

Revenue from the sale of goods is recognized when:

(a) The essential risks and benefits of ownership are transferred;
(b) The Group retains no de facto control or involvement which normally belongs to the owner;
(c) The amount of the revenue can be reliably determined;
(d) It is probable that the economic benefits relating to the transaction will flow to the Group;
(e) The costs already or still to be incurred in respect of the transaction can be reliably measured,

Revenue is measured at the fair value of the remuneration received or to which entitlement is obtained, and represents the amounts due and payable for goods and services delivered in the normal course of business, taking into account the amount of any trade, financial or volume discounts given by the Group.

In accordance with the IFRS standards, the transport costs charged on to customers are included under the heading ‘sales’.

Government grants

Government grants are recognized at the time that reasonable certainty exists that the Group will fulfill the conditions attached to the grants and the grants will be received. Government grants are systematically recorded as income over the periods needed in order to attribute these grants to the related costs that they are intended to compensate. A government grant received by way of compensation for costs or losses already incurred or with a view to granting immediate financial support to the Group with no future related costs, is recorded as income of the period in which it is received.

Grants related to income

Grants related to income are presented as ‘Other Operating Income’.

X. Finance income and costs

Finance income

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquiree, Interest is recognized by the ‘effective interest method’ as specified under IAS 39 *“Financial Instruments: Recognition and Measurement*”. Dividend income from investments is recognized whenever the shareholders' rights to payment have been acquired.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets (other than trade receivables). All financial expenses are recognized at the time at which they arise. Financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset (see heading *“g) tangible fixed assets”*) are spread as an expense over the financing period using the effective interest method.

Foreign currency gains and losses

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Y. Non-recurring income and charges

Operating income and expenses that are related to restructuring programs, impairment losses, environmental provisions or other events and transactions that are clearly distinct from the normal activities of the Group are presented on the face of the income statement as non-recurring items.

Z. Events after balance sheet date

Events after balance sheet date concern the period between the balance sheet date and the date of the approval for publication of the financial statements.

Events after balance sheet date that refer back to situations that existed at the balance sheet date are incorporated into the financial statements. Events after balance sheet date that refer to situations arising only after the balance sheet date are mentioned in the notes only if they can have a significant impact.

2.4. CHANGES TO THE CONSOLIDATION SCOPE

The following changes in the consolidation scope occurred during the financial year 2013-2014:

Acquisition of production facilities of UFM

On 30 August 2013 Greenyard Foods NV signed an agreement with the company under French law Union Fermière Morbihannaise SCA (UFM) with respect to the acquisition of production facilities, previously held 90% by UFM and 10% by Greenyard Foods NV. The operations were already taken over from UFM in 2011.

Following this transaction, Greenyard Foods owns all of the shares of the companies D'Aucy Polska in Poland and Bajaj Hutoipari in Hungary and owns the majority of the shares of the companies Vallée de la Lys SAS and Moréac Surgelés SAS in France (UFM retains 34% of its shareholding). The transaction includes four production sites in Poland, two sites in Hungary and two sites in France.

The price that was paid for these additional shares amounts to €21.6 million. The impact of the inclusion of the opening balance sheet of these companies can be mainly found in the inclusion of tangible fixed assets such as described in note *'6.3. Tangible fixed assets'*.

Acquisition of production facilities of Noliko Group (Noliko Real Estate NV, De Binnenakkers NV and Dreefvelden NV)

On 30 August 2013 the Group obtained a 100% participation in the companies Noliko Real Estate NV, De Binnenakkers NV and Dreefvelden NV, previously subsidiaries of Food Invest International NV. These companies included the production facilities (land and buildings) of the industrial production sites located in Bree and Rijkevorsel, Belgium. Previously these production facilities were rented to the Group by Food Invest International NV since July 2011.

The price that was paid for these shares amounts to €40.0 million. The impact of the inclusion of the opening balance sheet of these companies can be mainly found in the inclusion of tangible fixed assets such as described in note *'6.3. Tangible fixed assets'* and note *'7.3. Commitments'*.

Other changes: change of subsidiary name

As per 1st of September 2013 the parent company 'Pinguin NV' has been renamed 'Greenyard Foods NV' and the subsidiary 'Scana Noliko NV' has been renamed 'Noliko NV'. As per end of December 2013 the subsidiary 'Scana Noliko Real Estate NV' has been renamed 'Noliko Real Estate NV' and as per end of March 2014 the subsidiary 'Scana Noliko Holding NV' has been renamed 'Noliko Holding NV'.

3. USE OF ESTIMATES

Preparing the financial statements in accordance with the IFRS Standards requires management to make judgments, estimates and assumptions that can have an impact on the reported amounts of assets and liabilities, contingent liabilities and assets, income and costs, and elements thereof that are mentioned in the notes.

The estimates made on the reporting date reflect conditions as they existed on that date. The main estimates, judgments and underlying assumptions relate primarily to determining impairments of goodwill, the intangible and tangible fixed assets, deferred tax assets and provisions:

- Impairment losses on goodwill:
  The Group tests goodwill and cash generating units annually for impairment where indications exist that goodwill and cash generating units may have fallen in value. This analysis is based on assumptions such as market evolution and market share, evolution of the margins, EBITDA/sales ratio, discount rates and working capital/sales ratio;
- Useful lives of (in)tangible fixed assets:
  As described in the valuation rules above, the Group reviews the estimated useful lives of (in)tangible fixed assets at the end of each reporting period. Where expectations differ from previous estimates, the change(s) are treated administratively as a change in estimate.
- Impairment losses (or reversal of impairment losses) on (in)tangible fixed assets:
  - At every reporting date the Group examines whether any indication exists of a possible impairment of (in)tangible fixed assets;
  - At every reporting date the Group examines whether any indication exists that an impairment recorded on an asset in a previous reporting period has reduced or no longer exists;
- The recording and calculation of provisions for tax and environmental risks and for restructurings;
- Deferred tax assets:
  Deferred tax assets relating to carried-forward tax losses are recognized only to the extent that it is probable that sufficient taxable profit will exist in the future in order to recover the carried-forward tax losses. In estimating this, the Group takes into account elements such as budgets, long-term strategies and tax planning opportunities;
- Provisions:
  At every year end the Group estimates the future risks and costs of pending disputes, taking advice in particular from outside experts.

The estimates, judgments and related assumptions as described above are based on past experience and on various other factors that are considered reasonable in the given circumstances. The actual outcomes can differ from these estimates. The estimates and underlying assumptions are constantly reassessed.

Management believes that a reasonable basis exists for the estimates and assumptions and that these reflect in the best possible way the outlook for the Group.

4. SEGMENT REPORTING

The information that is reported for Greenyard Foods to the Group's 'chief operating decision makers' with a view to assessing the results and allocating resources, is based on two operating segments. This segmentation basis is employed to allocate resources to the different segments and enables the performance of those segments to be assessed. The management team judges the results of the segments based on the net result after taxes. The assets and liabilities per segment are those belonging directly to it, including the elements that can reasonably be attributed to the segment (tax assets and tax liabilities are included in segment assets and segment obligations).

For internal 'management reporting' the Group is therefore divided into two segments based on products belonging either to the frozen or to the canning division.

The **results from continuing operations** include the results of the frozen division and the canning division. In accordance with IFRS 5, the results of the potato division for the months April and May 2013 were included in the result from discontinued operations following the sale of these activities (see note '*5.7. Discontinued operations*'). The Group's various companies are included in the following segments:

- Frozen division: includes the companies Greenyard Foods NV, Pinguin Langemark NV, Pinguin Aquitaine S.A.S., Pinguin Foods UK Ltd, Pinguin Salads BVBA, CGS S.A.S., Pinguin Comines S.A.S., Pinguin Foods Polska Sp. Z.o.o., Pinguin Foods Hungary Kft, CGB S.A.S., De Buitenakkers NV, Moréac Surgelés S.A.S., Vallée de la Lys S.A.S., Bajaj Hutoipari Zrt., D'aucy Polska Sp.z.o.o. and D'aucy do Brazil Ltda and the sales offices MAC Sarl, Pinguin Foods Deutschland GmbH and Pinguin Foods CEE Gmbh.
- Canning division: includes the companies Noliko Holding NV, Noliko NV, Scana Noliko Ltd, BND CVBA, Noliko Real Estate NV, De Binnenakkers NV and Dreefvelden NV.

The same valuation rules are used in this segment reporting as in the consolidated financial statements.

The result of a division contains the income and costs generated directly by that segment, including the portion of the general income and costs that can reasonably be attributed to the segment. For a further explanation of the one-off income and one-off charges we refer to note *"5.4. Operating result (EBIT)"*.

The assets and liabilities of a segment are those belonging directly to it. With primary segment reporting structured according to the geographic location of the assets, it was easy to attribute the balance sheet items to the respective segments. Assets and liabilities per segment are presented before elimination of intersegment positions. Intersegment transfer pricing is based on market conditions.

Information about major customers

Sales of the Group out of transactions with external customers do not include individual customers that represent 10% or more of sales of the Group. This is the case for the current accounting year and the previous accounting year.

The Group sells its products in more than 90 countries across the world. The table below gives an overview of sales from continued operations by customer location.

Sales (in thousands of €)	AY 13/14		AY 12/13	
France	141,807	22.76%	136.702	22,33%
United Kingdom	139,070	22.32%	146,272	23.90%
Germany	80,565	12.93%	80,876	13.21%
Belgium	66,294	10.64%	65,989	10.78%
Other EU-countries	125,017	20.06%	112,967	18.46%
Other	70,367	11.29%	69,281	11.32%
Total sales	**623,120**	**100.00%**	**612,087**	**100.00%**

The United Kingdom represents 27.7% of the sales of the frozen division in accounting year 2013/2014 (previous accounting year 30.4%), whereas this amounts to 12.0% in the canning division (previous accounting year 10.9%). The percentage decrease of sales to British customers in the frozen division compared to the previous accounting year can be explained by negative exchange rate fluctuations of the British Pound.

The sales of the 5 major customers were approximately stable and amounted only to 22.6% of the total sales from continued operations in accounting year 2013/2014 (previous accounting year 24.0%). The main customers within the frozen division and canning division are quite similar to each other and remained stable. The divisions have built up an elaborated and diversified client portfolio, both in type of clients and geographical spread. The share of the top-5 clients in both divisions has remained quite stable over the years.

The tables below provide a summary of the **results from continued operations** of each operating business segment, for the twelve month period ended 31 March 2014 and the twelve month period ended 31 March 2013.

A more detailed discussion of the segment information (continued and discontinued operations) is provided in the report of the Board of Directors.

Segmented information of continuing operations per operating segment *is given in the table below:*

AY 13/14 (In thousands of €)	Continuing operations			
	Subconsolidation frozen division	Subconsolidation canning division	Eliminations	Consolidated (continuing operations)
RESULTS				
Sales	**414,159**	**215,716**	**-6,756**	**623,120**
sales to external customers	409,788	213,303		623,091
intersegment sales	4,372	2,413	-6,756	29
Total operating income	**437,524**	**229,158**	**-7,675**	**659,007**
Operating result (EBIT)	**6,760**	**13,936**		**20,695**
Depreciation and impairment losses on assets	14,575	11,322		25,897
Write-offs recognized in comprehensive income	-41	-202		-243
Provisions	3,089	234		3,323
Operating cash flow (EBITDA)	**24,384**	**25,290**		**49,674**
Financial income	2,958	105	-452	2,611
Interest charges	587	95	-452	230
Financial expenses	-17,158	-2,575	452	-19,281
Interest income	-14,546	-1,583	452	-15,676
Result before taxes	**-7,440**	**11,465**		**4,025**
Income taxes	-3,627	-3,913		-7,540
Net result	**-11,068**	**7,552**		**-3,515**
Non-recurring income				
Non-recurring expenses	-4,900			-4,900
Operating result before non-recurrings (REBIT)	**11,659**	**13,936**		**25,595**
ASSETS AND LIABILITIES				
Segment assets	518,235	215,923	-129,382	604,775
Segment obligations	316,921	87,878	-11,960	392,839
Segment non-current assets (*)	284,860	113,393	-117,422	280,831

(*) The table below shows the geographical spread of fixed assets in accordance with IFRS 8.33 by means of exceeding a materiality of 10%.

GEOGRAPHICAL SPREAD OF FIXED ASSETS	AY 13/14
Fixed assets Belgium	180,249
Fixed assets United Kingdom	28,557
Fixed assets France	48,150
Fixed assets other countries	23,875
Total fixed assets	**280,831**

Segmented information from continuing operations per operating segment *is given in the table below:*

AY 12/13 (In thousands of €)	**Continuing operations**			
	Subconsolidation frozen division	**Subconsolidation canning division**	**Eliminations**	**Consolidated (continuing operations)**
RESULTS				
Sales	**411,368**	**206,556**	**-5,837**	**612,087**
sales to external customers	407,722	204,346		612,068
intersegment sales	3,646	2,211	-5,837	19
Total operating income	**417,595**	**216,780**	**-6,562**	**627,813**
Operating result (EBIT)	**7,243**	**12,813**		**20,055**
Depreciation and impairment losses on assets	10,978	9,292		20,271
Write-offs recognized in comprehensive income	581	100		681
Provisions	1,099	29		1,128
Operating cash flow (EBITDA)	**19,901**	**22,233**		**42,134**
Financial income	376	1,854	-29	2,201
Interest charges	155	63	-29	188
Financial expenses	-18,447	-3,144	29	-21,561
Interest income	-13,343	-1,525	29	-14,838
Result before taxes	**-10,827**	**11,523**		**695**
Income taxes	3,511	-3,576		-65
Net result	**-7,317**	**7,947**		**630**
Non-recurring income				
Non-recurring expenses	-2,433			-2,433
Operating result before non-recurrings (REBIT)	**9,676**	**12,813**		**22,488**
ASSETS AND LIABILITIES				
Segment assets	659,122	204,907	-375,289	488,740
Segment obligations	450,082	84,530	-32,435	502,177
Segment non-current assets (*)	453,665	69,977	-382.854	180,788

(*) The table below shows the geographical spread of fixed assets in accordance with IFRS 8.33 by means of exceeding a materiality of 10%

GEOGRAPHICAL SPREAD OF FIXED ASSETS	**AY 12/13**
Fixed assets Belgium	146,682
Fixed assets United Kingdom	21,032
Fixed assets other countries	13,074
Total fixed assets	**180,788**

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5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

As per 31 March 2014 the results from continuing operations include the consolidated results for Greenyard Foods NV, consisting of 12 months of results of the frozen and canning division. When comparing the consolidated income statement one needs to note that the past year (closing as per 31 March 2014) includes 7 months (September 2013 - March 2014) of the results of the acquired production facilities of UFM and the production facilities of Noliko (see note *"2.4. Changes in consolidation scope"*), whereas this was not the case in the figures of the previous year.

The past year of the discontinued operations includes only a 2 month period for the potato division, whereas the comparative results related to the previous year included a period of 12 months. The results of these discontinued operations are consequently included separately in the consolidated income statement and are disclosed in note *"5.7. Discontinued operations"*.

5.1. SALES

The Group's **sales from continued operations** consist mainly of the sale of fresh frozen vegetable products. In addition the Group's activities focus as well on the processing of harvest-fresh fruit and vegetables in glass and canned and the preparation of ready-to-eat food such as soups, sauces, dips and pasta dishes, mainly in glass and canned (Noliko Group).

Sales (in thousands of €)	**AY 13/14**	**AY 12/13**
Sales 'Frozen'	409,817	407,741
Sales 'Canned'	213,303	204,346
Total sales	**623,120**	**612,087**

The increase of sales from continuing operations by +1.8% (or €11.0 million) comprises an increase of sales of 0.5% in the frozen division and of 4.4% in the canning division. At stable exchange rates, the sales increase would amount to +3.1%.

The **frozen division** accounts for 65.8% of the consolidated revenue from continuing operations. Sales increased by +0.5% compared to the previous accounting year, but would have increased by +2.4% in the case of stable exchange rates.

The **canning division** accounts for 34.2% of the consolidated revenue from continuing operations. Sales increased by +4.4% compared to the previous accounting year.

5.2. OTHER OPERATING INCOME

Other operating income (in thousands of €)	AY 13/14	AY 12/13
Operating subsidies	483	711
Costs passed on to growers (mainly canning division)	3,861	3,507
Recharges processing fees (UK)	1,600	
Costs passed on in the context of storage		124
Sale of waste	926	1,179
Insurance compensation received	283	137
Realised capital gain	308	665
Costs passed on in the context of the delivery of green energy	255	282
Recharge of services	167	1,978
Recharge of costs from frozen division to CECAB	431	1,243
Received business taxes	830	
Other operating income	3,818	2,186
Total other operating income	**12,962**	**12,012**

The **other operating income from continued operations** slightly increased during the financial year 2013/2014 compared to the previous accounting year (+€0.9 million). The content of the other operating income changed significantly compared to the previous year because of the sales of the potato division and the acquisition of the production facilities from UFM. In addition some elements, such as recharge of processing fees and received business tax, are included in the "other operating income" whereas these were included in other sections of the profit and loss accounts in the previous year.

The 'other operating income' item above consists primarily of packaging materials invoiced to customers (mainly pallets), recharge of various costs and received rebates related to certain costs etc…

5.3. OPERATING CHARGES

The Group's **operating charges from continued operations** can be broken down as follows:

Operating charges (in thousands of €)	**AY 13/14**	**AY 12/13**
Raw materials, consumables and goods for resale	**-370,152**	**-344,424**
Purchase of fresh vegetables, fruits, potatoes and ingredients	-145,715	-108,458
Purchase of frozen vegetables of external parties	-112,215	-136,895
Purchase of packing materials	-73,649	-73,508
Storage and work by third parties	-22,499	-16,024
Other	-16,074	-9,539
Services and other goods	**-143,919**	**-149,498**
Transport	-31,246	-32,667
Energy	-31,188	-30,949
Maintenance + IT	-21,828	-19,745
Rent (forklifts, hardware, buildings, ...)	-11,502	-17,960
Interim wages	-18,234	-19,333
Sales/administration related costs	-12,998	-12,538
Other	-16,923	-16,301
Personnel costs	**-88,042**	**-85,479**
Depreciation and (reversal of (-)) impairment losses on assets	**-30,335**	**-20,271**
Depreciation	-25,897	-20,271
Impairment losses on assets	-4,440	
Write-downs and provisions	**-3,080**	**-1,809**
Write-down of inventories	101	-303
Write-down of trade debtors	141	-378
Provisions	-3,323	-1,128
Other operating charges	**-2,784**	**-6,278**
Total operating charges	**-638,312**	**-607,758**

The **total operating charges from continued operations** increased with €30.6 million, mainly due to the increase of the purchases raw materials, consumables and goods for resale for €25.7 million. This is resulting from an increased production volume compared to the previous accounting year and from a price/ mix effect.

