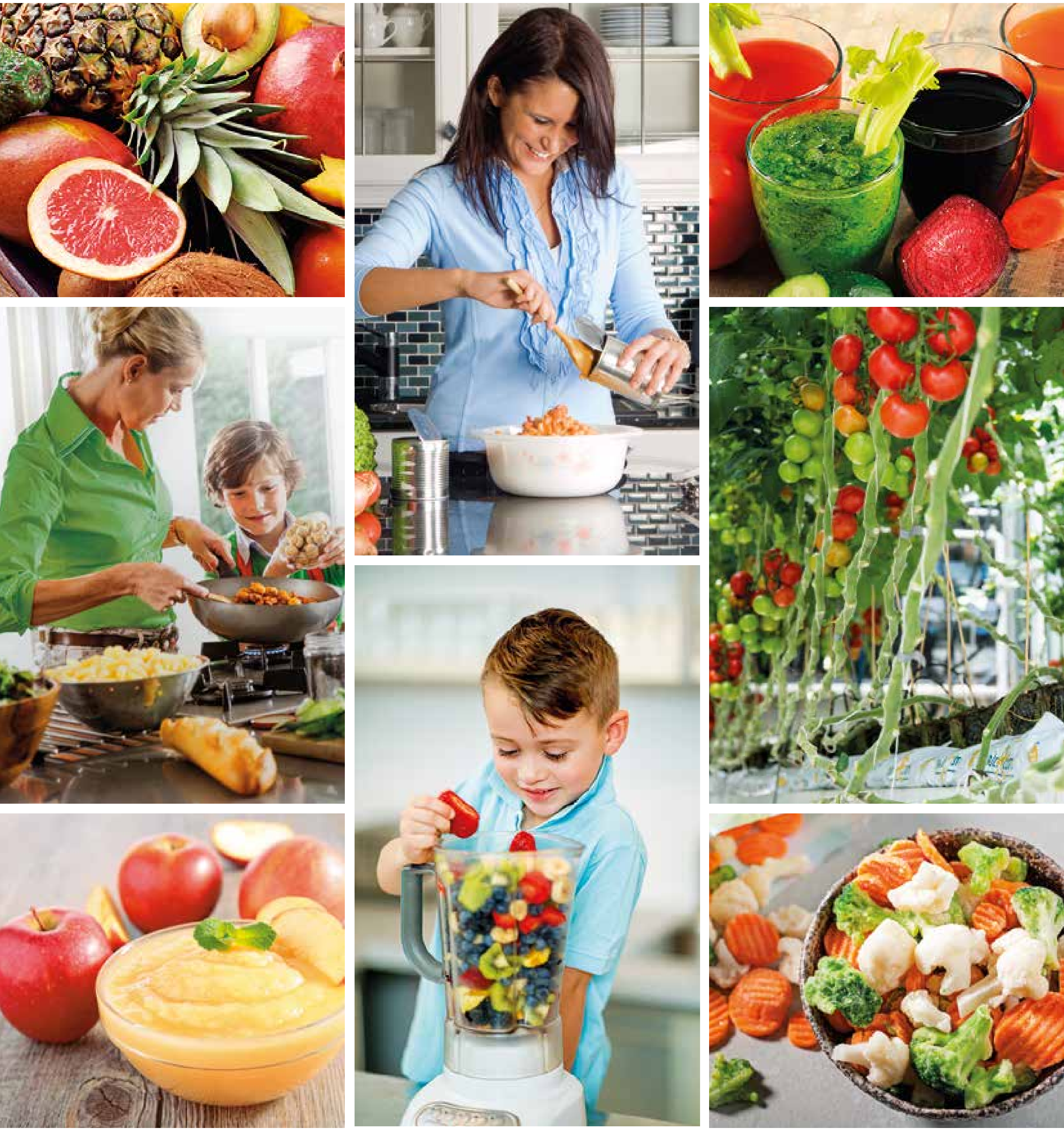
GREENYARD

Financial Report 2016-2017



for a healthier future

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REPORT OF THE BOARD OF DIRECTORS

HIGHLIGHTS AY 16/17

- Over the last 12 months, Greenyard focused on rolling out its *Mission-Vision-Values* throughout the entire organisation. This was emphasised by the name change towards 'Greenyard' across all divisions and entities.
- Greenyard focused on driving sales through an increased consumer focus with both innovation and category management. Activity-linked action plans were rolled out: further development on Frozen convenience products increasingly contributing to both sales and margins and expansion of the ready-to-eat and easy-to-use solutions within Fresh.
- The management teams at both segment and corporate level have been strengthened. Within Fresh, two clusters (Region German Market and Growth Markets) were created and the Fresh management team was strengthened by two dedicated managing directors. The corporate team was fortified with the introduction of a corporate HR director, a corporate tax manager, a PMO manager and a category development director.
- Operationally, Fresh expanded its US operations with a new facility in New Jersey and is also investing in new distribution centres in Germany. The operations of Greenyard Fresh Direct Belgium (formerly Ben Fresh) were fully integrated but coped with more start-up costs than anticipated. Regarding Long Fresh, the production capacity in the Frozen entity in Poland (Lipno) has doubled, creating a large, more central production hub. The plant of Moréac, France, is back on track after last year's ERP-related transition issues. Within Prepared, the ongoing integration of Lutèce triggers continuing investments. Horticulture managed to significantly increase its sourcing capacity thanks to the acquisition of Nesterovskoye in Russia.
- In December 2016, Greenyard refinanced its outstanding high yield bond and existing credit facilities with a € 125,0m convertible bond and € 375,0m bank financing. The latter is split into a € 150,0m term loan and a € 225,0m revolving credit facility. As a result, the average annual interest cost is expected to drop from 6,3% to 3,5%. This refinancing is expected to save more than € 15,0m per annum with a one-off cost of € 18,0m and lifts the average maturity to 4,4 years.

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

These comments relate to the consolidated financial statements of Greenyard NV ('the Company') and its subsidiaries (together, 'the Group') for the year ended 31 March 2017.

1. Consolidated income statement

The reported consolidated income statement for the accounting year ended 31 March 2017 ('AY 16/17') includes 12 months of Long Fresh, Fresh and Horticulture. The reported consolidated income statement for the accounting year ended 31 March 2016 ('AY 15/16') includes 12 months of Long Fresh and 9,5 months of Fresh and Horticulture.