Within the heading 'purchases raw materials, consumables and goods for resale' there is a shift from purchases between 'purchase of fresh vegetables, fruits, potatoes and ingredients' and 'purchases of frozen vegetables of external parties'. This is due to the acquisition of the CECAB real estate companies (08/2013), which meant that CECAB previously financed the working capital of the activities.

The decrease of the rent charges compared to the previous accounting year and the increase of the depreciation is due to the acquisition of the production facilities from CECAB and Noliko: rent charges were replaced by depreciation expenses during the last 7 months of the accounting year.

5.4. OPERATING RESULT (EBIT)

We refer to the consolidated annual report of the Board of Directors for a more detailed discussion of the operating profit from continued operations.

Operating result, including effect of non-recurring events

Operating result (in thousands of €)	**AY 13/14**	**AY 12/13**
Operating result (EBIT)	20,695	20,055

Effect of non-recurring events

Non-recurring costs and income (in thousands of €)	**AY 13/14**	**AY 12/13**
Operating result before non-recurring costs and income (REBIT)	**25,595**	**22,488**
Non-recurring costs	**-4,900**	**-2,433**
Costs related to closing of site in Bourne / Easton	-238	-1,593
Provision for claim relating to clearing and repair costs when the rented site in Bourne/ Grimsby was vacated		-491
Restructuring costs: dismissal fees	-224	-181
Costs related to the intention for acquisition of the CECAB asset companies		-22
Impairment loss on disposal of machinery in Belgium	-3,386	
Impairment loss on disposal of assets in German subsidiary	-495	
Impairment loss on disposal of machinery in UK	-440	
Others	-117	-146
Non-recurring income	**0**	**0**
Net non-recurring costs (-) / income	**-4,900**	**-2,433**
Operating result (EBIT)	**20,695**	**20,055**

The **non-recurring charges from continuing operations** amount to €-4.9 million. These include an impairment loss on part of machinery within the Belgian subsidiaries in an amount of €-3.4 million. The remaining amount consists mainly of impairment losses in subsidiaries.

The operating results for the accounting year ending as per 31 March 2014 do not include **non-recurring income from continued operations**.

The **non-recurring costs from continued operations** included within the operating result as per 31 March 2013 amount to €2.4 million and are entirely related to the frozen division. These are mainly related to the British subsidiaries for an amount of €2.3 million. The non-recurring costs related to the Belgian subsidiaries amount to €0.1 million.

The operating results for the accounting year ending as per 31 March 2013 did not include **non-recurring income from continued operations**.

The 2012-2013 financial year includes a net non-recurring cost from continued operations of €2.4 million. For the accounting period ending as per 31 March 2014 this figure is a net non-recurring cost of €4.9 million (difference of €-2.5 million).

5.5. FINANCIAL INCOME AND EXPENSES

The **financial income and expenses of the Group from continued operations** can be broken down as follows:

Financial income and expenses (in thousands of €)	AY 13/14	AY 12/13
Financial income	**2,611**	**2,201**
Operating financial income		
Interest income on loans granted	230	188
Other operating financial income	12	261
Non-operating financial income		
Valuation to fair value of derivatives	82	1,311
(Un)realized exchange results and conversion differences	2,287	441
Financial expenses	**-19,281**	**-21,561**
Operating financial expenses		
Interest charges on interest-bearing liabilities	-15,640	-14,790
Interest on leasing	-37	-48
Non-operating financial expenses		
(Un)realized exchange results and translation differences	-2,057	-2,002
Valuation to fair value of derivatives	-87	-1,898
Other	-1,460	-2,823
Total financial income and expenses	**-16,670**	**-19,360**

The **net financial result from continuing operations** improved by €2.7 million (€-16.7 million compared to €-19.4 million). The interest cost of the accounting year 2013/2014 was negatively impacted by the interest cost of the previous club deal financing during the first 2 months of the accounting year in an amount of € 3.5 million. This club deal financing was paid back by the 31st of May 2013 and the interest costs partly consist of the non-recurring effect of €2.1 million for the charge of the activated costs. The recurring interest expenses decreased in the accounting year 2013/2014 compared to the previous year.

We refer to note *"7.3. Commitments"* for a further explanation of the working capital financing.

5.6. INCOME TAXES

Tax charges recorded in the income statement (in thousands of €)	AY 13/14	AY 12/13
Current taxes for the year	-6,342	-3,887
Adjustment to current taxes in respect of prior periods	2	-17
Deferred taxes	-1,200	3,838
Total tax charges recorded in the income statement	**-7,540**	**-66**

Relationship between tax charge and accounting profit (in thousands of €)	AY 13/14	AY 12/13
Result before taxes (profit/loss (-))	4,025	695
Theoretical tax rate	33.99%	33.99%
Tax expense (-)/income at the Belgian tax rate	-1,368	-236
Effect of different tax rates in other countries	-338	-446
Theoretical tax charge	**-1,706**	**-683**
Average theoretical tax rate	**42.39%**	**98.27%**
Tax effect of:		
Non-deductible expenses	-1,037	-593
Deduction of risk capital	1,560	1,402
Current tax adjustments relating to prior periods	2	-17
Deferred tax adjustments relating to prior periods	86	-116
Movement of taxed reserves		
Non-recognised deferred tax assets on tax losses	-3,930	-1,926
Non-recognised deferred tax assets	-405	-2,733
Utilization of deferred tax assets non previously recognized	-2,868	-275
Recognition of deferred tax assets previously recognized	47	3,755
Other	711	1,120
Effective tax charge	**-7,540**	**-66**
Effective tax rate	**187.27%**	**9.57%**

The taxes from continued operations expressed in the income statement arise on the one hand from the results of the financial year and on the other hand from temporary differences between local and IFRS valuation rules. These give rise to deferred taxes.

The total tax effect on the result from continuing operations amounted to €-7.5 million. The income taxes amount to €-6.3 million whereas the deferred taxes (without cash effect) amount to €-1.2 million. The increase of taxes from continuing operations can be mainly explained by the fact that deferred tax assets on several loss-making subsidiaries were not recognized.

For the reporting period ending on 31 March 2014, the tax rate used in the United Kingdom amounted to 23.0%. As from April 2014 onwards and for the reporting period which ended on 31 March 2015 a different tax rate of 21.0% is used. This change in tax rate had no significant impact on the calculation of the taxes in Pinguin Foods UK Ltd.

For a detailed discussion the reader is referred to note *“6.7. Deferred tax assets and deferred tax liabilities”*.

5.7. DISCONTINUED OPERATIONS

Sale of the potato division

As per 31 May 2013, McCain Foods and Greenyard Foods NV completed the sales agreement of the potato division. The sale includes the Lutosa brand, the complete product range (frozen, fresh, flakes), the customer portfolio and the 2 production sites. Hence as per 31 March 2013 and per 31 March 2014 the potato division is presented in accordance with *IFRS 5 'Discontinued operations'* as a 'disposal group' or 'discontinued operation'.

The consolidated gain on the sale of the potato division amounts to €65.3 million.

The table below shows a calculation of the consolidated gain on disposal:

Consolidated gain on sale of Lutosa Group (in thousands of €)	AY 13/14
Total consideration received	244,518
Net assets disposed of	-179,211
Net gain on disposal	**65,307**

Analysis of the result of the period from discontinued operations (potato division)

The results from the discontinued operations that are included in the consolidated income statement are presented below. The discontinued operations are, in accordance with IFRS 5, classified and accounted for as a disposal group related to discontinued operations as per 31 March 2013 and as per 31 March 2014 (2 months: April-May 2013). The comparative profit and loss account and cash flow statement from discontinued operations have been re-presented as 'discontinued operations'.

Profit (loss) from discontinued operations (in thousands of €)	AY 13/14 (2 months)	AY 12/13 (12 months)
Sales	51,953	267,490
Increase/decrease (-) in inventories: finished goods and work in progress	-5,914	15,685
Other operating income	2,888	6,682
Gain on disposal of potato division	65,307	
Expenses (operating and financial)	-47,791	-273,210
Loss on the remeasurement to fair value less costs to sell		
Operating result before taxes	**66,443**	**16,647**
Attributable income tax expense	-1,172	-5,690
Profit / (loss) of the period from discontinued operations	**65,271**	**10,957**
Attributable to:		
The shareholders of Greenyard Foods (the 'Group')	65,271	10,956
Non-controlling interests		1

The sales from discontinued operations include two months of activities and amounted to €52.0 million.

The EBIT from discontinued operations amounted to €66.2 million during the first 2 months of this accounting year. This includes mainly a gain on disposal of the potato division in an amount of €65.3 million and the remaining EBIT from discontinued operations over the first two months of the accounting year amounted to €0.7 million.

The assets and liabilities of the potato division that were sold as per end of May 2013 are not significantly different from the assets and liabilities related to discontinued operations as reported as per end of previous reporting period (see note *"6.19. Assets and liabilities related to assets classified as held for sale').*

Cash flow from discontinued operations (in thousands of €)	**31/03/2014 (2 months)**	**31/03/2013 (12 months)**
Net cash flow from operating activities (A)	**36,354**	**-61,200**
Net cash flow from investing activities (B)	**-897**	**42,002**
Net cash flow from financing activities (C)	**-6,702**	**8,102**
NET CASH FLOW (A+B+C)	**28,755**	**-11,096**

5.8. EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's share in the net result by the weighted average number of shares outstanding during the year (total number of shares – own shares).

Earnings per share (in € per share)	**AY 13/14 Basic**	**AY 13/14 Diluted [6]**
Weighted average number of ordinary shares (in numbers)	16,459,520	16,459,520
Dilution effect of warrants (in numbers)		2,400,000
Weighted average number of ordinary shares (in numbers)	**16,459,520**	**18,859,520**
Net profit (loss) attributable to ordinary shareholders (in thousands of €)	**62,306**	**62,306**
Net profit (loss) from continuing operations	-2,965	-2,965
Net profit (loss) from discontinued operations	65,271	65,271
Earnings per share (in € per share)	**3.78**	**3.28**
Earnings per share from continuing operations	-0.18	-0.18
Earnings per share from discontinued operations	3.98	3.46

Earnings per share (in € per share)	**AY 12/13 Basic**	**AY 12/13 Diluted**
Weighted average number of ordinary shares (in numbers)	16,459,520	16,459,520
Dilution effect of warrants (in numbers)		2,400,000
Weighted average number of ordinary shares (in numbers)	**16,459,520**	**18,859,520**
Net profit (loss) attributable to ordinary shareholders (in thousands of €)	**11,102**	**11,102**
Net profit (loss) from continuing operations	146	146
Net profit (loss) from discontinued operations	10,956	10,956
Earnings per share (in € per share)	**0.68**	**0.59**
Earnings per share from continuing operations	0.01	0.01
Earnings per share from discontinued operations	0.67	0.58

When calculating the profit (loss) per share as at 31 March 2013 and 31 March 2014, account was taken of 2,400,000 warrants that were allocated on 2 December 2011 to Gimv-XL (conversion ratio of 1 share per allocated warrant).

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

6. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6.1. INTANGIBLE FIXED ASSETS

Software, brand name and customer base (in thousands of €)	31/03/2014 Software	31/03/2014 Commercial fund	31/03/2014 Customer base Noliko	31/03/2014 Other	31/03/2014 TOTAL
ACQUISITION VALUE					
BALANCE AT THE END OF THE PRECEDING PERIOD	**4,225**	**23**	**25,000**	**621**	**29,869**
Additions	821			897	1,718
Acquisitions through business combinations					
Sales and disposals	-45			-1	-46
Classification as fixed assets held for sale					
Taken out of consolidation following disposal of subsidiaries					
Transfer from one heading to another	-345				-345
Translation differences	6				6
Other movements					
BALANCE AT THE END OF THE PERIOD	**4,662**	**23**	**25,000**	**1,517**	**31,202**
DEPRECIATIONS AND IMPAIRMENT LOSSES					
BALANCE AT THE END OF THE PRECEDING PERIOD	**2,568**	**0**	**2,917**	**62**	**5,547**
Depreciation	234		1,668	93	1,995
Impairment losses				494	494
Reversals					
Withdrawals after sales and disposals	-1			-1	-2
Classification as fixed assets held for sale					
Taken out of consolidation following disposal of subsidiaries					
Transfer from one heading to another	52				52
Translation differences	-1				-1
Other movements					
BALANCE AT THE END OF THE PERIOD	**2,852**	**0**	**4,585**	**648**	**8,085**
NET CARRYING AMOUNT BEFORE INVESTMENT GRANTS	**1,810**	**23**	**20,415**	**869**	**23,117**
Net investment grants					
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**1,809**	**23**	**20,415**	**868**	**23,117**

The decrease of the heading **'intangible fixed assets from continued operations'** as per 31 March 2014 by €1.2 million can be explained by the investments (€1.7 million: mainly software, more precisely licences and implementation costs for SAP®) being more than compensated by the impact of on the one hand the depreciation charges from continued operations during the financial year (€-2.0 million) and on the other hand an impairment loss on the activities in Manschnow (€-0.5 million).

Software, brand name and customer base (in thousands of €)	31/03/2013 Software	31/03/2013 Commercial fund	31/03/2013 Brand name Lutosa	31/03/2013 Customer base Lutosa	31/03/2013 Customer base Noliko	31/03/2013 Other	31/03/2013 TOTAL
ACQUISITION VALUE							
BALANCE AT THE END OF THE PRECEDING PERIOD	**5,103**	**23**	**654**	**4,497**	**25,000**	**0**	**35,277**
Additions	440					321	761
Acquisitions through business combinations							
Sales and disposals							
Classification as fixed assets held for sale	-1,637		-654	-4,497			-6,788
Taken out of consolidation following disposal of subsidiaries							
Transfer from one heading to another	320					300	620
Translation differences	-1						-1
Other movements							
BALANCE AT THE END OF THE PERIOD	**4,225**	**23**	**0**	**0**	**25,000**	**621**	**29,869**
DEPRECIATIONS AND IMPAIRMENT LOSSES							
BALANCE AT THE END OF THE PRECEDING PERIOD	**2,738**	**0**	**294**	**3,182**	**1,250**	**0**	**7,464**
Depreciation	400		28	217	1,667	62	2,374
Impairment losses							
Reversals							
Withdrawals after sales and disposals							
Classification as fixed assets held for sale	-565		-322	-3,399			-4,286
Taken out of consolidation following disposal of subsidiaries							
Transfer from one heading to another	-6						-6
Translation differences							
Other movements							
BALANCE AT THE END OF THE PERIOD	**2,568**	**0**	**0**	**0**	**2,917**	**62**	**5,547**
NET CARRYING AMOUNT BEFORE INVESTMENT GRANTS	**1,657**	**23**	**0**	**0**	**22,083**	**559**	**24,322**
Net investment grants							
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**1,657**	**23**	**0**	**0**	**22,083**	**559**	**24,322**

6.2. GOODWILL

This note relates to the goodwill upon the consolidation of subsidiaries. The principal movements in **goodwill of continued operations** are the following:

Goodwill (in thousands of €)	**31/03/2014**	**31/03/2013**
ACQUISITION VALUE		
BALANCE AT THE END OF THE PRECEDING PERIOD	**10,233**	**61,790**
Additions		81
Deconsolidations on sale of subsidiaries		-51,622
Classification as fixed assets held for sale		
Translation differences	26	-16
Transfers		
Elimination of goodwill on the purchase of non-controlling interests		
Restatements		
BALANCE AT THE END OF THE PERIOD	**10,259**	**10,233**
IMPAIRMENT LOSSES		
BALANCE AT THE END OF THE PRECEDING PERIOD	**0**	**0**
Impairment losses: addition		
Sales and disposals		
Translation differences		
BALANCE AT THE END OF THE PERIOD	**0**	**0**
NET CARRYING AMOUNT AT THE END OF THE PRIOR PERIOD	**10,233**	**61,790**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**10,259**	**10,233**

The goodwill related to the acquisition of the canning division in 2011 amounts to €6.0 million, the goodwill related to the acquisition of the CECAB Activity (UFM) in 2011 amounts to €2.9 million, the goodwill related to the acquisition of 'De Buitenakkers NV' in 2012 amounts to €0.1 million and the goodwill related to the acquisition of the segment 'Christian Salvesen Foods' in 2007 amounts to €1.2 million.

IAS 36 requires the carrying value of goodwill acquired in a business combination to be allocated in a reasonable and consistent basis to each cash flow generating unit or smallest group of cash flow generation units. The goodwill on a cash flow generating unit acquired over the course of the financial year is tested at the time of acquisition.

The Group tests the goodwill for impairment annually and at intervals when there are indications that the value of goodwill may have dropped.

Assumptions related to the impairment tests at 31 March 2014

The goodwill related to the frozen segment consists on the one hand of goodwill related to the acquisition of the CECAB Activity in 2011 (€2.9 million) and on the other hand the acquisition of the segment 'Christian Salvesen Foods' in 2007 (€1.2 million)). An impairment test has been made for the entire frozen division. The 15-year cash flow forecasts for the frozen division are for the first year based on the financial budget of 2014/2015 which has been approved by management and the Board of Directors and for the next 5 years based on the financial business forecast that has been made by the division. The remaining 9 years have been extrapolated based on the financial business plan. The financial plan takes into account a margin improvement in the coming years, in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of 15 years and also on a perpetuity of cash flows for 15 years with a growth rate of 1.7%. The applied EBITDA margin is equal to the EBITDA margin that included in the budget for 2014/2015 and included in the financial business plan for the following 5 years. The remaining 9 years of the financial plan include an improved EBITDA margin of 0.3% per year. Cash flows are discounted at an after-tax discount rate of 7.3%. The results of this test have shown that the value in use exceeds the carrying value of the cash flow generating unit (the 'headroom') by €7.2 million. The major sensitivities for the impairment tests are the EBITDA margin and the discount rate. This 'headroom' would reduce to zero if as from the first year onwards the EBITDA margin which is applied in calculating the value in use were to fall by 32 base points or if the after-tax discount rate were to rise by 12 base points. Based on the above assumptions the Group has decided that no impairment losses need to be recorded at 31 March 2014 on the goodwill of the CECAB Activity nor on the goodwill of the segment 'Christian Salvesen Foods' as part of the frozen segment.

The goodwill related to the acquisition of the canning division in 2011 amounts to €6.0 million and is fully attributed to the canning segment. The 20-year cash flow forecast is for the first year based on the financial budget of 2014/2015 which has been approved by management and the Board of Directors and for the next 5 years based on the long term financial plan that has been made by the division. The remaining 14 years have been extrapolated based on the financial business plan. The value in use is based on cash flow forecasts over a period of 20 years and also on a perpetuity of cash flows for 20 years with a growth rate of 1.5%. The EBITDA margin used in the long term financial plan is maintained in the remaining years of the 20 year cash flow period. Cash flows are discounted at an after-tax discount rate of 7.3%. The results of this test have shown that the value in use exceeds the carrying value of the cash flow generating unit (the 'headroom') by €81.6 million. The major sensitivities for the impairment tests are the EBITDA margin and the discount rate. This 'headroom' would reduce to zero if as from the first year onwards the EBITDA margin which is applied in calculating the value in use were to fall by 398 base points or if the after-tax discount rate were to rise by 222 base points. Based on the above assumptions the Group has decided that no impairment losses need to be recorded at 31 March 2014 on the goodwill of the canning segment.

Methodology related to the tests on impairment losses per 31 March 2013

The methodology is identical to the one discussed above.

The carrying amount of **goodwill from continued operations** and related impairment losses have been allocated as follows:

Goodwill per cash generating unit (in thousands of €)	31/03/2014 Net carrying amount	31/03/2013 Net carrying amount
Frozen division (ex-Christian Salvesen Foods)	1,254	1,228
Frozen division ex-CECAB (UFM) ('Cecab Activity')	2,937	2,937
Frozen division ('De Buitenakkers NV')	81	81
Canning division	5,987	5,987
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**10,259**	**10,233**

6.3. TANGIBLE FIXED ASSETS

The increase of the tangible fixed assets by €107.1 million can be explained by the impact of the acquired production facilities of UFM, Noliko and in Boston (€+106.6 million) and the remaining investments of the accounting period (€+29.0 million). This increase is partially compensated by the depreciation charges in the various entities (€-21.5 million), the impairment losses (€-3.9 million), and the remaining combined impact of transfers, disposals and foreign exchange rate fluctuations (€-3.1 million).

The investments in tangible fixed assets **from continued operations** consist on the one hand of investments in 'land and buildings' (€2.2 million), in 'plant, machinery and equipment' (€23.5 million), in 'furniture and vehicles' (€1.6 million) and 'other tangible fixed assets' (€1.7 million). On the other hand the acquisition of land and buildings as a consequence of the acquired production facilities of UFM (+€55.2 million), Noliko (+€46.6 million) and in Boston (+€4.8 million) accounted for a growth of €106.6 million.

The disposals amount to €2.5 million in the year 2013/2014. These are mainly consisting of various disposals on the site in Westrozebeke (€-1.3 million) and a hot-fill line in Langemark (€-0.8 million).

In the accounting year ending as per 31 March 2014, no financing costs were attributed directly to the acquisition, construction or production of an eligible asset and activated in accordance with IAS 23 as part of the cost price of that asset.

In accordance with IAS 16, estimates with regard to residual value, useful life and depreciation methods are reviewed annually and any significant changes in estimates have to be notified. As such, the Group tested the useful life of the tangible fixed assets for under- and overvaluation. The review did not reveal any need to adapt useful lives for the present period, but these will be reviewed annually and will be kept up-to-date.

At 31 March 2014 the Group's fixed assets were encumbered as follows:

- Subscription on mortgages: €11.2 million (31 March 2013: €2.0 million)
- Mortgage mandates: €65.0 million (31 March 2013: €18.0 million)

Tangible fixed assets at 31 March 2014 (in thousands of €)	**Land and buildings**	**Plant, machinery and equipment**	**Furniture and vehicles**	**Leasing**	**Other**	**Assets under construction**	**31/03/2014**
ACQUISITION VALUE							
BALANCE AT THE END OF THE PRECEDING PERIOD	**39,382**	**160,263**	**3,080**	**2,500**	**1,496**	**0**	**206,721**
Additions	83,525	50,060	1,767		2,287		137,639
Acquisitions through business combinations							
Sales and disposals	-1,447	-16,484	219	-113	331		-17,494
Reclassification as assets held for sale							
Deconsolidated following sale of subsidiaries							
Transfers from one heading to another	10	19	-362	-58	363		-28
Translation differences	115	715	-11		-2		818
Other							
BALANCE AT THE END OF THE PERIOD	**121,585**	**194,573**	**4,693**	**2,329**	**4,475**	**0**	**327,656**
DEPRECIATIONS AND IMPAIRMENT LOSSES							
BALANCE AT THE END OF THE PRECEDING PERIOD	**13,550**	**59,571**	**1,561**	**-610**	**190**	**0**	**74,262**
Depreciation	4,476	15,428	743	263	582		21,491
Impairment losses	719	3,231	5				3,955
Reversal after sales and disposals	-1,177	-14,058	100	-113	195		-15,053
Reclassification as assets held for sale							
Deconsolidated following sale of subsidiaries							
Transfers from one heading to another		-77			77		
Translation differences		409	-13		-1		395
Other							
BALANCE AT THE END OF THE PERIOD	**17,568**	**64,504**	**2,396**	**-460**	**1,043**	**0**	**85,050**
NET CARRYING AMOUNT BEFORE INVESTMENT GRANTS AND RECLASS LEASING	**104,017**	**130,069**	**2,297**	**2,789**	**3,433**	**0**	**242,606**
Net investment grants	-954	-3,139	-54				-4,148
Reclass leasing	809	1,980		-2,789			
NET CARRYING AMOUNT AT THE END OF THE PERIOD (31 MARCH 2013)	**103,872**	**128,910**	**2,243**	**0**	**3,433**	**0**	**238,458**

Tangible fixed assets at 31 March 2013 (in thousands of €)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Leasing	Other	Assets under construction	31/03/2013
ACQUISITION VALUE							
BALANCE AT THE END OF THE PRECEDING PERIOD	**39,607**	**233,388**	**6,421**	**2,602**	**2,834**	**0**	**284,852**
Additions	449	23,185	1,430		1,518	4,652	31,234
Acquisitions through business combinations	596						596
Sales and disposals		-4,672	-163				-4,835
Reclassification as assets held for sale	-1,577	-92,218	-4,676	-102	-2,480	-2,703	-103,756
Deconsolidated following sale of subsidiaries							
Transfers from one heading to another	307	1,033	78		-375	-1,949	-906
Translation differences		-453	-10		-1		-464
Other							
BALANCE AT THE END OF THE PERIOD	**39,382**	**160,263**	**3,080**	**2,500**	**1,496**	**0**	**206,721**
DEPRECIATIONS AND IMPAIRMENT LOSSES							
BALANCE AT THE END OF THE PRECEDING PERIOD	**11,692**	**83,688**	**3,109**	**-823**	**353**	**0**	**98,019**
Depreciation	1,851	19,345	893	267	221		22,577
Impairment losses		30					30
Reversal after sales and disposals		-2,853	-144				-2,997
Reclassification as assets held for sale		-40,110	-2,293	-54	-301		-42,758
Deconsolidated following sale of subsidiaries							
Transfers from one heading to another	7	-277	3		-83		-350
Translation differences		-252	-7				-259
Other							
BALANCE AT THE END OF THE PERIOD	**13,550**	**59,571**	**1,561**	**-610**	**190**	**0**	**74,262**
NET CARRYING AMOUNT BEFORE INVESTMENT GRANTS AND RECLASS LEASING	**25,832**	**100,692**	**1,519**	**3,110**	**1,306**	**0**	**132,459**
Net investment grants	-357	-652	-1				-1,010
Reclass leasing	908	2,202		-3,110			
NET CARRYING AMOUNT AT THE END OF THE PERIOD (31 MARCH 2013)	**26,383**	**102,242**	**1,518**	**0**	**1,306**	**0**	**131,449**

6.4. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets (in thousands of €)	31/03/2014	31/03/2013
ACQUISITION VALUE		
BALANCE AT THE END OF THE PRECEDING PERIOD	**3,730**	**3,730**
Additions		
Acquisitions through business combinations		
Changes in consolidation scope	10	
Disposals and closures		
Translation differences		
Transfers		
Changes in the consolidation method	-3,321	
BALANCE AT THE END OF THE PERIOD	**419**	**3,730**
IMPAIRMENT LOSSES		
BALANCE AT THE END OF THE PRECEDING PERIOD	**-380**	**-380**
Impairment losses: addition		
Impairment losses: reversal		
Translation differences		
Transfers		
Changes in the consolidation method		
BALANCE AT THE END OF THE PERIOD	**-380**	**-380**
NET CARRYING AMOUNT AT THE END OF THE PRIOR PERIOD	**3,350**	**3,350**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**39**	**3,350**

The heading **other non-current financial assets from continued operations** covers all unconsolidated investments. In addition, these are investments in unlisted entities and these investments are not significant in the context of the consolidated Group. As no reliable estimate can be made of the fair value of the other participating interests, financial assets for which no active market exists are valued at cost less any impairments.

On 30 August 2013 Greenyard Foods NV signed an agreement with UFM with respect to the acquisition of production facilities, previously held 90% by UFM and 10% by Greenyard Foods NV. The operations were already taken over of UFM in 2011. The total net book value of these participations amounts to €3.3 million per 31 March 2013. Following the transaction of 30 August 2013, Greenyard Foods owns all of the shares of the companies D'Aucy Polska in Poland and Bajaj Hutoipari in Hungary and owns the majority of the shares of the companies Vallée de la Lys SAS and Moréac Surgelés SAS in France (UFM retains 34% of its shareholding) (see note "*2.4. Changes in consolidation scope").*

6.5. INVENTORIES

Inventories (in thousands of €)	31/03/2014	31/03/2013
Raw materials and consumables (frozen segment)	12,730	11,063
Raw materials and consumables (canning segment)	11,235	10,776
Finished goods (frozen segment)	125,885	110,829
Finished goods (canning segment)	75,055	67,848
Total inventories	**224,905**	**200,516**

Inventories are subject to a 'Net Realizable Value' (NRV) principle, in which the average inventory price for each vegetable sub-group is compared with the average outstanding contract price for the same subgroup. Write-downs are also recorded for obsolete, i.e. slow-moving, inventory. The write-down for slow-moving stock and the write-down resulting from the NRV test are recorded in the income statement as write-off.

Inventories increased by €24.4 million, of which €16.7 million can be explained by the frozen division and €7.7 million by the canning division. The increase of inventories in both divisions is caused by an increased production volumes compared to the previous accounting year. These increased production volumes, which are due to a normal production season, bring inventories back to normal levels. This net book value includes as per 31 March 2014 a write-off on inventories in a total amount of €-6.1 million (per 31 March 2013: €-6.4 million).

6.6. LONG-TERM RECEIVABLES

Long-term receivables (in thousands of €)	31/03/2014	31/03/2013
Trade receivables	**0**	**0**
Trade receivables	99	99
Valuation allowances on trade receivables	-99	-99
Other receivables	**72**	**726**
Other receivables	115	769
Valuation allowances on other receivables	-43	-43
Total	**72**	**726**

Long-term receivables mainly consist of cash guarantees and bails. As per 31 March 2013 this heading mainly consisted of an amount of €0.6 million with regard to a long term receivable towards the CECAB Group relating to a recovery of a defined benefit plan. It relates to a defined benefit plan which is included in the books of two ex-CECAB entities for which the CECAB Group (UFM) had committed itself to take care of this plan. Following the partial acquisition of the French production facilities of UFM as per end of August 2013, this receivable between group companies has been eliminated in the consolidation.

Valuation allowances on long-term receivables (in thousands of €)	31/03/2014		31/03/2013	
	Trade receivables > 1 year	Other receivables > 1 year	Trade receivables > 1 year	Other receivables > 1 year
BALANCE AT THE END OF THE PRECEDING PERIOD	**-99**	**-43**	**-99**	**-43**
Addition				
Non-recoverable amounts				
Reversal				
Translation differences				
Changes in the consolidation scope				
BALANCE AT THE END OF THE PERIOD	**-99**	**-43**	**-99**	**-43**

6.7. DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes (net carrying amount) (in thousands of €)	31/03/2014		31/03/2013	
	Deferred Tax assets	Deferred Taks liabilities	Deferred tax assets	Deferred tax liabilities
BALANCE AT THE END OF THE PRECEDING PERIOD	**10,708**	**24,302**	**475**	**40,202**
Increase/decrease (-) via income statement	-2,043	-844	-95	-3,824
Increase/decrease (-) via equity	5,019	5,547	16,299	16,390
First consolidation	76	1,510		
Deconsolidations				
Classification as assets held for sale				-22,482
Translation differences	-10	-1	59	46
Set-off of assets and liabilities	-4,862	-4,861	-6,030	-6,030
BALANCE AT THE END OF THE PERIOD	**8,888**	**25,653**	**10,708**	**24,302**

Deferred taxes (allocation) (in thousands of €)	31/03/2014		31/03/2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible and tangible fixed assets	6,069	25,559	6,151	25,517
Financial fixed assets (derivatives)	314		2,605	178
Bond loan				
Inventories	32	3,896	64	3,560
Trade and other receivables	95		47	
Provisions	464	26	365	26
Other financial debts	111	1,033	126	1,051
Fiscal losses	6,718		7,430	
TOTAL DEFERRED TAXES RELATED TO TEMPORARY DIFFERENCES	**13,803**	**30,515**	**16,788**	**30,332**
Unrecognised deferred tax assets in respect of deductible temporary differences	-54		-50	
Set-off of assets and liabilities	-4,862	-4,862	-6,030	-6,030
NET DEFERRED TAX ASSETS / LIABILITIES	**8,888**	**25,653**	**10,708**	**24,302**

The **deferred tax assets from continued operations** decreased in a total amount of €1.8 million compared to the situation as per 31 March 2013, mainly due to the reversal of deferred tax assets on derivatives following the repayment of the club deal financing as per end of May 2013. **Deferred tax liabilities from continued operations** increased by €1.3 million, mainly following the first consolidation of the French ex-CECAB entities which were acquired as per end of August 2013 (€+1.5 million).

At 31 March 2014 the Group had not recognized any other deferred tax assets on deductible temporary differences on the basis of its budget forecasts.

No deferred tax assets are recognized on the tax losses carried forward as mentioned below. The following table sets out the deductible elements for which no deferred taxes have been recognized, but against which future taxable profits can be offset. The figures given are gross amounts.

Unrecognised deferred tax assets (Gross) (in thousands of €)	**31/03/2014**	**31/03/2013**
Deductible temporary differences	158	149
Losses carried forward and other recoverable tax amounts	59,065	16,964
Total unrecognised deferred tax assets (Gross)	**59,223**	**17,113**

There is no limitation in time on the above-mentioned unrecognized tax assets.

6.8. TRADE AND OTHER RECEIVABLES

Trade and other receivables (in thousands of €)	**31/03/2014**	**31/03/2013**
Trade receivables	**62,026**	**65,258**
Trade receivables	62,527	66,040
Doubtful trade receivables	1,391	818
Valuation allowances on trade receivables	-1,893	-1,600
Other receivables	**21,990**	**19,802**
Other receivables	15,855	13,190
Valuation allowances on other receivables		
Prepaid expenses and accrued income	6,134	6,612
Total trade and other receivables	**84,015**	**85,060**

As per 31 March 2014, the outstanding short-term **trade and other receivables from continued operations** almost remained stable compared to the previous year. The other receivables mainly relate to VAT and other taxes recoverable.

Deferred charges mainly relate to insurance premiums, expenses related to maintenance contracts, rent, prepayments of IT costs and cliché costs for packaging.

Aging analysis of trade receivables

An analysis is provided below, which shows the aging of the invoiced sales and of the credits extended to customers, including impairments on these amounts.

Aging of trade receivables (in thousands of €)	**31/03/2014**			**31/03/2013**		
	Gross	**Valuation allowances**	**Net**	**Gross**	**Valuation allowances**	**Net**
Not overdue	45,749		45,749	50,864		50,864
Overdue less than 30 days	12,014		12,014	10,438		10,438
Overdue between 30 and 60 days	3,038		3,038	1,973		1,973
Overdue more than 60 days	3,080	-1,893	1,187	3,583	-1,600	1,983
Net book value of trade receivables	**63,882**	**-1,893**	**61,989**	**66,858**	**-1,600**	**65,258**

The valuation allowances on trade and other receivables are determined by the management: when amounts are more than 30 days overdue, then for the part that is not covered by a credit insurance estimation is made with regard to the recoverability and in such an event (bankruptcy, etc.) a 50% or 100% provision is recorded. No valuation allowances are taken by the Group for overdue amounts where collection is still deemed probable, for example because outstanding amounts are recoverable from the tax authorities or because the Group holds sufficient security. The table below gives the movements of valuation allowances on trade and other receivables.

Valuation allowances on receivables < 1 year (in thousands of €)	31/03/2014		31/03/2013	
	Trade receivables < 1 year	Other receivables < 1 year	Trade receivables < 1 year	Other receivables < 1 year
BALANCE AT THE END OF THE PRECEDING PERIOD	**-1,600**	**0**	**-1,660**	**0**
Addition	-196		-882	
Non-recoverable amounts	33		14	
Reversal/use	279		269	
Translation differences				
Changes in the consolidation scope	-408		659	
BALANCE AT THE END OF THE PERIOD	**-1,893**	**0**	**-1,600**	**0**

Management believes that the fair value does not differ significantly from the carrying value.

Factoring

Factoring is used only with customers accepted for credit insurance by the factor and excludes intra-Group receivables.

The Group has been making use of factoring for the Belgian group companies since November 2007 and as from 2009 onwards, there was a partial off-balance sheet financing of the receivables of the British affiliate Pinguin Foods UK Ltd.. Also, as from April 2012 onwards the Group applies factoring in the Belgian canning division.

In this way the Group immediately and definitively receives 90% of the value of sold receivables. The balance is received upon payment by the customer to the financial institution. This is a partial off-balance-sheet financing of the receivables of the Belgian and British group companies. This sale is with partial recourse. In this way no credit risk remains in respect of the sold receivables other than the credit risk on 10% of the value of the sold receivables.

The financial institution purchasing the receivable charges an interest cost for the period between the sale of the receivables and final payment by the customer. This margin is substantially lower than the prevailing margin on working capital credit lines with financial institutions. The late payment risk retained by the Group is limited in time. The continuing involvement of the Group in the transferred receivables is limited in this way to 10% of the value of the receivables and the maximum amount of the late payment risk.