Sales

The year-on-year increase of consolidated sales (€ 4.249,2m) with € 1.046,0m largely results from the effect of including full year sales of Horticulture (€ 26,1m) and Fresh (€ 740,7m) in AY 16/17, combined with a solid organic sales growth in Fresh (€ 177,0m). The acquisition of Lutèce supports the firm sales increase in Long Fresh (€ 102,2m). Fresh represents € 3.425,8m, or 80,6% of consolidated sales, Long Fresh € 748,3m, or 17,6%, and Horticulture € 75,1m, or 1,8%.

EBIT before non-recurring items

EBIT before non-recurring items increases by € 21,2m to € 81,6m. This increase mainly relates to the effect of including Fresh and Horticulture for a full year.

The strong increase in REBITDA of 26,7% or € 30,7m largely results from the effect of including Fresh and Horticulture for a full year. REBITDA for Fresh amounts to € 79,2m, which is an increase of € 21,5m compared to AY 15/16. The margin remains stable at 2,3%. For Long Fresh REBITDA amounts to € 56,5m representing a margin of 7,6%. The decrease in margin compared to AY 15/16 is only due to the consolidation of Lutèce, carrying lower margins. REBITDA for Horticulture amounts to € 9,9m, which leads to a margin of 13,2%, which is 1,6% higher than the REBITDA-margin in AY 15/16.

Non-recurring items

Total net non-recurring cost of € 8,2m (compared to a net non-recurring income of € 12,8m last year) mainly relates to restructuring and reorganisation costs for a total amount of € 5,2m, largely following the centralisation of the Greenyard Fresh Direct Belgium activities towards Sint-Katelijne-Waver.

Net finance income / cost

The consolidated net finance cost amounts to € 72,6m compared to € 43,8m in AY 15/16. The increase of € 28,8m is explained by € 24,9m of one-off costs linked with the refinancing and the effect of including Fresh and Horticulture for 12 months (€ 11,9m). This is somewhat compensated by underlying interest savings of € 8,0m.

Income tax expense / income

The corporate tax charge amounts to € 0,1m. This translates into a consolidated tax rate of 9,37%. This low tax rate is driven by one-off tax benefits as a result of streamlining the corporate structure as well as structural improvements towards a lower effective tax rate.

2. Consolidated statement of financial position

Non-current assets

Non-current assets decline by € 20,9m to € 1.265,2m largely due to a decrease in property, plant & equipment of € 4,9m, a decrease in other intangible assets of € 11,2m and a decrease in trade and other receivables of € 19,7m. An increase in deferred tax assets of € 11,7m partly neutralises these decreases.

Property, plant & equipment decreases as it is the net result of ongoing investments (€ 48,9m) and depreciation (€ 48,1m). Depreciation increases by € 5,3m, resulting from including Fresh and Horticulture for a full year in AY 16/17. The investments consist of land and buildings (€ 3,0m), plant, machinery and equipment (€ 13,6m), furniture and vehicles (€ 3,6m), leasing (€ 1,4m) and assets under construction (€ 27,3m). The latter is significantly higher than in AY 15/16 due to the ongoing investments in new distribution centres in Fresh, investments in Prepared (Lutèce) as well as Frozen (Poland). The disposals of the Group amount to € 12,2m in AY 16/17. The decrease in other intangible assets mainly results from the ongoing amortisation of customer relationships (€ 10,7m), whereas investments in other intangible assets only amount to € 2,9m at 31 March 2017. These are primarily consisting of software and licences. The decline in non-current trade and other receivables is largely explained by the settlement of related party other receivables. The increase in deferred tax assets is the result of the streamlining of the corporate structure.

Current assets

Current assets drop by € 74,9m to € 725,5m. The decrease is mainly clarified by a firm decrease in trade and other receivables of € 47,1m as well as a decline in cash and cash equivalents of € 24,7m and in other financial assets of € 5,7m.

The decrease in trade and other receivables is mainly the result of an increase in factored trade receivables. Cash and cash equivalents decrease following the refinancing, allowing a more Group orientated cash management. The decrease in other financial assets primarily results from the sale of The Fruit Farm Group bond.

Equity

Total equity amounts to € 706,2m and represents 35,5% of total equity and liabilities at 31 March 2017. The decrease of € 22,0m compared to AY 15/16 mainly results from the share buyback program and the dividend payment. Since the announcement of the buyback in March 2017, the Company repurchased 1.034.677 shares for a total amount of € 16,4m. The dividend paid in October 2016 amounted to € 8,9m.

Non-current liabilities

Non-current liabilities decline by € 17,1m to € 517,7m. The decrease is mainly due to a decrease in interest-bearing loans of € 39,8m, countered by an increase in other financial liabilities of € 24,2m.

The decrease in interest-bearing loans is the net result of the increase in bank loans of € 136,0m and the decrease in bond loans of € 175,8m, both due to the refinancing. The increase in other financial liabilities is mainly due to the recognition of a conversion option on the convertible bond of € 25,7m, following the refinancing.

Current liabilities

Current liabilities amount € 766,7m, representing a € 56,6m drop compared to AY 15/16. This drop is the net result of a strong reduction in interest-bearing loans (€ 64,3m), provisions (€ 5,3m) and other financial liabilities (€ 2,8m), slightly countered by an increase in trade and other payables of € 15,8m.

The decrease in interest-bearing loans is the result of the lower withdrawn amount on the revolving credit facility on 31 March 2017 compared to 31 March 2016. The decrease in provisions is primarily due to the usage of provisions during AY 16/17. The increase in trade and other payables is the result of improved working capital management, partly offset by a decrease in other amounts payable of € 12,5m.

There are no changes in valuation rules with a significant impact on the Group's reported results or financial position, apart from those included in note 2.3. *Basis of consolidation*.

3. Consolidated cash flow

The cash flow of AY 16/17 is not fully comparable with AY 15/16 as Fresh and Horticulture were not fully included last year.

The cash flow from operating activities remains at a high level, amounting to € 192,2m in AY 16/17, compared to a cash flow from operating activities of € 218,3m in AY 15/16 or a decrease of € 26,1m. This decrease is the result of a solid EBIT and higher adjustments for mainly non-cash items, countered by a decrease in net working capital compared to AY 15/16. The net working capital movement in AY 15/16 reflected the incorporation of Fresh and Horticulture. The reduction in income taxes paid is the result of efforts to improve the effective tax rate.

The cash flow from investing activities amounts to € -43,0m, which is € 2,1m lower than in AY 15/16. Acquisitions of intangible assets and property, plant & equipment decrease by € 9,0m, mainly due to timing.

The cash flow from financing activities decreases firmly with € 122,9m to € -175,4m. This is mainly the result of the net cash-out following the refinancing and related costs.