The portion of the sold receivables from continued operations (at 31 March 2014: €45.0 million - at 31 March 2013: €65.8 million) which remains on the balance sheet amounts to €15.4 million (31 March 2013: €16.3 million). This includes an amount for the maximum risk of late payment at 31 March 2014 of €0.3 million (at 31 March 2013: €0.2 million). The corresponding financial obligation amounts to €0.3 million (at 31 March 2013: €0.2 million).

The Group's exposure to credit, exchange rate and interest-rate risks is further described in greater detail in note *"6.20. Risk Management Policy"*.

For the factoring there is no pledge mandate.

6.9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents from continued operations consist of liquid assets held by the Group in the form of cash and of deposit accounts with original maturities of no more than three months. The carrying value of these assets is approximately equivalent to their fair value.

Cash and cash equivalents (in thousands of €)	31/03/2014	31/03/2013
Banks	15,023	21,815
Short-term bank deposits		
Total cash and cash equivalents	**15,023**	**21,815**

6.10. ISSUED CAPITAL, SHARE PREMIUMS AND OTHER CAPITAL INSTRUMENTS

Management aims to provide a solid capital base. This capital base allows a large confidence of investors, suppliers and the market to establish and to have a solid base for the future development of the Group. Management aims to obtain financial stability in both the short and long-term. This strong policy guarantees a financially strong Group with solid financial ratios, which leads to a maximisation of the value of the share of the Group. There were no changes in capital management during the past accounting year apart from those mentioned below. The Group is not exposed to external requirements with regard to capital.

Evolution of issued capital (in thousands of €)	31/03/2014	31/03/2013
BALANCE AT THE END OF THE PRECEDING PERIOD	**154,344**	**154,810**
Formal capital decrease of 30 September 2013	-16,986	
Real capital decrease of 30 September 2013	-39,503	
Costs related to capital increase (IAS 32)		-466
Costs related to capital decrease (IAS 32)	-10	
BALANCE AT THE END OF THE PERIOD	**97,845**	**154,344**
Ordinary shares, issued and fully paid (number)	**31/03/2014**	**31/03/2013**
BALANCE AT THE END OF THE PRECEDING PERIOD	**16,459,520**	**16,459,520**
Movements of the period		
BALANCE AT THE END OF THE PERIOD	**16,459,520**	**16,459,520**
Authorized capital (in thousands of €)	**31/03/2014**	**31/03/2013**
BALANCE AT THE END OF THE PRECEDING PERIOD	**157,500**	**157,500**
Movements of the period		
BALANCE AT THE END OF THE PERIOD	**157,500**	**157,500**

The Board of Directors is authorized, for a period of 5 years from the publication of the deed in the annexes to the Belgian Official Journal (2 March 2012), to increase the capital of the company in one or more installments up to a maximum amount of €157.5 million.

Financial year 1 April 2013 – 31 March 2014

As per 30 September 2013 a share capital reduction of €56.5 million has occurred in order to obtain a share capital of €97.9 million. This includes on the one hand a formal capital reduction in an amount of €17.0 million in order to compensate accumulated losses. On the other hand a 'real' capital reduction was executed in an amount of €2.4 per share or €39.5 million in total. The Extraordinary General Meeting of shareholders has approved on 18 July 2013 the capital decrease in an amount of €2.4 per share. The payment in an amount of €39.5 million has been made in accordance with the legal provisions, 2 months after the publication of the decision in the Belgian Official Gazette. In addition, in accordance with IFRS Standards the costs of the capital decrease of September 2013 were deducted from the capital (€0.01 million as per 31 March 2014). The capital of the Group consisted at 31 March 2014 of 16,459,520 shares without nominal value.

There were no other changes in issued capital during the financial year ending as per 31 March 2014.

In accordance with IAS 32 the warrants of the subordinated loan of €36.0 million granted by Gimv-XL (see note *"6.13. Stock options and warrant plans"* and *"6.17. Interest-bearing liabilities"*) are valued (€2.9 million) and presented as a component of equity under the heading 'share premiums and other capital instruments'.

6.11. OWN SHARES

			Number of treasury shares (b)		
	Number of ordinary shares	Number of shares issued (a)	Held by parent	Held by subsidiaries	Total number of shares outstanding (a) (b)
As at 1 April 2013	**16,459,520**	**16,459,520**	**0**	**0**	**16,459,520**
Capital increase					
Purchase/sale of treasury shares					
As at 31 March 2014	**16,459,520**	**16,459,520**	**0**	**0**	**16,459,520**

Financial year 1 April 2013 – 31 March 2014

The company did not trade any of its own shares in the financial year ending on 31 March 2014. It held none of its own shares at that date.

Financial year 1 April 2012 – 31 March 2013

The company did not trade any of its own shares in the financial year ending on 31 March 2013. It held none of its own shares at that date.

6.12. DIVIDENDS

No dividends were declared during the past three financial years. The directors propose that no dividends be declared in respect of the current year (see note *"7.3. Commitments"*).

6.13. STOCK OPTION AND WARRANT PLANS

Option plans

There are currently no option plans outstanding for members of the Management Committee or senior management.

Warrant plans

In order to finance part of the acquisition price of Scana Noliko Group (see note '*2.4. Changes in consolidation scope'*, on 19 July 2011 Greenyard Foods reached an agreement with Gimv-XL whereby a subordinate loan with warrants for €36.0 million was granted to Greenyard Foods as described:

- Gimv-XL Partners Invest Comm.VA: € 21,186,193.24
- Gimv NV: € 12,962,080.92
- Adviesbeheer Gimv-XL NV: € 1,851,725.84

On 2 December 2011 the General Assembly of Greenyard Foods issued 2,400,000 warrants for a total amount of €30.6 million (85% of the amount of the subordinated loan) with an initial exercise price of €12.75 which are subscribed by Gimv-XL. This exercise price was changed to €10.66 based on a capital reduction of Greenyard Foods which was executed in September 2013.

Gimv-XL subscribed the following number of warrants:

- Gimv-XL Partners Invest Comm,VA: 1,412,413
- Gimv NV: 864,139
- Adviesbeheer Gimv-XL NV: 123,448

Each warrant initially entitles its holder to subscribe to one new share when paying the exercise price. However there are several anti-dilution mechanisms foreseen, whereby the issue price and the number of shares to which each warrant is entitled can be adjusted in case of a change of the par value of the shares following a split of shares, consolidation, requalification of categories of shares etc., in case of a merger, split, merger purchase of own shares, capital decrease diluting issuance of shares, etc..

The warrants have a term of five years as from the date of issuance and they can be exercised at any moment during this period. In case of a partial exercise at least 25% of the warrants need to be exercised together. Up until the 1st of January 2015 the payment of the exercise price of the warrants can only occur by Gimv-XL following a contribution in kind of the debt receivables that Gimv-XL has towards Greenyard Foods under the loan agreement.

Warrants	Date of issuance	Number	Exercise price (in €)	Outstanding at the end of the period
Issue	2/12/2011	2,400,000	12.75	2,400,000
Buy back - annulment				
Expiry				

The warrants expire on 02/12/2016. No warrants were exercised for the period ending 31 March 2014. Consequently there is a possible dilutive effect.

At this moment, in the Group there are no share option plans or warrant plans for employees, managers or members of the Management Committee.

6.14. NON-CONTROLLING INTERESTS

Non-controlling interests (in thousands of €)	31/03/2014	31/03/2013
BALANCE AT THE END OF THE PRECEDING PERIOD	**2,301**	**1,818**
Increase/decrease (-) in ownership		
Share of net profit of subsidiaries	-550	483
Dividend pay-out		
Capital increases		
Changes in the consolidation scope	7,991	
Translation differences		
Other		
BALANCE AT THE END OF THE PERIOD	**9,742**	**2,301**

As last year, the Group has a 99.99% shareholding in Pinguin Langemark NV, a 25.0% shareholding in BND CVBA, a shareholding of 99.99% in D'aucy do Brazil Ltda, a 99.9% shareholding in Pinguin Foods Deutschland Gmbh, a 99.8% shareholding in M.A.C. Sarl and a 52.0% shareholding in Pinguin Aquitaine SAS.

Following to the acquisition of production facilities of the company under French law Union Fermière Morbihannaise SCA (UFM) (see note "*2.4. Changes in consolidation scope")* on 30 August 2013, Greenyard Foods owns the majority of the shares of the companies Vallée de la Lys SAS and Moréac Surgelés SAS in France (UFM retains 34% of its shareholding). Following this partial acquisition of the French production facilities of UFM, non-controlling interests were acquired in an amount of €8.0 million.

6.15. PROVISIONS

Provisions (in thousands of €)	Provisions for pensions and similar rights	Provisions for other liabilities and charges	Total
BALANCE AT THE BEGINNING OF THE PRECEDING PERIOD	**1,046**	**1,694**	**2,740**
Translation differences		-14	-14
Additional provisions	898	504	1,402
Reversal of unutilized provisions			
Provisions utilized during the year	-408	-32	-440
Changes due to the passage of time and change in the discount rate applied			
BALANCE AT THE END OF THE PRECEDING PERIOD	**1,536**	**2,152**	**3,688**
BALANCE AT THE END OF THE PRECEDING PERIOD	**1,536**	**2,152**	**3,688**
Translation differences		31	31
Additional provisions	225	231	456
Reversal of unutilized provisions			
Provisions utilized during the year	-14	-1,360	-1,374
Changes due to the passage of time and change in the discount rate applied			
BALANCE AT THE END OF THE PERIOD	**1,747**	**1,054**	**2,801**

At 31 March 2014 the provision for 'pensions and similar rights' relates on the one hand to an agreed early retirement pension settlement in an amount of €0.5 million (per 31 March 2013: €0.4 million) and on the other hand to a defined benefit plan in an amount of €1.2 million, which is fully due to the French entities of the CECAB Activity (per 31 March 2013: €1.1 million).

The 'provisions for other liabilities and charges' decreased by €1.1 million compared to prior year. This decrease is mainly due to on the one hand the reversal of provisions within the British subsidiary for an amount of €1.3 million relating to a claim for clearing and repair of the leased sites at Bourne, Easton and Grimsby, whereas on the other hand a retirement provision of €0.2 million was included in the canning division.

For further information concerning pending disputes we refer to note *"7.2. Pending Disputes"*.

6.16. PENSION OBLIGATIONS

Defined contribution plans

The Group's pension plans provide for the payment of clearly determined amounts to pension institutions. These employer's contributions are charged against income in the year to which they relate. Since 1 January 2004 Belgian legislation has required a minimum return to be guaranteed on contributions paid into a defined contribution plan.

During the financial year ending as per 31 March 2013 the Group made payments of €0.3 million (continuing operations) under defined contribution schemes (as per 31 March 2013: €0.3 million from continuing operations).

Defined benefit plans

There are no defined benefit plans within the Group, except within the acquired French subsidiaries of the CECAB Activity. This plan is an unfunded plan whereby the capital at retirement age depends on the last wage and seniority. Following this plan the group is exposed to risks that are located in the area of the discount rate and the expected percentage for future salary increases

As per 31 March 2014 a provision has been recorded for a total amount of €1.2 million (as per 31 March 2013: €1.1 million).

The net obligation, which equals as well the gross obligation since there are no plan assets, reconciles as follows:

Net liability included in the balance sheet (in thousands of €)	31/03/2014	31/03/2013
Net liability at beginning of the year	**1,064**	**590**
Service cost included in income statement		
Current service cost (net of employee contributions)	81	65
Past service cost (incl. effect of curtailments)	6	327
Settlement ((gain)/loss		
Service cost	**87**	**392**
Net interest on the liability/ (asset) in income statement		
Interest cost on defined benefit obligation	29	24
Net interest cost	**29**	**24**
Defined benefit cost recognized in income statement	**116**	**416**
Remeasurement of the net liability/ (asset) in other comprehensive income		
Actuarial (gains)/losses arising from		
Changes in demographic assumptions	130	
Changes in financial assumptions	-41	107
Experience adjustments	45	-49
Total remeasurement recognized in other comprehensive income	**134**	**58**
Direct benefit payments by employer (cash payments)	**-111**	**0**
Net liability at end of the year	**1,204**	**1,064**

The expected contributions to be paid for 2014-2015 amount to € 0.05 million.

Most important assumptions for the period ending on	31/03/2014	31/03/2013
Discount rate	2.75%	2.5%
Expected rates of future salary increases	2.50%	2.00%
Duration	13.5	n/a

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

Sensitivity analysis defined benefit obligation	Change in assumptions	Impact on defined benefit obligation *(in thousands of €)*	Impact on defined benefit obligation *(as % of the defined benefit obligation)*
Discount rate	+1.00%	-148	-12.3%
Expected rates of future salary increases	+1.00%	178	14.8%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

6.17. INTEREST-BEARING LIABILITIES

This note provides information on the contractual conditions governing the Group's **interest-bearing liabilities from continued operations**. It covers the financial debts. The present note gives an overview of the long-term liabilities and those maturing within the period. This note does not cover the MTM ('marked to market') values of the financial instruments.

The total financial debts from continuing operations (including financial instruments) increased slightly by €3.1 million compared to end of March 2013. However the composition of the financial debt in both accounting periods is different: as per the end of May 2013 the existing club deal financing has been fully repaid in an amount of €189.7 million and in addition, the related financial hedging instruments in an amount of €6.5 million have been repaid. As per 5 July 2013 a bond loan has been issued with a gross coupon of 5.0% fixed interest for a nominal amount of €150.0 million. On 16 December 2013 a working capital financing in an amount of €158.5 million was signed, of which as per year end an amount of €25.2 million was drawn as financial debt. This working capital financing was signed on the one hand to finance the peaks in working capital needs and on the other hand to support the growth of the Group. By issuing the bond loan and signing of the working capital financing, the foundations have been built for a stable financing structure in the medium term in order to realize the strategic plan.

The **interest-bearing liabilities from continued operations** at 31 March 2014 can be broken down as follows:

Interest-bearing liabilities at 31 March 2014 (in thousands of €)	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing liabilities > 1 year		**43,151**	**149,621**	**192,772**
Finance leases				
Bank loans (credit institutions)		7,440		7,440
Bond loan			149,621	149,621
Subordinated bond loan with warrants		35,707		35,707
Other financial debts		4		4
Interest-bearing liabilities < 1 year	**48,030**			**48,030**
Finance leases				
Bank loans (credit institutions): debts > 1 year due within current year	879			879
Bank loans (credit institutions)	17,705			17,705
Bond loan				
Subordinated bond loan with warrants				
Other financial debts	29,446			29,446
Total interest-bearing liabilities	**48,030**	**43,151**	**149,621**	**240,802**

Interest-bearing liabilities (in thousands of €)	Fixed	Variable	Total
Total	**215,895**	**24,906**	**240,802**
Interest-bearing liabilities (in thousands of €)	**Secured**	**Non-secured**	**Total**
Total	**211,101**	**29,701**	**240,802**

The **interest-bearing liabilities from continued operations** at 31 March 2013 can be broken down as follows:

Interest-bearing liabilities at 31 March 2013 (in thousands of €)	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing liabilities > 1 year		**5,306**	**35,950**	**41,256**
Finance leases				
Bank loans (credit institutions)		100		100
Subordinated bond loan		4,402	34,687	39,089
Other financial debts		804	1,263	2,067
Interest-bearing liabilities < 1 year	**190,309**			**190,309**
Finance leases	3			3
Bank loans (credit institutions): debts > 1 year due within current year	126,923			126,923
Bank loans (credit institutions)	61,864			61,864
Subordinated bond loan	400			400
Other financial debts	1,119			1,119
Total interest-bearing liabilities	**190,309**	**5,306**	**35,950**	**231,565**

Interest-bearing liabilities (in thousands of €)	Fixed	Variable	Total
Total	40,701	190,864	231,565
Interest-bearing liabilities (in thousands of €)	**Secured**	**Non-secured**	**Total**
Total	230,261	1,304	231,565

Bond loans

On July 5, 2013 Greenyard Foods NV issued a bond loan with a nominal amount of €150.0 million, a gross coupon of 5.0% fixed interest and a period of 6 years. In accordance with IFRS, the costs (€-0.4 million) of this loan have been presented as a negative for this loan. For a discussion on the covenants related to this bond loan we refer to note *'7.3. Engagements'*.

Subordinated bond loans

On 2 December 2011, 2,400,000 warrants were created in connection with the issuing of a subordinated bond loan by Gimv-XL in an amount of €36.0 million, minus the warrants which have been valued in accordance with IAS 32 (€2.9 million) which were issued as a component of equity ('share premiums and other capital instruments'). For a further discussion of the warrants we refer to note '*6.13. Stock option plans and warrant plans'.* The warrants have a term of 5 years. Interest amounts to 6.8% of which 1.8% is capitalised. Interests are payable per quarter at the end of the term. After the first recognition in the financial statements, the bond loan is treated at amortized cost using the effective interest method. The effective interest rate at 31 March 2014 was 8.4%. The €1.0 million increase in the subordinated bond loan with Gimv-XL as per 31 March 2014 is fully explained by the normal contractual repayments that are compensated by the capitalisation of the interests. No accelerated repayments have been made.

On 31 October 2013 the subordinated loan of Noliko Group towards De Mijnen NV was repaid in advance in an amount of €4.8 million. The initial repayment date was foreseen for 31 December 2016.

Bank loans

On 16 December 2013 working capital financing in an amount of €158.5 million was signed with a bank consortium. The evolution of short-term bank loans recorded in the financial statements is the situation at a particular point in time. Short-term bank debt varies in function of inventories, the factoring of receivables via an invoice discounting facility, and available cash. The Group's short-term interest-bearing liabilities were drawn down mainly in the form of fixed-term advances at fixed margins over floating (Euribor) rates.

All interest-bearing liabilities per 31 March 2014 are expressed in euros. All interest-bearing liabilities are concluded at market conditions. The average interest rate for outstanding debts with financial institutions amounted at 31 March 2014 to 2.9% (at 31 March 2013: 3.2%).

For the loans outstanding at 31 March 2013 and 31 March 2014, no defaults or violations were established with regard to redemption payments and the provisions relating to principal and interest. The total amount of such loans with anomalies at 31 March 2013 and 31 March 2014 is nil. For this reason no regularization of any defaults was required prior to the publication date of the approved annual accounts.

We refer to note *"7.3. Commitments"* for further information on bank covenants and the rights and commitments not included in the balance sheet.

Other financial debts

The other financial debts as per 31 March 2014 consist on the one hand of a loan of €1.0 million in the acquired subsidiary in Moréac and on the other hand of stock financing for the French production facilities of UFM in an amount of €28.4 million that Greenyard Foods NV has obtained as per end of August 2013. This latter amount has been repaid at the end of April 2014.

6.18. TRADE AND OTHER PAYABLES (SHORT-TERM)

Short-term trade and other payables (in thousands of €)	**31/03/2014**	**31/03/2013**
Trade payables and accrued expenses	93,352	138,230
Tax payable	6,445	5,062
Remuneration and social security payable	15,103	14,837
Advances received	5	5
Other amounts payable	6,158	73,265
Deferred income	617	431
Total short-term trade and other payables	**121,682**	**231,830**

The decrease of the **trade payables and accrued expenses** is mainly resulting from the takeover of the working capital of the CECAB entities. UFM financed this working capital previously and since the acquisition date, which is August 30th 2013, this is included in the working capital of the Group. Consequently, the payment terms used are shorter than the previous payment terms to UFM.

The **other amounts payable** decreased by €72.5 million resulting from the total repayment of the outstanding debts with the potato division due to the sales.

6.19. ASSETS AND LIABILITIES RELATED TO ASSETS AND LIABILITIES RELATED TO ASSETS CLASSIFIED AS HELD FOR SALE

IFRS requires fixed assets to be transferred to this heading when the Board of Directors has passed a resolution to sell assets and sufficient certainty exists that the assets in question will be effectively disposed of within a foreseeable period (generally 1 year).

Assets held for sale (in thousands of €)	**31/03/2014**	**31/03/2013**
BALANCE AT THE END OF THE PRECEDING PERIOD	**195,619**	**0**
Increase		195,619
Decrease	-195,619	
Translation differences		
BALANCE AT THE END OF THE PERIOD	**0**	**195,619**

The assets and liabilities of the potato division that were sold as per end of May 2013 are not significantly different from the assets and liabilities related to discontinued operations as reported as per end of previous reporting period.

Assets and liabilities related to assets classified as held for sale (in thousands of €)	**31/03/2013**
Intangible fixed assets	2,493
Goodwill	51,622
Tangible fixed assets	61,000
Long-term receivables	39
Inventories	53,530
Amounts receivable	114,582
Other financial assets	303
Cash and cash equivalents	11,679
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**295,248**
Provisions	61
Financial debts at credit institutions (LT)	47
Deferred tax liabilities	17,258
Financial debts to credit institutions (ST)	7,139
Trade payables	57,509
Advances received on contracts	4
Tax payable	11,905
Remuneration and social security	5,696
Other amounts payable	10
TOTAL LIABILITIES RELATED TO ASSETS CLASSIFIED AS HELD FOR SALE	**99,629**
NET ASSETS RELATED TO ASSETS CLASSIFIED AS HELD FOR SALE	**195,619**

6.20. RISK MANAGEMENT POLICY

In exercising its business activity, the Group is exposed to market risks (currency, interest-rate and other risks) and to credit and liquidity risks. Derivatives are used to reduce the risk attached to exchange rate and interest-rate fluctuations. The derivatives used consist primarily of “over-the-counter” financial instruments, in particular option contracts and interest-rate swaps concluded with first-class banks. Not being listed on an active market, these derivatives are valued on the basis of a valuation model. It is Group policy not to undertake speculative transactions. ‘Hedge accounting’ under the strict application conditions of the IFRS is not applied at this moment.

This note places the users of the Group's financial statements in a position to judge the nature and extent of the abovementioned risks arising out of financial instruments, to which the Group is exposed at the reporting date. It also sets out the Group's objectives, principles and procedures for managing risk and the methods used for measuring this risk. Further quantitative information is provided throughout these consolidated financial statements.

- *Market risk: foreign exchange risks*
  Like any company with non-euro sales, the Group runs the usual exchange rate risks. The Group is subject to fluctuations in the exchange rates that could lead to profit or loss in foreign exchange transactions. The British pound is the most important non-euro currency for the group. In addition, there are also purchase and sale contracts in USD. This is limited and the Group strives for a natural hedging. Through the acquisition of the CECAB Activity, the Polish zloty, the Hungarian forint and the Brazilian real are also currencies that are used.The Group concludes foreign exchange contracts that entitle it in each case to buy (forward purchases) or sell (forward sales) a certain quantity of foreign currency. The Group also concludes agreements giving it the right, but not the obligation, to sell (put option) a specified quantity of foreign currency (GBP) at an agreed price during a specified period or at a specified date. The option-holder pays the seller a premium as remuneration for the risk during the life of the agreement. Combinations of call and put options are used in order to keep hedging costs as low as possible. These agreements are concluded in

order to minimize the Group's foreign exchange risk, mainly in respect of a significant portion of the activities undertaken with countries outside the Eurozone (the chief example being the UK).

- *Market risk: interest-rate risk*
  For managing interest-rate risk the Group makes limited use of financial instruments with a view to reduce the impact of any interest-rate rises. These instruments match the way the company finances its credit needs with short-term fixed-rate borrowings. An interest-rate swap involves swapping interest-rate conditions during the period, or part of the period of a borrowing. An interest-rate cap protects the holder of this financial instrument against interest rates rising above a predetermined level, whilst an interest-rate floor protects against interest rates falling below a pre-determined level.

- *Credit risk*
  Credit risk is the risk of a counterparty or its bank being unable to fulfill its contractual obligations. The Group reduces this risk by means of an active debtor policy including such steps as formulating payment conditions, formulating collection procedures, credit insurance and setting internal limits. We refer also to note *"6.8. Trade and other receivables"* for further information on the factoring agreements.

- *Liquidity risk*
  Liquidity risk is the risk of having insufficient resources in order to fulfill direct obligations, which are settled in cash or other financial assets. The Group's approach to liquidity is to ensure, as far as possible, that sufficient liquidity is available at all times to meet liabilities as these fall due, under both normal and abnormal circumstances, without exposing itself to unacceptable losses or damaging the Group's reputation. We refer as well to note *"7.3. Commitments"* for further information on the bank covenants.

Within the Group the Board of Directors carries total responsibility for supervising the Group's risk management structure. Financial management describes and names the risks and is tasked with developing and controlling the Group's risk management policy. Financial management reports on a regular basis to the Board of Directors.

The first task of the Group's risk management policy is to identify the risks to which the Group is exposed. Analysis of these risks then leads to an appropriate structure of risk limitation and control. The risk management policy and risk management system are regularly reviewed to reflect changes in market conditions and in the Group's activities. The Group also seeks to develop a disciplined, constructive and controlled environment by means of training, standards and procedures, in such a way that every employee knows his role, obligations and responsibilities.

The Board of Directors assesses the application of the risk management policy and the prescribed procedures and reviews the appropriateness of the risk management structure in relation to the risks to which the Group is exposed.

A number of risks are managed with the help of derivatives. The Group limits itself here to forward contracts and interest-rate swaps (IRS).

1. Market risk

The market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will influence Group income or the value of its financial instruments. The objective is to control and manage this market risk within the limits of acceptable parameters, whilst optimizing the *'return on risk'*.

The Group buys and sells derivatives in the normal course of business, and also uses financial instruments in order to manage the market risk. All these transactions are carried out under the guidelines set by the Audit Committee. The Group does not, however, use *'hedge accounting'*.

In its application of IAS 39 *"Financial instruments"* the Group has classified the financial instruments used to cover its interest-rate risk as economic hedges that do not fulfil the requirements for *'hedge accounting'*. They are therefore valued at fair value with changes in fair value, as a result of the effect of the interest-rate difference, recognized in the income statement.

1.a.1. Foreign exchange risk

The foreign exchange risk relates to possible variations in the value of financial instruments as a result of exchange rate fluctuations. The Group is exposed to exchange risks from the fact that a considerable portion of its activities (buying and selling) are undertaken outside the Eurozone, mainly in pounds sterling and US dollars. The derivatives are intended to hedge the Group's exposure to currency risks in GBP and the USD (see note *"1.c. Foreign exchange risk and interest-rate risk: financial instruments (derivatives)"*).

Outstanding foreign currency receivables and liabilities at balance sheet date at Group level break down as follows:

Outstanding amounts in foreign currencies exposed to foreign exchange risk (in thousands of €)	31/03/2014	31/03/2013
Amounts receivable		
GBP (in € terms)	49,824	31,958
USD (in € terms)	298	297
PLN (in € terms)	8,745	7,488
Liabilities		
GBP (in € terms)	140	1,384
USD (in € terms)	392	877
PLN (in € terms)		

These amounts relate to both receivables and liabilities from/to third parties and to intra-Group receivables and liabilities which represent a foreign exchange risk at balance sheet date. In other words these amounts consist only of receivables and payables in a currency other than the functional currency of the entity holding them.

The receivables in GBP have increased due to an increase of the open position of Greenyard Foods NV with Pinguin Foods UK Ltd.

The Group realizes a substantial portion of its sales outside the Eurozone, mainly in the United Kingdom (22.32%).

The impact of the pound sterling, Polish zloty and Hungarian forint on the Group's results is to be found at two levels: transaction risk and translation risk.

An additional impact is that of the sales offices that report in foreign currencies (Scana Noliko UK Ltd and D'aucy do Brazil Ltda). This risk is situated at the translation risk level.

a) Transaction risk with respect to outstanding receivables and liabilities

The receivables and liabilities in pound sterling, Polish zloty and Hungarian forint can, upon payment in euro, give rise to a realized gain or loss depending on whether the daily exchange rate at the time of receipt and payment differs from the exchange rate at the time the receivable or payable is recorded.

We point out that a transaction risk also affects outstanding receivables and liabilities in USD.

b) Translation risk in relation to the income statement

This translational risk relates mainly to the inclusion of the figures of Pinguin Foods UK Ltd., Pinguin Foods Polska Sp.z.o.o. and Pinguin Foods Hungary Kft., but also applies to the sales offices that report in foreign currencies (Scana Noliko UK Ltd and D'aucy do Brazil Ltda) (see note *"7.1. Subsidiaries"*).

The impact of the GBP exchange rate concerns primarily the recognition of the statement of financial position and the income statement of Pinguin Foods UK Ltd, Pinguin Foods Polska Sp.z.o.o. and Pinguin Foods Hungary Kft. The related functional currencies are the pound sterling, Polish zloty and Hungarian forint. This means that, in the case of a net profit of for example GBP 1,000 (over a certain period), an average rise/fall of the GBP against the euro of for example 10% (over the same period) will also increase/decrease the euro net profit by 10%.

c) Translation risk in relation to equity

In addition the exchange rate also affects the reserves and the value of the participating interest that Greenyard Foods NV holds in the capital of Pinguin Foods UK Ltd., Pinguin Foods Polska Sp.z.o.o and Pinguin Foods Hungary Kft. and the sales offices Scana Noliko UK Ltd. and D'aucy do Brazil Ltda.. Under the consolidation rules, capital and reserves are converted at the historical exchange rate. Whenever the exchange rate changes, the difference between the closing rate at a particular date and the historical rate will be recorded as a translation difference under the heading “equity”.

1.a.2. Foreign exchange sensitivity

A sensitivity percentage of 10% is taken in determining the foreign exchange risk, In reality the fluctuations, as in 2013-2014, can be greater than 10%, which can change the sensitivity proportionally.

	2013-2014				
1 € =	**Closing rate 31 March 2014**	**Average rate 2013-2014**	**Possible closing rate 31 March 2014**	**Possible average rate 2013-2014**	**Possible exchange rate volatility expressed in %**
Pound sterling	0.83	0.84	0.74 - 0.91	0.76 - 0.93	10%
US dollar	1.38	1.34	1.24 - 1.51	1.21 - 1.47	10%
Polish zloty	4.17	4.21	3.76 - 4.59	3.79 - 4.63	10%
Hungarian forint	312.50	303.03	281.25 - 343.75	272.73 - 333.33	10%

	2012-2013				
1 € =	**Closing rate 31 March 2013**	**Average rate 2012-2013**	**Possible closing rate 31 March 2013**	**Possible average rate 2012-2013**	**Possible exchange rate volatility expressed in %**
Pound sterling	0.84	0.81	0.76 - 0.93	0.73 - 0.90	10%
US dollar	1.28	1.29	1.15 - 1.41	1.16 - 1.42	10%
Polish zloty	4.18	4.16	3.77 - 4.60	3.75 - 4.58	10%
Hungarian forint	303.03	285.71	272.73 - 333.33	257.14 - 314.29	10%

The sensitivity analysis is applied only to outstanding monetary business in foreign currencies. It covers both external loans and intra-Group loans and receivables in foreign currency, as well as trade receivables and liabilities, in so far as the foreign currency differs from the functional currency of the entity holding them.

a) Transaction risk with respect to outstanding receivables and payables

Based on the average volatility of the GBP, USD and PLN against the € during the past reporting period, we have made a reasonable estimate, as follows, of the effect of a potential variation of the GBP, USD and PLN exchange rates against the €:

Foreign exchange sensitivity on outstanding receivables and payables (in thousands of €)	**Net balance sheet position per 31 March 2014**	**Impact 10% increase of euro compared to foreign currency on open position**	**Impact 10% decrease of euro compared to foreign currency on open position**	**Net balance sheet position per 31 March 2013**	**Impact 10% increase of euro compared to foreign currency on open position**	**Impact 10% decrease of euro compared to foreign currency on open position**
Pound sterling	49,684	-4,968	4,968	30,574	-3,057	3,057
US dollar	-94	9	-9	-580	58	-58
Polish zloty	8,745	-874	874	7,488	-749	749

b) Translation risk in relation to income statement

As per 31 march 2014 18% of the Group's sales from continued operations are realized by Pinguin Foods UK Ltd. (at 31 March 2013: 20%), which operates in pounds sterling. These results are converted into the Group's functional currency, which is the euro. Based on an analysis of exchange rate developments over the past financial year, we have made a reasonable estimate of an effect of a potential variation in the GBP against the euro, and the same has been done for the Polish zloty, the Hungarian forint and the Brazilian real:

- If the euro had risen/fallen by 10% against the GBP, and all other variables remaining constant, the net result would have been €0.1 million higher/lower at 31 March 2014 (at 31 March 2013: €0.5 million higher/ lower).

The impact of exchange rate fluctuations in respect of Pinguin Foods Hungary Kft., Baja Hutoipari Zrt., Pinguin Foods Polksa Sp. Z.o.o., D'aucy Polska Sp. Z.o.o. and the sales offices that report in foreign currencies (Scana Noliko UK Ltd. and D'aucy do Brazil Ltda.) on the Group result at 31 March 2014 is €0.01 million (at 31 March 2013: 0.2 million).

c) Translation risk in relation to equity

If the euro had risen/fallen by 10% against the GBP, and all other variables remaining constant, the translation differences in equity would have been €0.7 million lower/higher at 31 March 2014 (at 31 March 2013: €1.1 million lower/higher).

The impact of exchange rate fluctuations in respect of Pinguin Foods Hungary Kft., Baja Hutoipari Zrt., Pinguin Foods Polksa Sp. Z.o.o., D'aucy Polska Sp. Z.o.o. and the sales offices that report in foreign currencies (Scana Noliko UK Ltd. and D'aucy do Brazil Ltda.) on the Group's shareholders' equity at 31 March 2014 is €1.1 million (at 31 March 2013: €0.4 million).

1.b.1. Interest-rate risk

The Group has credit outstanding in GBP and euro. The distribution by currency is given below:

Financial liabilities	31/03/2014		31/03/2013	
	In thousands of €	Interest rate	In thousands of €	Interest rate
Floating interest rate				
EUR	26,252	1.42%	186,013	1.28%
GBP (in EUR terms)	183	0.24%	12,514	1.14%
Fixed interest rate				
EUR	215,895	2.62%	40,701	2.47%
GBP (in EUR terms)				
Total financial liabilities	**242,330**		**239,228**	

At 31 March 2014, 89.1% of the outstanding financial debt of the Group was at fixed interest rates (at 31 March 2013: 17.0%). This significant change is mainly due to the issuance of the retail bond in 08/2013 with a fixed interest rate.

1.b.2 Interest-rate risk: interest-rate sensitivity

Had interest rates in GBP (Libor) risen/fallen by 50 basis points, and with all other parameters remaining constant, this would have had a negative/positive impact on the financial results, for the credits with a floating interest rate, of €0.0 million for the period to 31 March 2014 (€0.1 million for the period to 31 March 2013).

Had interest rates in EUR (Euribor) risen/fallen by 50 basis points, and with all other parameters remaining constant, this would have had a negative/positive impact on the financial results, for the EUR credits with a floating interest rate, of €0.1 million for the period to 31 March 2014 (€0.9 million for the period to 31 March 2013).

Despite the Group's intention to reduce the level of indebtedness, and hence the sensitivity of net result to interest-rate fluctuations, and despite the hedging strategy on the basis of bank derivatives, it cannot be excluded that the Group's net result will in future be subject to interest-rate fluctuations.