DIVIDENDS

The Board of Directors proposes to keep the dividend stable at € 0,20 per share. The dividend is subject to shareholder approval at the General Meeting of Shareholders to be held at 15 September 2017. Ex-coupon date is 29 September 2017 and the dividend would be payable 4 October 2017. It is the Board's aim to have a sustainable dividend going forward. This reflects the confidence from the Board of Directors in the future of the Group.

POSITION OF THE COMPANY: RISKS AND UNCERTAINTIES

The Group is required to disclose the key risks and uncertainties, which have affected or may impact its financial position and results. Together with the mitigating actions associated therewith, these risks are described below. Nevertheless, the list below does not rank the risks by priority, neither is it an exhaustive description of all risks currently faced with.

Availability and prices produce and consumables

The results of the Group may be adversely affected by shortage of produce and consumables. With regard to the production of frozen fruit and vegetables, Long Fresh obtains fresh supplies from 800 farmers in Belgium, France, Poland and Hungary. UK supplies are secured by agricultural cooperatives and various dealers. On the other hand, with regard to the production of canned fruit and vegetables, the supply of fresh produce is sourced from approximately 4.500 ha agricultural land in a radius of 100 km around the main processing sites in Belgium and the Netherlands. Long Fresh sources with pre-season fixed price annual contracts. Possible shortfalls in the market can be compensated by purchasing raw materials on the spot market. Depending on the type of fresh produce, the number of hectares and the expected yield (tons per hectare) are fixed. Even if the expected yield is not reached, the purchase price per ton is not adapted.

Fresh obtains most of its supply directly from third party growers. For all of its business models sourcing is done at market prices or in advance negotiated price ranges. In general, growers are compensated based on the prices obtained from the customers, occasionally with a minimum guaranteed price (through well monitored pre-season advances to growers) or based on agreed price ranges.

Horticulture sources the majority of its raw materials through own production primarily in Latvia, Poland and Russia. Horticulture also purchases specialty raw materials from long-lasting supply partners who have been working closely with the Group.

Despite the attention and efforts dedicated to these aspects and active supplier relationship management, the Group also strongly depends on temporary weather phenomena, while climate and soil conditions can also influence supplies and raw materials prices (see further).

Energy prices

Due to the high energy intensity of the production, cooling, ripening and storage processes, the Group is strongly dependent on the evolution of energy prices (mainly gas, electricity and oil prices). The cost of diesel fuel also has an impact on the exploitation costs of the machinery used in the harvesting of peat (Horticulture). The majority of these costs are secured through mid- to long-term contracts.

Sales prices

While price increases in produce and consumables may enable the Group to renegotiate contracts with its customers or pass on the cost increase to its customers, such increases can in certain cases not be passed on, in all or in part, due to the bargaining power of certain key customers, such as large retail distribution chains, affecting the margin of the Group. In some cases, aiming at more flexibility and higher responsiveness, the Group applies a decentralised pricing policy, leaving its local management to determine product prices taking into account local demand and market characteristics.

Furthermore, changing climate conditions, internationalisation of the market and the competitive environment have an important influence on pricing and profitability.

Customer dependency

The Group faces a high customer concentration, i.e. top ten customers, primarily retailers, represent approximately 63% of total sales. The Group believes its customers make purchase decisions based on, among other things, price, product quality, consumer demand, customer service performance and desired inventory levels. Changes in the strategies or purchasing patterns of the customers may adversely affect the operating profit, as the Group may not be in a position to sell the surplus produce or hedge its position given the long-term obligations towards certain growers. Customers may also reduce their purchases in response to (i) any price increase implemented by the Group, (ii) a decision to switch to another supplier or begin sourcing (or to source a greater amount of) fresh produce directly from growers, and/or (iii) changing trends in the industry.

The Group believes its customer intimacy strategy is key to the pursuit of margin and volume improvement and stability. The Group, in all of its management layers, increasingly focuses on innovation and customer preferences, and intends to continue to build long-term relationships by meeting customer needs through innovative solutions in several areas such as logistics and product ranges. In this context, the Group has been focusing on customer and portfolio management in order to realise a profitable growth. This portfolio management includes a strong focus on countries, customers and products. In addition, and more specifically in the Fresh segment, the Group operates as a full service provider to a number of customers and is pursuing the transition of other existing customer relationships away from a transactional model and towards a joint and more integrated business planning model.

Credit risk is managed and continuously monitored centrally by the Group. To protect itself against customer defaults and bankruptcies, the Group uses the services of international credit insurance companies, and also applies internal customer credit limits. Further reference is made to note 6.18. *Risk management policy*.

Climate conditions

From time to time, the Group’s growers experience crop disease, insect infestation, severe weather conditions (such as floods, droughts, windstorms and hurricanes), natural disasters (such as earthquakes) and other adverse environmental conditions. These adverse environmental conditions, and more specifically unpredictable weather patterns, could result in production and price volatility. To the extent possible, this risk is mitigated by the geographical spread of sourcing.

In so far as the Fresh segment is concerned, even though it acts to a certain extent on a free consignment basis, for the produce from growers, in practice, it often shares the risk of adverse environmental conditions with the growers given the growers' long-term relationship with the Fresh segment. Further, the Fresh segment occasionally finances crop production of certain of its growers and suppliers and may be adversely affected if it is not repaid or repayment is postponed due to adverse environmental conditions affecting those growers and suppliers or for any other reason.

In addition, in so far as Horticulture is concerned, the quality and the quantity of peat are also highly dependent on weather conditions. The harvest of peat is only possible after a natural drying cycle (i.e. wind or sun) and important precipitation will therefore reduce the volumes of peat that can be harvested. In addition, wet peat will be less stable, generate less fractioning, lower the quality of the substrates and be heavier to transport.

Along with other elements, such as soil fatigue in fields for specific crops, the weather conditions are a compelling reason for the Group to reduce its dependency on the harvest in a specific region as much as possible. This risk is managed by the geographical spread of the activities and by sustainable relations with the growers.

Seasonality and working capital

Seasonality is important for the Group, and more specifically, opposite underlying trends exist across the operating segments. Long Fresh has a production peak in the period from July to November with corresponding inventory build-up, whereas the demand is relatively stable during the year. This gives rise to high working capital swings in the last two quarters of the calendar year. On the contrary, Fresh realises a greater portion of its sales during the first two quarters of the calendar year, whereas the third and fourth calendar quarters typically have slightly lower sales and less homogenous sales patterns than the first half of the calendar year. As Fresh reports a negative working capital, positive working capital of Long Fresh and Horticulture is partly offset on Group level.

Due to high seasonality, the reduction of production capacity can highly influence the results of the Group during high season and large inventories are to be held and financed. The Group actively manages and closely monitors working capital and liquidity, in order to cope with important working capital swings, and continuously aims at securing its funds and resources accordingly.

Geopolitical changes

Governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation and created general economic uncertainty. Depreciation of local currencies relative to the euro may also create additional inflationary pressures in local jurisdictions that may negatively affect the Group as depreciation generally curtail access to foreign financial markets and may prompt government intervention, including recessionary governmental policies. In the past few years the US, the EU and the UN have increased their imposition of various sanctions and embargoes on trading with countries such as Iran, Syria, Sudan and others. Similar sanctions were taken by the US and EU against the Russian Federation and subsequently by the Russian Federation against the US and the EU. As the activities and operations of the Group are worldwide, the Group and its competitors, distributors, suppliers and customers may not be able to comply with or suffer from such trading sanctions and embargoes.

In this respect, the Group's management monitors global geopolitical trends and takes prompt measures, where needed, responding to these accordingly. Geographical spread of operations and sourcing channels also partly mitigate the risks associated herewith.

Product liability

If the produce sourced by the Group are alleged or proved to contain contaminants or bacteria affecting the safety or quality of its products, the Group may need to find alternative produce, delay production of its products, or discard or otherwise dispose of its products, which could adversely affect its results of operations. Additionally, if the presence of such contaminants or bacteria are not alleged or discovered until after the affected product has been distributed, the Group may need to withdraw or recall the affected product and the Group may experience adverse publicity or product liability claims.

The Group may also be exposed to product recalls, including voluntary recalls or withdrawals, and adverse public relations if its products are alleged to cause injury or illness or if the Group is alleged to have mislabelled or misbranded its products or otherwise violated governmental regulations. The Group may also voluntarily recall or withdraw products that it considers below its standards, whether for taste, appearance or otherwise, in order to protect its (brand) reputation. Consumer or customer concerns (whether justified or not) regarding the safety of the products of the Group could adversely affect its business. A product recall or withdrawal could result in substantial and unexpected expenditures, destruction of product inventory, and lost sales due to the unavailability of the product for a period of time, which could reduce profitability and cash flow.

The Group applies HACCP and ISO standards and Group and segment management actively monitors quality and compliance to these standards. Moreover, long-lasting relationships have been developed with key growers who provide the same commitment and compliance to the Group's quality standards and requirements.

Changes in legislation and regulations

The activities of the Group are subject to extensive regulations in each country in which it operates, including corporate governance, labour, tax, competition, environmental and health and safety regulations. Failure to comply with existing laws and regulations might result in damages, fines and criminal sanctions being levied against the Group or the loss of its operating licenses and might adversely affect its reputation. Compliance with future material changes in food safety or health-related regulations and increased governmental regulation of the food industry (such as proposed requirements designed to enhance food safety, impose health-protection requirements or to regulate imported ingredients) might result in material increases in operating costs and might require interruptions in the operations of the Group to implement such regulatory changes, thereby affecting its profitability.

There has been a broad range of proposed and promulgated national and international regulations aimed at reducing the effects of climate change. Such regulations apply or could apply in countries where the Group has interests or could have interests in the future. The Group reviews the impact of any changes on a regular basis, and at its best estimate has budgeted for future capital and operating expenditures to maintain compliance with environmental and health and safety regulations.

Exchange rate risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The US dollar and the British pound are the most important non-euro currencies. Of minor importance are the Polish zloty and the Czech koruna. The Group's management has set up guidelines to require subsidiaries to manage their foreign exchange risk against their functional currency. Following the guidelines, subsidiaries are required to hedge their entire foreign exchange risk exposure with Corporate Treasury. To manage its foreign exchange risk arising from future commercial transactions, the Group uses foreign exchange forward contracts. Although the Group engages in natural and transactional hedging, there can be no assurance that the Group will be able to successfully mitigate such foreign exchange exposure, particularly over the long-term. In casu, concerns regarding the eurozone sovereign debt crisis may result in increased volatility of euro exchange rates. Further reference is made to note 6.18. *Risk management policy*.

Interest rate risk

The Group's financing positions are exposed to both fixed and floating interest rates. The Group issued a retail and convertible bond with a fixed interest rate of 5% and 3,75% respectively. On the other hand, the Group is exposed to floating interest rates through a revolving credit facility, factoring programs and a term loan. The Group partly hedges floating interest rate exposure through interest rate swaps. Further reference is made to note 6.18. *Risk management policy*.

Liquidity risk and covenant compliance

Current liabilities exceed current assets which might imply a short-term liquidity risk. In this respect, the Group's management has put strict measures in place. Short-term cash flow forecasting is performed by the operating entities of the Group and aggregated by the Corporate Treasury team, who monitor forecasts of the Group's liquidity and working capital requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Further reference is made to note 6.18. *Risk management policy*.

Impairment non-current assets including goodwill

The carrying amounts of financial assets, property, plant & equipment and other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In addition, goodwill is tested for impairment annually. An impairment loss is recognised whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Goodwill impairment indicators are monitored on a quarterly basis, reported to the Audit Committee annually, and appropriate actions are taken when deemed necessary. Further reference is made to note 6.2. *Goodwill*.

RESEARCH AND DEVELOPMENT, INNOVATION AND SUSTAINABILITY

Product development and innovation

Quality assurance is more important than ever in all Group activities. All employees are involved in the continuous effort to improve product and process quality. The Group takes a consumer-centric approach with regard to product development taking into account consumer needs such as health, convenience, pleasure and sustainability with the goal of driving forward product innovation in each division. In the past accounting year, as well as in previous years, many new products, product varieties, dishes and packaging have been developed and successfully marketed. Some of these products have also been recognised for their innovative character and were nominated for industry awards.

Development quality and the circulation of information throughout the organisation are monitored throughout the process by the internal R&D departments. Fresh, Long Fresh and Horticulture employ respectively 25, 10 and 5 dedicated permanent staff in order to develop new products and engage in research partnerships. Currently there are a number of R&D programs in place, which are co-financed by external national and international institutions.

The food processing operations of the Group continue to make investments in the best-performing and innovative machines and installations allowing them to develop products at a quick pace, in step with market trends.

Sustainability

Sustainability is an important pillar of the Company's strategy. It is integrated within the Vision and Mission of the Company and supported by a clear commitment to supply our markets in the most sustainable way possible with healthy and safe fruits and vegetables.