1.b.3 Interest-rate risk: maturity of financial instruments

The table below gives an overview of the average effective interest rates and remaining terms at balance sheet date for the different types of financial instruments:

Remaining terms of financial instruments (in thousands of €)	Category of instruments	31/03/2014				
		Average effective interest rate %	Total carrying value	< 1 year	1- 5 year	> 5 year
Instruments with fixed interest rates			**215,896**	**29,637**	**36,638**	**149,621**
Other financial assets	FaAFS					
Held-to-maturity investments	Htm					
Cash and cash equivalents	L&R					
Guaranteed bank loans	FLmaAC	3.28%	1,116	188	927	
Financial lease obligations	n/a					
Unguaranteed bank facilities	FLmaAC					
Liabilities to credit institutions	FLmaAC					
Bond loans	FLmaAC	5.00%	149,621			149,621
Subordinated bond loans with warrants	FLmaAC	6.75%	35,707		35,707	
Other guaranteed financial liabilities	FLmaAC	0,00%	29	25	4	
Other non-guaranteed financial liabilities	FLmaAC	1,39%	29,424	29,424		
Instruments with variable interest rates			**24,906**	**18,393**	**6,513**	**0**
Guaranteed GBP bank loan	FLmaAC					
Guaranteed EUR bank loan	FLmaAC	2,50%	24,629	18,116	6,513	
Other guaranteed loans	FLmaAC					
Other unguaranteed loans	FLmaAC	0,24%	277	277		

Category of instruments

L&R:	Loans and receivables
FaHT:	Financial asset Held for Trading
FaAFS:	Available-For-Sale Financial assets
Htm:	Held-to-maturity investments
FLmaAC:	Financial Liabilities measured at amortised cost
FlHT:	Financial Liabilities Held for Trading

Remaining terms of financial instruments (in thousands of €)	Category of instruments	31/03/2013				
		Average effective interest rate %	Total carrying value	< 1 year	1- 5 year	> 5 year
Instruments with fixed interest rates			**65,866**	**22,764**	**3,802**	**39,300**
Other financial assets	FaAFS		3,350			3,350
Held-to-maturity investments	Htm					
Cash and cash equivalents	L&R		21,815	21,815		
Guaranteed bank loans	FLmaAC	5.50%	195	95	100	
Financial lease obligations	n/a	5.60%	3	3		
Unguaranteed bank facilities	FLmaAC					
Liabilities to credit institutions	FLmaAC					
Bond loans	FLmaAC	4.92%	39,489	400	4,402	34,687
Other guaranteed financial liabilities	FLmaAC	0.00%	68	43	25	
Other non-guaranteed financial liabilities	FLmaAC	5.02%	946	408	-725	1,263
Instruments with variable interest rates			**190,865**	**74,864**	**116,001**	**0**
Guaranteed GBP bank loan	FLmaAC	2.22%	12,335	5,815	6,520	
Guaranteed EUR bank loan	FLmaAC	1.93%	178,172	68,691	109,481	
Other guaranteed loans	FLmaAC	0.00%				
Other unguaranteed loans	FLmaAC	0.12%	358	358		

Category of instruments

L&R: Loans and receivables

FaHT: Financial asset Held for Trading

FaAFS: Available-For-Sale Financial assets

Htm: Held-to-maturity investments

FLmaAC: Financial Liabilities measured at amortised cost

FlHT: Financial Liabilities Held for Trading

1.c. Foreign exchange risk and interest-rate risk: financial instruments (derivatives)

In its application of IAS 39 *"Financial instruments"* the Group has classified the financial instruments used to cover its interest-rate risk and foreign exchange rate risk as economic hedges that do not fulfill the requirements for 'hedge accounting'. They are therefore valued at fair value with changes in fair value, as a result of the effect of the interest-rate difference, recognized in the profit and loss account.

Foreign exchange risk

For hedging foreign exchange risks the Group works with forward contracts, whereby it seeks to hedge 50% to 75% of its monthly GBP income. There is no certainty that the Group's hedging strategy can sufficiently protect its operating results against the consequences of exchange rate fluctuations.

The Group is covered as at 31 March 2014 via various instruments in a notional amount of €19.8 million (31 March 2013: €23.3 million).

Interest-rate risk

The Group has used financial instruments to hedge the risks of unfavorable interest-rate fluctuations. The Group wishes to keep its net interest cost as low as possible and does not want to be confronted with uncontrollable fluctuations in interest rates. The use of variable interest-rate credits carries with it the risk of major changes in cash flows in case of rising interest rates.

To this end a number of Interest-Rate Swaps (IRS) and interest-rate caps with Knock-Outs have been concluded with a number of Belgian banks. In an interest-rate swap the Group commits to paying or receiving the difference between the interest amount at fixed and floating interest rates calculated on a nominal amount. This type of agreement allows the Group to absorb fluctuations due to changes in the market value of the fixed interest-rate debt. To limit the cost of these instruments, a number of Floor contracts with Knock-Ins have been concluded simultaneously.

To manage the interest-rate risk the Group is covered as at 31 March 2014 via various instruments in a notional amount of €21.2 million (31 March 2013: €171.0 million).

Nominal amounts per maturity date

The following table gives an overview of the outstanding derivatives on the basis of the nominal amounts per maturity date.

Outstanding derivatives: nominal amounts per maturity date (in thousands of €)	31/03/2014			31/03/2013		
	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Due within 1 year	Due between 1 and 5 years	Due after 5 years
Foreign exchange risk						
Term contracts	19,786			23,317		
Options						
Interest-rate risk						
IRS		13,000	8,200	10,000	161,000	
Caps						
Total outstanding derivatives: nominal amounts per maturity date	**19,786**	**13,000**	**8,200**	**33,317**	**161,000**	**0**

The maximum hedging term for these instruments runs until June 2024.

The decrease in notional hedging amounts and the number of instruments is explained by the repayment of the previous club deal financing with related hedging instruments at the end of May 2013. At the end of March 2014, the remaining term is thus more than 5 years.

Fair value by type of derivative

The fair value of derivatives is based on the (available) market price. This information is provided by the Group's financial institutions with which the financial instruments have been concluded. Where the market price is not available, the fair value is estimated. The intrinsic or fair value of an option consists out of the intrinsic value and the time value. The fair value of the interest-rate swap is determined by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument.

The open instruments at balance sheet date have a total fair value ('marked to market value') of €-1.5 million at 31 March 2014 (31 March 2013: €-7.1 million). The net result in the financial year ending on 31 March 2014 on the financial assets and liabilities valued at fair value is €-0.1 million (31 March 2013: €-0.6 million).

Fair value by type of derivative (in thousands of €)	Assets		Liabilities		Net Position		Included in income statement	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Foreign exchange risk								
Term contracts		561	279	174	-279	387	5,531	771
Options								
Interest-rate risk								
IRS			1,250	7,489	-1,250	-7,489	-5,618	-1,359
Interest-rate caps								
Net assets/liabilities	**0**	**561**	**1,529**	**7,663**	**-1,529**	**-7,102**	**-87**	**-588**

Fair value hierarchy included in the statement of financial position

The table below analyses financial instruments of the Group initially measured at fair value, sorted by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets and liabilities at fair value (in thousands of €)	31/03/2014			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
derivatives				
Total assets at fair value				
Financial liabilities at fair value through profit and loss				
derivatives		1,529		1,529
Total liabilities at fair value		**1,529**		**1,529**

Assets and liabilities at fair value (in thousands of €)	31/03/2013			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
derivatives		561		561
Total assets at fair value		**561**		**561**
Financial liabilities at fair value through profit and loss				
derivatives		7,663		7,663
Total liabilities at fair value		**7,663**		**7,663**

During the past financial year, there were no transfers of financial assets or liabilities between levels 1 and 2.

d) Other market risks

Other market risks that are unrelated to risks in relation to financial instruments are determined by fluctuations in sales prices and weather conditions.

Climatologic circumstances do have an important impact on the availability of raw materials in the frozen and in the canning division. These can lead in both divisions to an under- or oversupply of raw materials. The availability of raw materials needs to be sufficient during harvest periods for Greenyard Foods in order to guarantee the sales during a full year.

Along with other elements, such as soil fatigue in fields for specific crops, the weather conditions are a compelling reason for Greenyard Foods to reduce its dependency on the harvest in a specific region as much as possible. This is being achieved by the international spread of the activities, by sustainable relations with agriculture and by concluding cooperative agreements with other companies in alternative regions.

The frozen division and the canning division work in principle with fixed annual contracts, where the price per vegetable is set for the entire season before the vegetables are sown or planted. Possible shortfalls in the market can be compensated by purchasing raw materials on the free market.

The supply of raw materials is guaranteed by a limited number of suppliers. The frozen division procures fresh vegetables mainly from over 800 farmers located in the area around the parent company in West Flanders and Northern France. In the United Kingdom, France, Poland and Hungary, the supply of raw materials is guaranteed, by agricultural cooperatives, local farmers and various dealers. The frozen division has further extended its procurement possibilities by concluding cooperation agreements with a number of frozen groups in Spain, Germany, Italy, Hungary and other countries. The provisioning of the canning division comes from around 4,500 ha of agricultural land, within a radius of 100 km around Bree.

Despite the high level of attention dedicated to these aspects, the production of the divisions of Greenyard Foods depends on temporary weather phenomena, while climatological circumstances can influence supplies and raw materials prices. Harvest yields can fluctuate sharply depending on the weather conditions.

2. Credit risk

Credit risk is the risk of financial loss to the Group through a customer or a financial instrument counterparty being unable to fulfil its contractual obligations. This risk originates in most cases from the Group's customer receivables and investments.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has a diversified customer portfolio. To protect itself against customer defaults and bankruptcies the Group uses the services of an international credit insurance company, and also applies internal customer credit limits. Management has developed a credit policy and credit risk exposure is continuously monitored. Any customer whose credit exceeds a specified amount is subjected to a credit check. Following credit checking these customers are subdivided into categories. Customers who represent a high risk factor are treated according to the credit policy that the Group has developed. Credit risk covers only the instrument class of 'loans and receivables' (L&R).

To further limit the credit risk of customers failing to meet their payment obligations, the Group has implemented some time ago credit insurance with an international credit insurance company for all customers. The Group has an invoice discounting facility, whereby the Group sells a portion of its receivables to a financial institution, which enables it to turn receivables into cash more quickly. We refer to note *"6.8. Trade and other receivables"* for further information on invoice discounting.

For the other instrument classes the credit risk is limited or non-existent, given that counterparties are banks with a high creditworthiness.

2.a.1 Exposure to credit risk

The carrying amount of the financial assets represents the Group's maximum exposure to credit risk. The carrying amount is reported including impairments. The maximum exposure to credit risk at the balance sheet date is given in the tables below:

Net carrying amount of financial assets 31/03/2014 (in thousands of €)	**Category of instruments in accordance with IAS 39**	**Gross value 31/03/2014**	**Impairment losses 31/03/2014**	**Net carrying amount 31/03/2014**
Other financial fixed assets	FaAFS	42	-4	39
Long-term receivables (> 1 year)	L&R	214	-142	72
Trade receivables	L&R	63,919	-1,893	62,026
Other receivables	L&R	23,279	-1,289	21,990
Derivatives	FaHT			
Short-term deposits	L&R			
Cash and cash equivalents	L&R	15,023		15,023
Total net carrying amount of financial assets		**101,146**	**-2,035**	**99,111**

Net carrying amount of financial assets 31/03/2013 (in thousands of €)	**Category of instruments in accordance with IAS 39**	**Gross value 31/03/2013**	**Impairment losses 31/03/2013**	**Net carrying amount 31/03/2013**
Other financial fixed assets	FaAFS	3,350		3,350
Long-term receivables (> 1 year)	L&R	868	-142	726
Trade receivables	L&R	66,859	-1,600	65,259
Other receivables	L&R	21,091	-1,289	19,802
Derivatives	FaHT	561		561
Short-term deposits	L&R			
Cash and cash equivalents	L&R	21,815		21,815
Total net carrying amount of financial assets		**109,905**	**-1,742**	**108,163**

At balance sheet date there were no noteworthy concentrations of credit risk. The reader is referred here to note *“6.8. Trade and other receivables”.*

2.a.2 Impairment losses

The contribution of impairment losses recognized during the financial year has been presented by its financial asset category under the specific headings of the statement of financial position.

The total amount of interest on financial assets subject to impairment was nil at 31 March 2014 (nil at 31 March 2013). The net result on loans and receivables (> 1 year) was nil for the financial year ending on 31 March 2014 (nil at 31 March 2013).

3. Share price risk

During the financial year the Group did not hold any investments in shares classified as available for sale. The Group was not exposed to any major share price risk. The net result on the available-for-sale financial assets is nil.

4. Liquidity risk

Liquidity risk is the risk of having insufficient resources in order to fulfill direct obligations which are settled in cash or other financial assets. The Group's approach to liquidity is to ensure, as far as possible, that sufficient liquidity is available at all times to meet liabilities as these fall due, under both normal and abnormal circumstances, without exposing itself to unacceptable losses or damaging the Group's reputation.

The Group uses the 'Activity Based Costing' (ABC) cost price model to estimate the cost price of its products. This helps ensure better management of cash flow requirements. The Group makes sure that it has sufficient available liquidity to meet expected operating costs for a 60 day period, including meeting its financial obligations. This excludes, however, the potential impact of extreme, unforeseeable circumstances, such as a natural disaster.

At 31 March 2014 the Group had €82.0 million of unused available lines under the working capital facility.

In today's economic and banking climate, the company keeps strict watch on its financing structure and is constantly analyzing the existing and required amounts and types of financing.

For a discussion of the existing lines and their terms and conditions the reader is referred to the analyses of the interest-rate risks (note *"6.20.1.b. Interest-rate risk"*) and the interest-bearing liabilities (note *"6.17. Interest-bearing liabilities"*).

The following table shows the Group's contractually agreed (undiscounted) outflows in relation to financial liabilities. Only net interest payments and principal repayments are included. The contractual maturity is based on the earliest date on which the Group is required to pay.

Remaining terms of financial debts (in thousands of €)	**Category of instruments**	**31/03/2014 Contractually agreed undiscounted cash flows**				
		Due within 6 months	**Due between 6 months and 1 year**	**Due between 1 and 5 years**	**Due after 5 year**	**Total**
Financial lease obligations	n/a					
Unguaranteed bank facilities	FLmaAC					
Liabilities to credit institutions	FLmaAC					
Other guaranteed financial liabilities	FLmaAC	14	12	4		29
Other non-guaranteed financial liabilities	FLmaAC	28,429	1,003			29,432
Guaranteed GBP bank loan	FLmaAC					
Guaranteed EUR bank loan	FLmaAC	20,033	368	2,424	4,216	27,041
Bond loand	FLmaAC	7,462	-38	29,772	157,424	194,621
Convertible bond loans with warrants	FLmaAC	955	959	47,791		49,704
Other guaranteed loans	FLmaAC					
Other unguaranteed loans	FLmaAC					
Trade debts	FLmaAC	93,352				93,352
Other debts	FLmaAC	6,158				6,158
Financial debts: non-derivatives		**156,402**	**2,304**	**79,991**	**161,640**	**400,337**
IRS	FlHT	335	329	530	56	1,250
Options	FlHT	308	97	5		410
Financial debts: derivatives		**643**	**426**	**535**	**56**	**1,660**
Total undiscounted cash flows		**157,045**	**2,730**	**80,526**	**161,696**	**401,997**

Remaining terms of financial debts (in thousands of €)	**Category of instruments**	**31/03/2013 Contractually agreed undiscounted cash flows**

		Due within 6 months	Due between 6 months and 1 year	Due between 1 and 5 years	Due after 5 year	Total
Financial lease obligations	n/a	3				3
Unguaranteed bank facilities	FLmaAC					
Liabilities to credit institutions	FLmaAC					
Other guaranteed financial liabilities	FLmaAC	31	12	25		68
Other non-guaranteed financial liabilities	FLmaAC	965	197	1,544	1,182	3,888
Guaranteed GBP bank loan	FLmaAC	5,655	418	8,378		14,451
Guaranteed EUR bank loan	FLmaAC	63,827	7,256	113,763		184,846
Convertible bond loans with warrants	FLmaAC	1,002	1,406	12,435	41,837	56,680
Other guaranteed loans	FLmaAC					
Other unguaranteed loans	FLmaAC					
Trade debts	FLmaAC	138,230				138,230
Other debts	FLmaAC	73,265				73,265
Financial debts: non-derivatives		**282,978**	**9,289**	**136,145**	**43,019**	**471,431**
IRS	FlHT	1,631	1,636	6,435		9,702
Options	FlHT	17,142	5,670			22,812
Financial debts: derivatives		**18,773**	**7,306**	**6,435**	**0**	**32,514**
Total undiscounted cash flows		**301,751**	**16,595**	**142,580**	**43,019**	**503,945**

All instruments held at the reporting date and for which payments had been contractually agreed are included. Forecasted data relating to future, new liabilities are not included. Amounts in foreign currencies have been translated at the closing rate at the reporting date. The variable interest payments arising from the financial instruments were calculated using the applicable forward interest rates.

5. Financial instruments by class and category

The table below gives an overview of the various classes of financial assets and liabilities with their respective net balance sheet carrying amounts and their respective fair values and analysed by their measurement category in accordance with IAS 39 *"Financial Instruments: Recognition and Measurement"* or IAS 17 *"Leases"*.

Cash and equivalents, other financial investments, treasury investments, trade and other receivables, loans and receivables have mostly short maturities. For this reason the net carrying amount at closing date approximates the fair value. Trade payables have in general also short maturities and for this reason the net carrying amounts at maturity approximate their fair value. The fair value of interest-bearing liabilities is calculated as the present value of the future cash flows. The fair value of the derivatives is calculated using standard financial valuation models using market data.

31/03/2014 (in thousands of €)	Category in accordance with IAS 39	Net carrying amount 31/03/2014	Amounts recognised in balance sheet in accordance with IAS 39			Amounts recognised in balance sheet in accordance with IAS 17	Fair value 31/03/2014
			Amortized cost	Fair value recognized in equity	Fair value recognized in profit or loss		
ASSETS							
NON-CURRENT ASSETS							
Other financial fixed assets	FaAFS	38	38				n.a.*
Other non-current receivables	L&R	72	72				72
CURRENT ASSETS							
Trade receivables	L&R	62,026	62,026				62,026
Other receivables	L&R	21,990	21,990				21,990
Derivatives	FaHT						
Short-term deposits	L&R						
Cash and cash equivalents	L&R	15,023	15,023				15,023
LIABILITIES							
NON-CURRENT LIABILITIES							
Financial debts at credit institutions							
Finance leases	n.a.						
Bank loans	FLmaAC	7,440	7,440				6,965
Bonds	FLmaAC						
Other financial debts	FLmaAC	4	4				4
Interest-bearing liabilities							
Convertible bond loans	FLmaAC	35,707	35,707				43,412
Bond loans	FLmaAC	149,621	149,621				165,617
Other amounts payable	FLmaAC	371	371				371
CURRENT LIABILITIES							
Financial debts at credit institutions							
Finance leases	n.a.						
Bank loans: debts > 1 year payable within current year	FLmaAC	879	879				1,053
Bank loans	FLmaAC	17,705	17,705				17,696
Derivatives	FlHT	1,529			1,529		1,529
Other financial debts	FLmaAC	29,446	29,446				29,432
Interest-bearing liabilities							
Convertible bond loans	FLmaAC						
Bond loans	FLmaAC						
Trade payables	FLmaAC	93,352	93,352				93,352
Other amounts payable	FLmaAC	6,775	6,775				6,775
Total by category in accordance with IAS 39							
Loans and receivables	L&R	99,111	99,111				99,111
Financial assets Held for Trading	FaHT						
Financial liabilities Held for Trading	FlHT	1,529			1,529		1,529
Available-for-sale financial assets	FaAFS	38	38				n.a.*
Held-to-maturity investments	Htm						
Financial liabilities measured at amortised cost	FLmaAC	341,300	341,300				364,667

* As no reliable estimate can be made of the fair value of the other participating interests, financial assets for which no active market exists are valued at cost less any impairments.