The Group is committed to reduce the environmental impact of all its activities, including production, warehousing, transport, packaging and logistics. We carefully measure and monitor our use of energy, water and other resources, and optimise wherever we can. Our processing plants pay specific attention to water consumption, which is needed to wash our fruit and vegetables, and have invested in advanced water treatment installations.

Reducing food waste across all our activities is an absolute priority for the Group. Our advanced ripening centres and flexible logistics ensure fruit and vegetables are delivered to the consumer at the right moment. Our frozen and prepared products reduce the amount of food that goes to waste at the consumer's home, as they can be consumed over a longer period and can be perfectly portioned. They also allow us to harvest and process the widest range of quality, using fruit and vegetables which do not meet aesthetic specifications in soups or sauces. Our Horticulture division uses non-edible fruit and vegetable residues to produce fertilizers for potting soils, allowing us to close the loop. Any remaining edible leftovers go into animal feed whilst non-edible leftovers are turned into renewable energy.

Subsidiaries also actively participate in a number of global and regional sustainability initiatives, for example GlobalGAP, IDH Sustainable Trade Initiative, Business Social Compliance Initiative and Sustainable Entrepreneurship Charter (an initiative of the Flemish Government, Voka and the Provincial Development Agency). Subsidiaries also engage with sustainability issues as members of their national industry organisations.

The Group has started to work on a sustainability report for AY 17/18 which will comply with the requirements of EU Directive 2014/95 with regard to the disclosure of non-financial and diversity information by certain large undertakings and groups. The EU's reporting requirement directly affects capital market companies such as Greenyard with more than 500 employees and/or a balance sheet total of over € 20,0m and/or a net turnover of over € 40,0m. The report will include information on the Group's performance in regards to the environment, society, employees, human rights, anti-corruption and diversity.

IMPORTANT EVENTS AFTER BALANCE SHEET DATE

The Group announced on 14 June 2017 the acquisition of Mykogen Polska S.A., a leading manufacturer of top quality mushroom substrate. The transaction is conditional upon the receipt of all necessary regulatory and third party approvals, and other customary conditions.

On 20 June 2017, Gimv announced that they no longer detain shares in the Company, which increases the free float.

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

CORPORATE GOVERNANCE STATEMENT

The general principles and provisions relating to the governance structure of Greenyard, and more in particular the role and responsibilities, the composition and the functioning of the Board of Directors, its advisory Committees and the Leadership Team, are described in Greenyard Group's Corporate Governance Charter.

Greenyard closely follows-up the developments and adjusts its corporate governance structure where necessary. The Board of Directors revises the Corporate Governance Charter regularly and where necessary, adaptations are made. The Charter which was adopted by the Board of Directors held on 2 July 2015 has been revised and amended during AY 16/17. On 13 October 2016, the amended Charter was approved by the Board of Directors.

The Corporate Governance Charter can be consulted on the website (www.greenyard.group).

Greenyard uses the Belgian Corporate Governance Code of 2009 as reference code[1], thereby taking into account the specific nature of the Company's listed shares. The Company meets the rules provided by the Belgian Corporate Governance Code of 2009, except as explicitly stated otherwise and justified in the Corporate Governance Statement.

1. Board of Directors

The Board of Directors is the main decision-making body and decides on the values and the strategy of Greenyard, on its risk profile and on the key elements of its strategy. The role of the Board of Directors is to aim for long-term success of the Group by means of efficient risk management and control. It procures that the necessary financial and human resources are available to enable Greenyard to achieve its goals.

1.1. Composition

The Board of Directors consists of at least three directors. At least half of the directors are non-executive and at least three of them are independent. The composition of the Board of Directors is further determined based on complementarity of competence, experience and knowledge.

The directors are appointed by the General Shareholders' Meeting for a maximum term of six years. The Board of Directors makes a proposal to the General Shareholders' Meeting for the (re)appointment as director based upon the candidate list drawn up by the Nomination Committee.

As per 31 March 2017, the Board of Directors is composed of eleven directors, of whom three are executive directors and three are independent within the meaning of article 526*ter* of the Company Code. The term of office of all directors, with the exception of Aalt Dijkhuizen B.V. (represented by Mr Aalt Dijkhuizen, permanent representative) and Mr Marc Wittemans, expires immediately after the 2019 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2019. The mandate of Aalt Dijkhuizen B.V. (represented by Mr Aalt Dijkhuizen, permanent representative) and Mr Marc Wittemans as director ends immediately after the 2020 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2020.

Within the framework of article 96 §2, 6° of the Company Code and in view of the requirements on gender quota as laid down in article 518*bis* of the Company Code, at least one-third of the members of the Board of Directors must be of a different gender than the other members. As per 31 March 2017, the Board of Directors composes of three female directors of the eleven directors in total. Given that Greenyard's free-float is less than 50%, the gender quota requirement applies for the Company as from 1 April 2019. This implies that in case the total number of directors would remain the same, according to the gender quota requirement the number of female directors will need to increase up to four by 1 April 2019. As the case may be, the appointment process for a new female director will be initiated by the Nomination Committee in due time in order to comply with this requirement before 1 April 2019.

Ms Fran Ooms, legal counsel of the Company, has been appointed as secretary of the Board of Directors.

[1] The Belgian Corporate Governance Code of 2009 can be consulted on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be).

Director's name	Date of (re)appointment	Term of office ends on	Executive / non-executive	Independent / non-independent
Deprez Invest NV, rep. by Mr Hein Deprez	19/06/2015	AGM 2019	Executive Chairman	Non-independent
The Marble BVBA, rep. by Mr Luc Van Nevel [(1)]	19/06/2015	16/09/2016	Non-executive	Non-independent (independent until 1 July 2016)
Ms Hilde Laga	25/11/2014	AGM 2019	Non-executive	Independent
Ardiego BVBA, rep. by Mr Arthur Goethals	19/06/2015	16/09/2016[(2)]	Non-executive	Independent
Management Deprez BVBA, rep. by Ms Veerle Deprez	19/06/2015	AGM 2019	Non-executive	Non-independent
Mr Peter Gain	19/06/2015	27/09/2016[(3)]	Non-executive	Non-independent
Mr Thomas Borman	19/06/2015	AGM 2019	Non-executive	Non-independent
Bonem Beheer BVBA, rep. by Mr Marc Ooms	19/06/2015	AGM 2019	Non-executive	Non-independent
Mr Charles-Henri Deprez	19/06/2015	AGM 2019	Executive[(4)]	Non-independent
Mr Peter Maenhout	19/06/2015	16/09/2016[(5)]	Non-executive	Non-independent
Mr Jozef Marc Rosiers	19/06/2015	13/05/2016[(6)]	Non-executive	Non-independent
Intal BVBA, rep. by Mr Johan Vanovenberghe	19/06/2015	AGM 2019	Non-executive	Non-independent
Mavac BVBA, rep. by Ms Marleen Vaesen	19/06/2015	AGM 2019	Executive (CEO)	Non-independent
Argalix BVBA, rep. by Mr Francis Kint	19/06/2015	1/06/2016[(7)]	Non-executive	Non-independent
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen	5/07/2016[(8)]	AGM 2019	Non-executive	Independent
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen	21/02/2017[(9)]	AGM 2020	Non-executive	Independent
Mr Marc Wittemans	16/09/2016[(6)]	AGM 2020	Non-executive	Non-independent

[(1)] As per 1 July 2016, after twelve years as an independent director of the Company, The Marble BVBA, represented by Mr Luc Van Nevel, permanent representative, no longer fulfilled the conditions of independence set out in article 526*ter*, 2° of the Company Code. Consequently, Mr Luc Van Nevel (as permanent representative of The Marble BVBA) voluntarily resigned as non-independent director (independent until 1 July 2016), as from 16 September 2016, after the 2016 Annual General Shareholders' Meeting.

[(2)] Given that Mr Arthur Goethals (as permanent representative of Ardiego BVBA) reached the age limit laid down in the Corporate Governance Charter, his mandate of independent director took an end as from 16 September 2016, after the 2016 Annual General Shareholders' Meeting.

[(3)] Mr Peter Gain voluntarily resigned as director as from 27 September 2016.

[(4)] Mr Charles-Henri Deprez holds an executive position as Finance Manager in Bakker Barendrecht B.V. (a subsidiary of the Company) and therefore qualifies as executive director.

[(5)] Mr Peter Maenhout voluntarily resigned as director as from 16 September 2016, after the 2016 Annual General Shareholders' Meeting.

[(6)] Mr Jozef Marc Rosiers, who had been appointed as director upon proposal of Agri Investment Fund CVBA (*AIF*), voluntarily resigned as director as from 13 May 2016. Following his resignation, Mr Marc Wittemans has been appointed on 16 September 2016 upon proposal of AIF in his replacement for a period of four accounting years ending immediately after the 2020 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2020.

[(7)] Argalix BVBA, represented by Mr Francis Kint, permanent representative, voluntarily resigned as director as from 1 June 2016.

[(8)] On 16 September 2016, the Annual General Shareholders' Meeting definitively appointed Gescon BVBA, represented by Mr Dirk Van Vlaenderen, permanent representative, which was co-opted by the Board of Directors held on 5 July 2016, as independent director for a period of three accounting years ending immediately after the 2019 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2019.

[(9)] Aalt Dijkhuizen B.V., represented by Mr Aalt Dijkhuizen, permanent representative, has been co-opted by the Board of Directors held on 21 February 2017, as independent director, in replacement of Mr Aalt Dijkhuizen, who voluntarily resigned as independent director as from this date. On 16 September 2016, Mr Aalt Dijkhuizen was appointed as independent director by the Annual General Shareholders' Meeting for a period of four accounting years ending immediately after the 2020 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2020. The Board of Directors will propose to the 2017 Annual General Shareholders' Meeting to definitively appoint Aalt Dijkhuizen B.V., represented by Mr Aalt Dijkhuizen, permanent representative, as independent director, for the remaining term of the mandate of Mr Aalt Dijkhuizen.

1.2. Role of the Executive Chairman

On 2 July 2015, the Board of Directors ratified the appointment of Deprez Invest NV (represented by Mr Hein Deprez, permanent representative) as Executive Chairman of the Board of Directors, with effect as of 19 June 2015 for its term of office as director.

The Executive Chairman leads the Board of Directors in fulfilling its duties and acts as an intermediary between the shareholders, the Board of Directors and the management of the Company. He also takes the lead in all initiatives to promote the effectiveness of the Board of Directors in accordance with the Corporate Governance Charter.

The Executive Chairman maintains a close relationship with the Chief Executive Officer, providing support and advice, while fully respecting the executive responsibilities of the Chief Executive Officer. In close cooperation with the Chief Executive Officer, the Executive Chairman devotes himself entirely to the follow-up of the strategic guidelines and of the input received from the

Strategic Committee. He takes up a prominent role in facilitating and steering the strategic direction of the Group and actively participates in the merger and acquisition strategy and the implementation thereof. The Company believes it is crucial to have an active chairman of the Board of Directors, who has a profound experience in each of the subsidiaries of the Group in order to steer the strategic decisions.

1.3. Activity report

The Board of Directors meets at least six times a year on predefined dates and each time as such is necessary. Over the past AY 16/17, the Board of Directors met on sixteen occasions (of which ten meetings were organised via telephone conference).

During AY 16/17, the Board of Directors has been engaged with:

- Drawing up of the statutory accounts and the consolidated financial statements and approving the report of the Board of Directors;
- Convening and setting the agenda of the General Meetings of Shareholders;
- Evaluating and approving budgets, forecasts and investment projects for the segments for AY 16/17;
- Approving the strategic and financial long-range plans within the Group;
- Reviewing the financial and operational results of the Group;
- Supervising the Committees and the Leadership Team;
- Appointing the members of the Committees and the Leadership Team;
- Approving press releases;
- Monitoring reorganisations and changes in the Group's structure and organisational chart (such as the acquisition of a majority stake in the Russian company Nesterovskoye, the joint venture with Bardsley Farms Ltd., the acquisition of all shares of Lutèce Holding B.V., etc.);
- Taking all the necessary steps and decisions in view of:
  - the completion of related parties' transactions to which the procedure of article 524 of the Company Code applies;
  - the refinancing of the financial instruments on Group level by issuing convertible bonds convertible into newly issued Company's ordinary shares, in combination with syndicated bank financing, in view of optimising the Group's financing structure;
  - the divestment of the Company's equity stake in the joint venture with Veiling Haspengouw CVBA;
  - the launch of a share buyback program authorising the Board of Directors to acquire up to 1.750.000 Company's shares.

1.4. Evaluation

Every two years the Board of Directors, led by its Executive Chairman, evaluates its size, composition and functioning, as well as those of its advisory Committees and the interaction with the Leadership Team. The Nomination Committee prepares this self-evaluation. The results of the formal evaluation procedure which was conducted by the Board of Directors in 2014 were highly satisfactory. Given the changes in the composition of the Board of Directors, its advisory Committees and the Leadership Team following the completion of the business combination on 19 June 2015 and during AY 16/17, the new evaluation which was scheduled for AY 16/17 has been postponed to AY 17/18.