31/03/2013 (in thousands of €)	**Category in accordance with IAS 39**	**Net carrying amount 31/03/2013**	**Amounts recognised in balance sheet in accordance with IAS 39**			**Amounts recognised in balance sheet in accordance with IAS 17**	**Fair value 31/03/2013**
			Amortized cost	**Fair value recognized in equity**	**Fair value recognized in profit or loss**		
ASSETS							
NON-CURRENT ASSETS							
Other financial fixed assets	FaAFS	3,350	3,350				n.a.*
Other non-current receivables	L&R	726	726				726
CURRENT ASSETS							
Trade receivables	L&R	65,258	65,258				65,258
Other receivables	L&R	19,802	19,802				19,802
Derivatives	FaHT	561			561		561
Short-term deposits	L&R						
Cash and cash equivalents	L&R	21,815	21,815				21,815
LIABILITIES							
NON-CURRENT LIABILITIES							
Financial debts at credit institutions							
Finance leases	n.a.						
Bank loans	FLmaAC	100	100				99
Bonds	FLmaAC						
Other financial debts	FLmaAC	2,067	2,067				2,330
Interest-bearing liabilities							
Convertible bond loans	FLmaAC	39,089	39,089				48,774
Other amounts payable	FLmaAC	3,128	3,128				3,128
CURRENT LIABILITIES							
Financial debts at credit institutions							
Finance leases	n.a.	3				3	3
Bank loans: debts > 1 year payable within current year	FLmaAC	126,923	126,923				123,630
Bank loans	FLmaAC	61,864	61,864				62,035
Derivatives	FlHT	7,663			7,663		7,663
Other financial debts	FLmaAC	1,119	1,119				1,169
Interest-bearing liabilities							
Convertible bond loans	FLmaAC	400	400				400
Trade payables	FLmaAC	138,230	138,230				138,230
Other amounts payable	FLmaAC	73,696	73,696				73,696
Total by category in accordance with IAS 39							
Loans and receivables	L&R	107,601	107,601				107,601
Financial assets Held for Trading	FaHT	561			561		561
Financial liabilities Held for Trading	FlHT	7,663			7,663		7,663
Available-for-sale financial assets	FaAFS	3,350	3,350				n.a.*
Held-to-maturity investments	Htm						
Financial liabilities measured at amortised cost	FLmaAC	446,617	446,617				453,491

* As no reliable estimate can be made of the fair value of the other participating interests, financial assets for which no active market exists are valued at cost less any impairments.

During the present financial year the Group has not used financial assets as security for liabilities or contingent liabilities, and it is not required to meet contractual obligations in this respect. The shares of the subsidiaries have been pledged to guarantee the working capital financing.

6. Capital structure

The Group constantly seeks to optimize its capital structure (balance between debts and equity) with a view to maximize shareholder value. The Group strives for a flexible structure in terms of periodicity and credit type, which enables it to grab potential opportunities. The various capital components are discussed in the note on equity and in note *"6.17. Interest-bearing liabilities"*.

There are no target ratios set for solvency or gearing. The Group seeks to follow the prevailing norms for the market and sector. The capital structure is presented at regular intervals to the Audit Committee and the Board of Directors.

7. OTHER ELEMENTS

7.1. SUBSIDIARIES

The parent company of the Group is Greenyard Foods NV, Gent, Belgium. At 31 March 2014 there were 25 subsidiaries included in the consolidated financial statements by the full consolidation method.

Name, full address of the registered office and, for companies governed by Belgian law, the VAT or national number	Proportion of the capital held (in %)	Change of percentage of capital held (as compared to previous period)	Voting rights (%)
Greenyard Foods NV Skaldenstraat 7c 9042 Gent BE 0402.777.157	100.00%	0.00%	100.00%
Pinguin Langemark NV Poelkapellestraat 71 8920 Langemark BE 0427.768.317	99.99%	0.00%	99.99%
Pinguin Salads BVBA Sneppestraat 11 A 8860 Lendelede BE 0437.557.793	100.00%	0.00%	100.00%
Pinguin Aquitaine S.A.S. Avenue Bremontier 40160 Ychoux France	52.00%	0.00%	52.00%
Pinguin Comines S.A.S. Chemin des Rabis - BP 97 59560 Comines (Sainte Marguerite) France	100.00%	0.00%	100.00%
Vallée de la Lys S.A.S. Rue de la distillerie - BP 97 59560 Comines (Sainte Marguerite) France	65.85%	+55.85%	65.85%
CGB S.A.S. ZA Le Barderff - Moréac - BP 20227 56502 Locminé Cedex France	100.00%	0.00%	100.00%
CGS S.A.S. ZA Le Barderff - Moréac - BP 20227 56502 Locminé Cedex France	100.00%	0.00%	100.00%
Moréac Surgelés S.A.S. ZA Le Barderff - Moréac - BP 20227 56502 Locminé Cedex France	66.00%	+56.00%	66.00%
Pinguin Foods UK Ltd Scania Way King's Lynn GB-PE30 4LR Norfolk United Kingdom	100.00%	0.00%	100.00%
Pinguin Foods Polska Sp. Z.o.o. ul. Tytoniowa 22 04-228 Warszawa Poland	100.00%	0.00%	100.00%
D'aucy Polska Sp. Z.o.o. ul. Tytoniowa 22 04-228 Warszawa Poland	100.00%	+90.00%	100.00%

Pinguin Foods Hungary Kft. Nagy Istvan ut 36 6500 Baja Hungary	100.00%	0.00%	100.00%
Bajaj Hutoipari Zrt Nagy Istvàn ut 36 6500 Baja Hungary	100.00%	+90.00%	100.00%
D'aucy do Brasil Ltda Rua Alvarenga 1422 – Butantã 05509-003 São Paulo - SP Brasil	100.00%	0.00%	100.00%
Pinguin Foods CEE GMBH Franzosengraben 20 1030 Wien Austria	100.00%	0.00%	100.00%
Pinguin Foods Deutschland GMBH Dorfplatz 20 50129 Bergheim Germany	99.90%	0.00%	99.90%
De Buitenakkers NV Kasteeldreef 13 9111 Belsele BE 0840.479.363	100.00%	0.00%	100.00%
M.A.C. SARL Rue Jean Goujon 8 75008 Paris France	99.80%	0.00%	99.80%
Noliko NV Kanaal-Noord 2002 3960 Bree BE 0437.126.936	100.00%	0.00%	100.00%
Noliko Holding NV Kanaal-Noord 2002 3960 Bree BE 0865.259.301	100.00%	0.00%	100.00%
Scana Noliko Ltd. Kennel Ride SL5 7NT ASCOT Berkshire United Kingdom	100.00%	0.00%	100.00%
BND CVBA Kanaal-Noord 2002 3960 Bree BE 0462.012.681	25.00%	0.00%	25.00%
Noliko Real Estate NV Kanaal-Noord 2002 3960 Bree BE 0825.485.638	100.00%	+100.00%	100.00%
De Binnenakkers NV Kasteeldreef 13 9111 Belsele BE 0837.237.286	100.00%	+100.00%	100.00%
Dreefvelden NV Consciencelaan 13 3191 Hever BE 0892.783.743	100.00%	+100.00%	100.00%

Changes in the consolidation scope

We refer to note *"2.4. Changes in the consolidation scope"* for a discussion of:

- the changes in the consolidation scope for the financial year ending on 31 March 2014;
- the changes in the consolidation scope for the financial year ending on 31 March 2013.

Companies that are neither subsidiaries nor associated companies

The company Tomates d'Aquitaine SAS is not included in the consolidation scope, because the Group does not have the power to beneficially control its financial and operational policy, nor does it have significant direct or indirect influence on this company.

Name, full address of the registered office and, for companies governed by Belgian law, the VAT or national number	Proportion of the capital held (in %)	Data from the most recent period of which annual accounts are available 30-06-2013		
		Currency unit	Equity	Net result
Tomates d'Aquitaine SAS 35, rue Pierre Pinson 24100 Bergerac France	14.28%	EUR	281,580	-243,437

7.2. PENDING DISPUTES

Pending disputes at 31 March 2014

DISPUTE PINGUIN SALADS BVBA

With respect to an occupational accident, there is a dispute with regard to a compensation for damages not covered by the occupational health insurer. Pinguin Salads has been condemned before the Court of Appeal, but as of today no financial impact of the conviction is known.

BRASIL ICMS TAXES

The majority of the frozen vegetables which are sold in Brazil are imported from Europe. The Group has the opinion that the import of frozen vegetables from Europe is subject to an exemption from the normal ICMS tax, because these are natural base products. Since 2010, the Brazilian authorities put this exemption in question and fines have been received that were not included in the company accounts. The Group has the opinion that it complies with the conditions for exemption. It should be noted that in the acquisition of the Brazilian activities of CECAB, it was contracted that obligations before September 1st, 2011 are on behalf of CECAB.

7.3. COMMITMENTS

Commitments concerning investments in tangible fixed assets

At 31 March 2014 the frozen division had commitments to acquire fixed assets in an amount of €1.1 million (at 31 March 2013: €0.7 million). This mainly relates to investments in the United Kingdom for a steem-peeler and various small investments in the United Kingdom in an amount of €0.7 million, whereas in Hungary and France the commitments mainly relate to a sorting machine and various small investments in a total amount of €0.4 million.

At 31 March 2014 the canning division had commitments to acquire fixed assets in an amount of €4.8 million (at 31 March 2013: €1.5 million). This mainly relates to amongst others new sterilization equipment, a packaging line and several replacement and efficiency investments.

Procurement of fresh vegetables

The frozen division has concluded sowing and purchase contracts with a number of farmers for the procurement of fresh vegetables from the harvests in the financial year 2014-2015. Contracts totaling €113.7 million (together with the United Kingdom, Poland, Hungary and France), for the procurement of fresh vegetables, had been concluded at 31 March 2014 (at 31 March 2013: €57.5 million). This amount can fluctuate as a function of climate conditions and market prices for fresh vegetables.

The canning division has concluded sowing and purchase contracts with a number of farmers for the procurement of fresh vegetables from the harvests in the financial year 2014-2015. Contracts totaling €11.9 million for the procurement of fresh vegetables had been concluded at 31 March 2014 (at 31 March 2013: €0.8 million). This amount can fluctuate as a function of climate conditions and market prices for fresh vegetables.

Rent and operating leases

The Group has concluded rental and lease contracts, mainly for buildings and vehicles. The tables below give an overview of the current value of non-cancellable rental and lease contracts by maturity period.

Rent and operating leases: future payments (in thousands of €)	31/03/2014	31/03/2013
Within 1 year	10,164	20,393
Between 1 and 5 years	32,094	73,679
After 5 years	33,945	72,535
Total rent and operating leases: future payments	**76,203**	**166,607**

The decrease of the amount of rent and leasing debts that are not included in the balance sheet as per 31 March 2014 compared to 31 March 2013 by €-90.4 million is mainly explained by the purchase of the production facilities of UFM, Noliko and in Boston as per end of August 2013.

In the frozen division, the amount as per 31 March 2014 (€74.8 million) mainly included the rental of external storage in Wisbech for a 11 year term with a nominal annual cost of €2.4 million and of the contract to the rental of external storage in Ieper and in Comines for a 15 year term at a common nominal annual cost of €3.0 million. For the canning division, as at 31 March 2014 operational lease obligations are included for an amount of €1.4 million. This amount for the canning division primarily includes rental obligations for forklift trucks.

The expenses included in the statement of **comprehensive income from continued operations** are included in table below:

Rent and operating leases: expenses (in thousands of €)	31/03/2014	31/03/2013
Expenses included in statement of comprehensive income (forklifts, hardware, buildings, ...)	11,450	17,648
Total rent and operating leases: expenses	**11,450**	**17,648**

Bank guarantees

There is a bank guarantee outstanding in an amount of €0.2 million in favour of OVAM (Flemish Public Waste Company) to guarantee the decontamination of polluted soil, and a bank guarantee of €0.1 million in favour of the Roeselare Customs and Excise office.

Bank covenants & undertakings

On July 5, 2013 Greenyard Foods NV issued a bond loan with a nominal amount of €150.0 million and a gross coupon of 5.0% fixed interest and a period of 6 years.

This issued bond loan provides for a number of covenants that apply for the first time as of 31 March 2014 and consist of the following:

(i) EBITDA relative to interest payments (≥ 2.00 as at 31 March 2014)
(ii) debt relative to balance sheet total (≤ 0.70 as at 31 March 2014)

A financial condition step-up change clause applies to the bond loan, which entails that the interest rate is cumulatively increased with 1.25 % per financial condition step-up change. A financial step-up change arises if a violation of one of the above-mentioned bond loan covenants is established.

The covenants are tested on an annual basis, at the end of each accounting year, and are reported to the bond holders on annual basis, based on a conformity agreement that is published on the web site of the company. The first testing on the covenants took place per 31 March 2014 without any covenant breaches.

In addition, on a semi-annual basis a "guarantor cover requirement" must be satisfied for the bond loan. Thereby the total assets of Greenyard Foods together with the Guarantors under the bond loan amount to no less than 75% of the Group's Total Consolidated Assets. This is also reported on in the conformity declaration.

As per December 16 2013 Greenyard Foods has closed a working capital facility of €158.5 million with a bank consortium, which consists of:

(i) A revolving credit facility of €150.0 million by Greenyard Foods NV with a term of 5 years for working capital financing purposes. Utilisations within this facility are for a period of 1, 2, 3 or 6 months.

(ii) A term loan of €8.5 million granted by Noliko Real Estate, consisting of 3 tranches. Two tranches of this term loan were negotiated with a bank consortium per 19/07/2011 and a third tranche was closed per 13/03/2013. This term loan was replaced per 16/12/2013 according to the terms of the financing that was closed at that date. The loan is repayable in periodical instalments.

The applicable interest rate on the various tranches of the working capital financing amounts to ´euribor + margin´, where this margin can amount to a maximum of 3.35% and depends on the "leverage ratio".

A number of warranties were granted by Greenyard Foods NV and related companies to the bank consortium following the closing of the financing. These warranties are also granted to the bondholders on a "pari passu" basis. The existing warranties of Noliko Real Estate were released and replaced by warranties granted under the new facility closed per 16/12/2013.

In accordance with IAS 39.43, the transaction costs related to the negotiation of the working capital financing for a total amount of €2.2 million are recorded as a deduction of the interest-bearing liabilities and are taken into result over the term of the financing.

Within the framework of the working capital financing that was negotiated on 16 December 2013, several restrictions were imposed in connection with the dividend policy to be employed. Specifically, a possible dividend distribution may not exceed 100% of the "Retained excess cash flow" and the "Gearing Ratio" may not exceed determined limits under the facility agreement.

The working capital financing provides mandatory prepayment in a number of cases such as: (a) Hein Deprez acting in concert with blood relatives or other relatives up to the second degree, no longer holds 50% or more of the share capital or the voting rights in Food Invest International NV, 2D NV, Gimv XL, Agri Investment Fund CVBA or their respective successors no longer hold, directly or indirectly, at least 30% of the share capital of the Company; (b) A person or group of persons acting in concert and not connected with one of Food Invest International NV, 2D NV, Gimv XL, Agri Investment Fund CVBA or their respective successors, directly or indirectly, obtains control of the Company; (c) The sale of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions.

The working capital facility that was agreed on 16 December 2013 includes a number of covenants which are applicable for the first time as per 31 March 2014 and consisting of the following:

(i) interest cover ratio : EBITDA / interest payments (≥2.00 per 31 March 2014)

(ii) debt / total assets (≤ 0.70 per 31 March 2014)

(iii) the extent of investments (for accounting year ending as per 31 March 2014 fixed at maximum €32.8 million)

(iv) the extent of indebtedness (for accounting year ending as per 31 March 2014 fixed at €200.0 million)

The covenants are tested on an annual basis, at the end of each accounting year, and are reported to the lenders on annual basis. The first testing on the covenants took place per 31 March 2014 without any covenant breaches.

Restrictions on dividend

The terms of the working capital financing impose a number of restrictions relating to the dividend distribution by Greenyard Foods NV as explained in the section "*bank covenants & undertakings*".

Off-balance sheet commitments

Off-balance sheet commitments: guarantees (in thousands of €)	31/03/2014	31/03/2013
Registered lien on general assets	165,568	15,000
Mandate on general assets	200,000	236,241
Mortgage mandate	65,000	18,000
Registered mortgage	11,204	2,000
Joint guarantee	1.266	1,572
Total off-balance sheet commitments: guarantees	**443,038**	**272,814**

7.4. RELATED PARTIES

Transactions between Greenyard Foods NV and its subsidiaries, which are related parties, have been eliminated in the consolidation and are therefore not included in this note. The Group has no participating interests in joint ventures, nor in associated enterprises which could therefore not be classified as related parties. The Group does have a participating interest in Tomates d'Aquitaine SAS. This falls under the IAS 24 definition of related parties, but is not included in this note, as there have been no further transactions beyond the taking of the interest.

For an overview of the application of articles 523 and 524 of the Company Code, we refer to the chapter ´Corporate Governance´ in the Annual Report.

European Food Transport (EFT) NV

EFT NV is a company that is part of the Univeg Group and, as such, is partially controlled, directly or indirectly, by Mr Hein Deprez (permanent representative of Deprez Invest NV and indirectly via Deprez Holding NV the controlling shareholder of Food Invest International NV). EFT NV is active as a transport company for the national and international transport and distribution of food products. In that capacity, Greenyard Foods sometimes uses the services of EFT NV. In March 2014, a share of 70% of the company EFT has been sold by the Univeg Group to a third party. Consequently this company is not considered anymore as related party as from date of disposal onwards.

Shipex NV

Shipex NV is a company that is partially controlled by Ms Veerle Deprez (permanent representative of Management Deprez BVBA). Shipex NV is a major 'freight forwarder' (sea and air freight; containers). In that capacity, Greenyard Foods sometimes uses the services of Shipex NV.

Food Invest International NV

Food Invest International NV is a holding company which is directly and indirectly via 2D NV the main shareholder of Greenyard Foods NV. Food Invest International NV is controlled by Deprez Holding NV which is in turn controlled by Mr. Hein Deprez. The participations in the real estate companies of Noliko were acquired from Food Invest International in the accounting year 2013/2014.