The non-executive directors evaluate on a regular basis their interaction with the Leadership Team. To this end, they meet at least once a year without the presence of the Chief Executive Officer or the other executive directors.

The task performance as well as the roles and responsibilities of an individual director are evaluated on a regular basis.

2. Audit Committee

The Audit Committee has been set up to provide support to the Board of Directors in fulfilling its monitoring responsibilities in respect of control in the broadest sense. In this respect, the Audit Committee is responsible for monitoring the financial reporting process, the efficiency of the internal control and risk management systems, the internal audit and its efficiency, the statutory audit of the annual and consolidated financial statements and the independency of the statutory auditor.

During AY 16/17, the Audit Committee consisted of:

- Gescon BVBA(1), Chairman and independent director, represented by Mr Dirk Van Vlaenderen, permanent representative;
- The Marble BVBA(2), independent director until 1 July 2016, represented by Mr Luc Van Nevel, permanent representative;

- Ms Hilde Laga, independent director;
- Mr Peter Maenhout(3);
- Mr Thomas Borman.

(1) Member and Chairman as from 5 July 2016.
(2) Chairman until 5 July 2016 and member until 16 September 2016.
(3) Member until 16 September 2016.

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

The members of the Audit Committee have collective expertise related to the activities of the Company. Pursuant to article 96 §1, 9° of the Company Code, this report must contain justification of the independence and accounting and auditing competence of at least one member of the Audit Committee. According to the internal rules of conduct of the Audit Committee, the Audit Committee needs to have enough relevant experience in order to effectively fulfil its role. The Chairman of the Audit Committee, Mr Dirk Van Vlaenderen (as permanent representative of Gescon BVBA, independent director), has extensive experience and expertise in the accounting and auditing area. Mr Dirk Van Vlaenderen has an economics degree from the University of Brussels. He began his career as an auditor with the audit firm Arthur Andersen, in which he became partner in 1993. In 2002, after the merger with Deloitte, he joined the audit management committee of Deloitte taking the leadership of the Talent division and afterwards of the Audit division. Over the past 35 years, Mr Dirk Van Vlaenderen served a wide variety of national and international companies as statutory auditor. He was also lecturer at the Universities of Brussels and Leuven for Basics of IFRS and Reporting in International Context.

During the period between 1 April 2016 and 16 September 2016 the majority of the Audit Committee was not composed of independent directors. This divergence from provision 5.2/4 of Appendix C of the Belgian Corporate Governance Code of 2009 is justified given that all members of the Audit Committee are considered sufficiently independent and qualified for fulfilling their role as member of this Committee. As from 16 September 2016, the composition of the Audit Committee is in compliance with the Belgian Corporate Governance Code of 2009.

The Audit Committee has been engaged with the following subjects during AY 16/17:

- Monitoring the consolidated semi-annual and annual results of the Group and the Company's annual and consolidated financial statements, and monitoring the quarterly results of the Fresh segment until the refinancing on Group level;
- Monitoring and evaluating the internal and external audit;
- Evaluating and controlling the one-to-one rules;
- Monitoring the Group's internal control and risk management systems;
- Following up on pending litigations and claims;
- Assessing the proposed related parties' transactions to which the procedure of article 524 of the Company Code applies;
- Monitoring the intra-group restructuring of the operations, assets, participations and divisional management of the Frozen division in view of creating a well-organised and efficient Group structure;
- Evaluating the accounting impacts resulting from the refinancing on Group level.

The Audit Committee evaluates its functioning, efficiency and internal regulations on an annual basis. The results of the formal evaluation procedure which was conducted during AY 16/17 were satisfactory.

The Audit Committee met on five occasions over the past AY 16/17. The statutory auditor was invited to and attended three meetings.

3. Nomination Committee

The Nomination Committee assists the Board of Directors with all matters relating to the appointment of the directors and the members of the Leadership Team.

The Nomination Committee has following members:

- Deprez Invest NV, Chairman, represented by Mr Hein Deprez, permanent representative;
- The Marble BVBA(1), independent director until 1 July 2016, represented by Mr Luc Van Nevel, permanent representative;
- Ardiego BVBA(1), independent director, represented by Mr Arthur Goethals, permanent representative;
- Management Deprez BVBA, represented by Ms Veerle Deprez, permanent representative;
- Bonem Beheer BVBA, represented by Mr Marc Ooms, permanent representative;
- Aalt Dijkhuizen B.V.(2), independent director, represented by Mr Aalt Dijkhuizen, permanent representative;
- Gescon BVBA(3), independent director, represented by Mr Dirk Van Vlaenderen, permanent representative.

[1] Member until 16 September 2016.
[2] Member as from 21 February 2017 in replacement of Mr Aalt Dijkhuizen, who was member during the period starting as from 13 October 2016 until his voluntary resignation on 21 February 2017.
[3] Member as from 13 October 2016.

Until his resignation as director as from 16 September 2016, Mr Peter Maenhout was invited to participate to the meetings of the Nomination Committee in an advisory capacity. The Nomination Committee can invite the Chief Executive Officer or other individuals to the meetings, if it deems necessary. The Chief Executive Officer participates in any case to the meetings when it deliberates on the appointment of the members of the Leadership Team.

In derogation of provision 5.3/1 of Appendix D of the Belgian Corporate Governance Code of 2009, the Nomination Committee is not composed of a majority of independent directors. However, the Company believes that in its current composition the Nomination Committee is composed with the best experts in terms of industry know-how and nomination policy.

The Nomination Committee has met on one occasion during AY 16/17. This divergence from provision 5.3/6 of Appendix D of the Belgian Corporate Governance Code of 2009, which recommends that the Nomination Committee should meet at least twice a year, is justified given that for practical reasons certain topics on which the Nomination Committee makes recommendations to the Board of Directors were to such an extent linked with the items on the agenda of the Remuneration Committee, that these topics have been discussed together during the meetings of the Remuneration Committee.

4. Remuneration Committee

The Remuneration Committee makes recommendations to the Board of Directors regarding the remuneration policy and the individual remuneration of the members of the Leadership Team and the directors. The Remuneration Committee also draws up a remuneration report.