Union Fermière Morbihannaise SCA

Union Fermière Morbihannaise SCA is a French agricultural cooperative with its origin in Bretagne. The company is active in livestock, grain production, vegetable production and in several sub-sectors that process and market agricultural products. UFM SCA is the owner of CECAB Group. The deep-frozen production facilities of UFM (CECAB entities: D´Aucy Polska Sp. Z.o.o. (Poland), Bajaj Hutoipari Zrt. (Hungary), Sica Vallée de la Lys SAS (France) and Moréac Surgélés SAS (France)) were acquired by Greenyard Foods per 30 August 2013 for a purchase price of €21.6 million (see note *"2.4.Changes in consolidation scope"*). The important decrease of transactions with the CECAB entities is due to the fact that transactions of only 5 months are included. Also the invoicing flow changed as from the accounting year 2013/2014 onwards with a significant impact.

Noliko Real Estate NV & De Binnenakkers NV (transactions up till August 2013)

Noliko Real Estate NV and De Binnenakkers NV are real estate companies which have acted as parties in the sale and rent back of the real estate of the Noliko Group in Bree. Up till 30 August 2013, these companies were participations of Food Invest International NV. After that date these companies were included in the consolidation scope.

Fomaco BVBA

Fomaco BVBA is a management company. The shareholders are the 5 members of the management team of Noliko Group. There are no other shareholders. Fomaco BVBA delivers specialised management advice.

Related parties (in thousands of €)	**31/03/2014 (12 months)**	**31/03/2013 (12 months)**
Transactions and outstanding balances with related parties:		
Univeg and associated companies		
Purchase of products, services and other goods	232	278
Sales of products, services and other goods	20	4
Outstanding receivables	5	6
Outstanding payables	22	
Shipex NV		
Purchase of services and other goods	971	831
Outstanding payables	161	197
Food Invest International NV		
Acquisition participation real estate companies	40,000	
Union Fermière Morbihannaise SCA and related companies		
Purchase of products, services and other goods	6,951	3,384
Sales of products, services and other goods	2,012	6,878
Acquisition financial assets	21,566	
Outstanding receivables	968	585
Outstanding payables	201	438
CECAB-entity (D'Aucy Polska Sp. Z.o.o., Bajaj Hutoipari Kft., D'aucy Frozen Foods Hungary Kft., Sica Vallée de la Lys S.A.S., Moréac Surgelés S.A.S.) up till 08/2013		
Purchase of products, services and other goods (rent)	36,324	270,826
Sales of products, services and other goods	24,458	101,863
Financial income	107	
Financial expenses	198	
Outstanding receivables		2,770
Outstanding payables		43,700
Noliko Real Estate NV & De Binnenakkers NV up till 08/2013		
Purchase of goods and services (rent)	2,283	4,525
Outstanding receivables		
Outstanding payables		23
Fomaco BVBA		
Purchase of goods and services	411	422
Advance payment of goods and services	11	34

Total key management includes the Board of Directors, the CEO, the COO and the members of the Management Committee (see chapter 'Corporate Governance statement' in the annual report).

Related parties: key management (in thousands of €)	**31/03/2014 (12 months)**	**31/03/2013 (12 months)**
Transactions and outstanding balances with related parties:		
Board of Directors		
Purchase of services and other goods	378	474
Outstanding payables		
CEO and COO		
Purchase of services and other goods	1,161	711
Outstanding payables		
Management committee		
Purchase of services and other goods	414	399
Outstanding payables		

The disclosures relating to the Belgian Corporate Governance Code are included in the chapter 'Corporate Governance statement' in the annual report.

7.5. EVENTS AFTER THE BALANCE SHEET DATE

Between 31 March 2014 and the date on which this annual report was released for publication, the following significant events after the balance sheet date have occurred:

Greenyard Foods acquires real estate company in King's Lynn (UK)
On July 7, 2014, Greenyard Foods NV acquired the real estate company of the production site in King's Lynn (United Kingdom). This is a further implementation of its strategic plan. Following the acquisition of this real estate, Greenyard Foods now owns all its production facilities. This acquisition is part of the allocation of the bond loan that was issued in July 2013.

There are no other major events subsequent to the balance sheet date which have a major impact on the further evolution of the company.

7.6. NON-AUDIT MISSIONS UNDERTAKEN BY THE STATUTORY AUDITOR + RELATED PARTIES

During the financial year from 1 April 2013 to 31 March 2014, assignments in an amount of €0.9 million were undertaken by the statutory auditor and persons working under cooperative arrangements with him. These assignments consisted of supplementary audit services, tax and legal advisory services.

The audit fees charged to the Group for the financial year ending 31 March 2014 amounted to €0.3 million.

Additional tax and legal advisory activities were presented in advance to the Audit Committee for approval. The Group's Audit Committee gave a positive decision on this extension.

STATEMENT FROM THE RESPONSIBLE PERSONS

Declaration regarding the information given in this annual report for the 12 months period ended 31 March 2014.

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

- The financial statements, 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 Foods NV, including its consolidated subsidiaries;
- The annual report for the 12 months period ended 31 March 2014 contains a true and fair statement of the important events, the results and the position of Greenyard Foods 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
Mrs Valerie Vanhoutte, CFO

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Deloitte Bedrijfsrevisoren /
Reviseurs d'Entreprises
President Kennedypark 8a
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Belgium
Tel. + 32 56 59 45 40
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Greenyard Foods NV

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 March 2014

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 March 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Greenyard Foods NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

The consolidated statement of financial position shows total assets of 604.775 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 62.306 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte.

Unqualified opinion

In our opinion, the consolidated financial statements of Greenyard Foods NV give a true and fair view of the group's net equity and financial position as of 31 March 2014, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Kortrijk, 9 July 2014

The statutory auditor

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

Mario Dekeyser

Kurt Dehoorne

CONDENSED STATUTORY ACCOUNTS OF THE PARENT COMPANY GREENYARD FOODS NV, ACCORDING TO BELGIAN ACCOUNTING STANDARDS

Parent company statutory accounts

The statutory financial statements of the parent company, Greenyard Foods NV, are presented below in a condensed form. The statutory auditor issued an unqualified report on the financial statements of Greenyard Foods NV. In accordance with Belgian company law, the directors' report and financial statements of the parent company, Greenyard Foods NV, together with the statutory auditor's report, will be deposited with the National Bank of Belgium as provided by law.

They are available on our website www.greenyardfoods.com and on request from:
Greenyard Foods NV
Skaldenstraat 7c
BE – 9042 Gent
Belgium
www.greenyardfoods.com

Condensed statutory accounts of Greenyard Foods NV

	ASSETS (in thousands of €)	Codes	31/03/2014	31/03/2013
	FIXED ASSETS	**20/28**	**271,715**	**419,101**
I.	**Formation expenses**	**20**	**3,109**	**3,050**
II.	**Intangible assets**	**21**	**17,736**	**18,890**
III.	**Tangible assets**	**22/27**	**30,813**	**31,668**
	A. Land and buildings	22	6,435	6,642
	B. Plant, machinery and equipment	23	23,316	24,808
	C. Furniture and vehicles	24	280	218
	D. Leasing and other similar rights	25		
	E. Other tangible assets	26		
	F. Assets under construction and advance payments	27	782	
IV.	**Financial assets**	**28**	**220,056**	**365,493**
	A. Affiliated enterprises	280/1	220,037	362,152
	1. Participating interests	280	220,037	359,673
	2. Amounts receivable	281		2,479
	B. Other enterprises linked by participating interests	282/3		3,321
	1. Participating interests	282		3,321
	2. Amounts receivable	283		
	C. Other financial assets	284/8	20	20
	1. Shares	284		
	2. Amounts receivable and cash guarantees	285/8	20	20
	CURRENT ASSETS	**29/58**	**287,823**	**124,622**
V.	**Amounts receivable after more than one year**	**29**	**0**	**0**
	A. Trade debtors	290		
	B. Other amounts receivable	291		
VI.	**Stocks and contracts in progress**	**3**	**38,247**	**36,207**
	A. Stocks	30/36	38,247	36,207
	1. Raw materials and consumables	30/31	2,012	2,255
	2. Work in progress	32		
	3. Finished goods	33	36,235	33,952
	4. Goods purchased for resale	34		
	5. Immovable property acquired or constructed for resale	35		
	6. Advance payments	36		
	B. Contracts in progress	37		
VII.	**Amounts receivable within one year**	**40/41**	**187,701**	**85,385**
	A. Trade debtors	40	24,507	21,383
	B. Other amounts receivable	41	163,195	64,002
VIII.	**Investments**	**50/53**	**0**	**0**
	A. Own shares	50		
	B. Other investments and deposits	51/53		
IX.	**Cash at bank and in hand**	**54/58**	**11,217**	**2,748**
X.	**Deferred charges and accrued income**	**490/1**	**657**	**282**
	TOTAL ASSETS	**20/58**	**509,538**	**543,723**

	LIABILITIES (in thousands of €)	Codes	31/03/2014	31/03/2013
	CAPITAL AND RESERVES	**10/15**	**182,689**	**158,923**
I.	**Capital**	**10**	**101,011**	**157,500**
	A. Issued capital	100	101,011	157,500
	B. Uncalled capital	101		
II.	**Share premium account**	**11**	**11,376**	**11,376**
III.	**Revaluation surplus**	**12**		
IV.	**Reserves**	**13**	**10,176**	**7,013**
	A. Legal reserve	130	3,448	285
	B. Reserves not available for distribution	131	25	25
	1. In respect of own shares held	1310		
	2. Other	1311	25	25
	C. Untaxed reserves	132	1,477	1,477
	D. Reserves available for distribution	133	5,226	5,226
V.	**Profit carried forward**	**140**	**60,113**	
	Loss carried forward (-)	**141**		**-16,986**
VI.	**Investment grants**	**15**	**12**	**20**
	PROVISIONS AND DEFERRED TAXATION	**16**	**57**	**70**
VII.	**Provisions and deferred taxation**	**16**	**57**	**70**
	A. Provisions for liabilities and charges	160/5	53	62
	1. Pensions and similar obligations	160	25	34
	2. Taxation	161		
	3. Major repairs and maintenance	162		
	4. Other liabilities and charges	163/5	28	28
	B. Deferred taxation	168	4	8
	CREDITORS	**17/49**	**326,793**	**384,730**
VIII.	**Amounts payable after more than one year**	**17**	**187,753**	**39,137**
	A. Financial debts	170/4	187,753	39,137
	1. Subordinated loans	170	37,753	37,095
	2. Unsubordinated debentures	171	150,000	
	3. Leasing and other similar obligations	172		
	4. Credit institutions	173		
	5. Other loans	174		2,042
	B. Trade debts	175		
	1. Suppliers	1750		
	2. Bills of exchange payable	1751		
	C. Advances received on contracts in progress	176		
	D. Other amounts payable	178/9		
IX.	**Amounts payable within one year**	**42/48**	**131,979**	**344,567**
	A. Current portion of amounts payable after more than one year	42		111,315
	B. Financial debts	43	46,422	55,178
	1. Credit institutions	430/8	18,000	55,000
	2. Other loans	439	28,422	178
	C. Trade debts	44	29,668	34,135
	1. Suppliers	440/4	29,668	34,135
	2. Bills of exchange payable	441		
	D. Advances received on contracts in progress	46		
	E. Taxes, remuneration and social security	45	3,429	3,399
	1. Taxes	450/3	482	421
	2. Remuneration and social security	454/9	2,947	2,978
	F. Other payables	47/48	52,459	140,540
X.	**Accrued charges and deferred income**	**492/3**	**7,061**	**1,026**
	TOTAL LIABILITIES	**10/49**	**509,538**	**543,723**

	INCOME STATEMENT (in thousands of €)	Codes	31/03/2014	31/03/2013
I.	**Operating income**	**70/74**	**193,145**	**152,470**
	A. Turnover	70	182,587	145,802
	B. Increase (+) ; Decrease (-) in stocks of			
	finished goods. work and contracts in progress	71	2,328	2,588
	C. Own construction capitalised	72		
	D. Other operating income	74	8,230	4,080
II.	**Operating charges (-)**	**60/64**	**-192,926**	**-146,985**
	A. Raw materials. consumables and goods for resale	60	136,708	106,021
	1. Purchases	600/8	136,376	106,488
	2. Increase (-) ; Decrease in stocks (+)	609	332	-467
	B. Services and other goods	61	31,876	19,856
	C. Remuneration, social security costs and pensions	62	15,832	13,400
	D. Depreciation of and other amounts written off			
	formation expenses. intangible and tangible	630	6,457	5,674
	fixed assets			
	E. Increase (+) ; Decrease (-) in amounts written			
	off stocks. contracts in progress and trade	631/4	-112	1,078
	debtors			
	F. Increase (+) ; Decrease (-) in provisions for	635/7	-9	14
	liabilities and charges	640/8	2,174	942
	G. Other operating charges			
	H. Operating charges capitalised as reorganization	649		
III.	**Operating profit (+)**	**70/64**	**219**	**5,485**
	Operating loss (-)	**64/70**		
IV.	**Financial income**	**75**	**4,675**	**3,110**
	A. Income from financial fixed assets	750		
	B. Income from current assets	751	4,569	3,088
	C. Other financial income	752/9	106	22
V.	**Financial charges (-)**	**65**	**22,165**	**-15,195**
	A. Interest and other debts charges	650	15,683	14,040
	B. Increase (+) ; Decrease (-) in amounts written off	651		
	current assets other than mentioned under II. E	652/9	6,482	1,155
VI.	**Profit on ordinary activities before taxes (+)**	**70/65**		
	Loss on ordinary activities before taxes (-)	**65/70**	**-17,271**	**-6,600**
VII.	**Extraordinary income**	**76**	**81,938**	**58**
	A. Reversal of Extraordinary depreciation of and extraordinary amounts			
	written off on formation expenses, intangible and tangible fixed assets	760		
	B. Reversal of amounts written off on financial fixed assets	761		
	C. Reversal of provisions for extraordinary liabilities and charges	762		
	D. Gain on disposal of fixed assets	763	52	58
	E. Other extraordinary income	764/9	81,885	
VIII.	**Extraordinary charges (-)**	**66**	**-1,054**	**-1,608**
	A. Extraordinary depreciation of and extraordinary amounts			
	written off on formation expenses, intangible and tangible fixed assets	660		19
	B. Amounts written off on financial fixed assets	661		
	C. Provisions for extraordinary liabilities and charges	662		
	D. Loss on disposal of fixed assets	663	1,054	20
	E. Other extraordinary charges	664/8		1,569
	F. Extraordinary charges capitalised as reorganization costs (-)	669		

IX.	**Profit for the period before taxes (+)**	**70/66**	**63,613**	
	Loss for the period before taxes (-)	**66/70**		**-8,150**
IX bis.	**A. Transfer from deferred taxation (+)**	**780**	**4**	**8**
	B. Transfer to deferred taxation (-)	**680**		
X.	**Income taxes (-)/(+)**	**67/77**	**340**	**0**
	A. Income taxes	670/3	344	
	B. Adjustment of income taxes and write-back of tax provisions	77	3	
XI.	**Profit of the period (+)**	**70/67**	**63,277**	
	Loss of the period (-)	**67/70**		**-8,142**
XII.	**Transfer from untaxed reserve (+)**	**789**		
	Transfer to untaxed reserve (-)	**689**		
XIII.	**Profit for the period available for appropriation (+)**	**70/68**	**63,277**	
	Loss for the period available for appropriation (-)	**68/70**		**-8,142**

	APPROPRIATION ACCOUNT (in thousands of €)	Codes	31/03/2014	31/03/2013
A.	**Profit to be appropriated**	**70/69**	**46,291**	
	Loss to be appropriated (-)	**69/70**		**-16,986**
	1. Profit for the period available for appropriation	70/68	63,277	
	Loss for the period available for appropriation (-)	68/70		-8,142
	2. Profit brought forward	790		
	Loss brought forward (-)	690	-16,986	-8,844
B.	**Transfers from capital and reserves**	**791/2**	**16,986**	**0**
	1. From capital and share premium account	791	16,986	
	2. From reserves	792		
C.	**Transfers to capital and reserves (-)**	**691/2**	**3,164**	**0**
	1. To capital and share premium account	691		
	2. To legal reserve	6920	3,164	
	3. To other reserves	6921		
D.	**Result to be carried forward**	**14**	**60,113**	**-16,986**
	1. Profit to be carried forward	693	60,113	
	2. Loss to be carried forward (-)	793		-16,986
E.	**Shareholders' contribution in respect of losses**	**794**	**0**	**0**
F.	**Distribution of profit (-)**	**694/6**	**0**	**0**
	1. Dividends	694		
	2. Directors' emoluments	694		
	3. Other allocations	696		

Auditor's report

The auditor has issued an unqualified audit opinion on the statutory accounts of Greenyard Foods NV.

FINANCIAL DEFINITIONS

Operating income	The sum of the categories 'sales', 'increase/decrease (-) in inventories work in progress and goods for resale' and 'other operating income'.
Cashflow	REBITDA – Capital investments + evolution working capital – income taxes.
Cashflow Cover	Cashflow over the last 12 months / (net interest charges + capital payments of bank loans over the last 12 months).
EBIT	Result from operating activities.
EBITDA	Result before interests, taxes, depreciation charges and write-offs = Result from operating activities + write-offs + depreciation charges + write-offs on stock and commercial receivables + other receivables + non-recurring result (part related to the provisions).
Interest Cover	REBITDA over the last 12 months/ net interest charges over the last 12 months.
Leverage	Net financial debt / REBITDA over the last 12 months.
Liquidity	Current assets (including assets classified as held for sale)/ current liabilities (including liabilities related to assets classified as held for sale).
Margin on operating income	Margin of the related category compared to operating income.
Net financial debt	Interest-bearing debts less receivables from loans, derivatives, bank deposits, cash and cash equivalents.
Non-recurring elements	Operating charges and revenue that are related to restructuring programs, impairment losses, environmental provisions or other events and transactions that are clearly distinct from the normal activities of the Group.
Quasi equity	Equity including convertible subordinated bond loans.
REBIT	EBIT + non-recurring result.
REBITDA	EBITDA + non-recurring result.
ROE	Return on equity (share of the Group + non-controlling interests). Result of the Group / equity (share of the Group + non-controlling interests).
Solvability	Equity (share of the Group + non-controlling interests) / balance sheet total.
Free operating cash flow	Cash flow from operating activities – cash flow from investing activities.
AY 13/14	Accounting year 2013/2014.
AY 12/13	Accounting year 2012/2013.