The Remuneration Committee consists of:

- Aalt Dijkhuizen B.V.[1], Chairman and independent director, represented by Mr Aalt Dijkhuizen, permanent representative;
- The Marble BVBA[2], independent director until 1 July 2016, represented by Mr Luc Van Nevel, permanent representative;
- Ardiego BVBA[3], independent director, represented by Mr Arthur Goethals, permanent representative;
- Management Deprez BVBA, represented by Ms Veerle Deprez, permanent representative;
- Gescon BVBA[4], independent director, represented by Mr Dirk Van Vlaenderen, permanent representative.

[1] Member and Chairman as from 21 February 2017 in replacement of Mr Aalt Dijkhuizen, who was Chairman and member during the period starting as from 13 October 2016 until his voluntary resignation on 21 February 2017.
[2] Member and Chairman until 16 September 2016.
[3] Member until 16 September 2016.
[4] Member as from 13 October 2016.

Until his resignation as director as from 16 September 2016, Mr Peter Maenhout was invited to participate to the meetings of the Remuneration Committee in an advisory capacity. The Remuneration Committee can invite the Chief Executive Officer or other individuals to the meetings, if it deems necessary. The Chief Executive Officer participates in any case to the meetings when it deliberates on the remuneration of the members of the Leadership Team. Also the Executive Chairman of the Board of Directors can participate as advisor to the meetings of the Remuneration Committee, except when it deliberates about his remuneration package.

In derogation of provision 5.4/1 of Appendix E of the Belgian Corporate Governance Code of 2009, the majority of the Remuneration Committee was not composed of independent directors during the period between 1 July 2016 and 13 October 2016. This divergence results from the fact that as per 1 July 2016, after twelve years as a director, The Marble BVBA, represented by Mr Luc Van Nevel, permanent representative, no longer fulfilled the conditions of independence set out in article 526*ter*, 2° of the Company Code. The Remuneration Committee was recomposed taking into account the recommendation laid down in provision 5.4/1 of Appendix E of the Belgian Corporate Governance Code of 2009.

During AY 16/17, the Remuneration Committee met six times to discuss on and make proposals regarding, amongst others:

- the remuneration policy for the directors, members of the Leadership Team and other key managers;
- the variable remuneration of the executive directors, members of the Leadership Team and other key managers.

In addition, the Remuneration Committee approved the remuneration report, which forms part of the corporate governance statement as included in the report of the Board of Directors, and submitted this to the Board of Directors.

5. Strategic Committee

The mission of the Strategic Committee is to advise the Board of Directors with respect to the guidelines of general policy, the Company's strategy and mergers and acquisitions.

The Strategic Committee is composed of:

- Deprez Invest NV, Chairman, represented by Mr Hein Deprez, permanent representative;
- Ardiego BVBA(1), independent director, represented by Mr Arthur Goethals, permanent representative;
- Mr Peter Gain(2);
- Mr Peter Maenhout(1);
- Mavac BVBA, represented by Ms Marleen Vaesen, permanent representative;
- Argalix BVBA(3), represented by Mr Francis Kint, permanent representative;
- Mr Jozef Marc Rosiers(4);
- Mr Thomas Borman(5);
- Bonem Beheer BVBA(5), represented by Mr Marc Ooms, permanent representative;
- Aalt Dijkhuizen B.V.(6), independent director, represented by Mr Aalt Dijkhuizen, permanent representative.

(1) Member until 16 September 2016.
(2) Member until 27 September 2016.
(3) Member until 1 June 2016.
(4) Member until 13 May 2016.
(5) Member as from 13 October 2016.
(6) Member as from 21 February 2017 in replacement of Mr Aalt Dijkhuizen, who was member during the period starting as from 13 October 2016 until his voluntary resignation on 21 February 2017.

In accordance with the Corporate Governance Charter, the Strategic Committee is convened by its Chairman at his own discretion or upon the request of a member of the Strategic Committee. The Strategic Committee has not been convened during AY 16/17.

6. Temporary ad hoc Committee

The Board of Directors has set up - in accordance with article 522 of the Company Code - two temporary *ad hoc* advisory committees which have met during AY 16/17.

A temporary *ad hoc* advisory committee has been set up by the Board of Directors held on 27 August 2015 for the purpose of advising on the optimisation of the Group's financing structure. This *ad hoc* committee is composed of the Chief Executive Officer, Mr Peter Gain (until his resignation as director as from 27 September 2016), Bonem Beheer BVBA (represented by Mr Marc Ooms) and Intal BVBA (represented by Mr Johan Vanovenberghe). During AY 16/17, three meetings of the *ad hoc* committee have taken place (on 13, 15 and 26 September 2016) to investigate the refinancing alternatives within the Group.

On 6 March 2017, the Board of Directors has set up a temporary *ad hoc* advisory committee for the purpose of advising on the potential introduction of a share buyback program within the Company in terms of price-setting, volumes and selection of a financial intermediary. This *ad hoc* committee consists of Deprez Invest NV (represented by Mr Hein Deprez) and Gescon BVBA (represented by Mr Dirk Van Vlaenderen).

The Chief Financial Officer is invited to participate to the meetings of both *ad hoc* committees.

7. Attendance

AY 16/17	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee [10]
Deprez Invest NV, rep. by Mr Hein Deprez	16/16			1/1
The Marble BVBA, rep. by Mr Luc Van Nevel	5/5[1]	2/2[4]	3/3[6]	1/1
Ms Hilde Laga	14/16	3/5		
Ardiego BVBA, rep. by Mr Arthur Goethals	5/5[1]		3/3[6]	1/1
Management Deprez BVBA, rep. by Ms Veerle Deprez	16/16		6/6	1/1
Mr Peter Gain	5/5[1]			
Mr Thomas Borman	15/16	5/5		
Bonem Beheer BVBA, rep. by Mr Marc Ooms	16/16		1/1[9]	1/1
Mr Charles-Henri Deprez	16/16			
Mr Peter Maenhout	5/5[1]	1/2[4]	1/3[8]	1/1[8]
Mr Jozef Marc Rosiers	0/0[1]			
Intal BVBA, rep. by Mr Johan Vanovenberghe	16/16			
Mavac BVBA, rep. by Ms Marleen Vaesen	16/16			
Argalix BVBA, rep. by Mr Francis Kint	0/1[1]			
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen	14/14[2]	4/4[5]	3/3[7]	
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen[3]	10/11[2]		3/3[7]	
Mr Marc Wittemans	10/11[2]			

[1] The denominator is equal to the total number of meetings of the Board of Directors that took place between 1 April 2016 and the date of voluntary resignation of the director concerned (see *Composition of the Board of Directors*).

[2] The denominator is equal to the total number of meetings of the Board of Directors that took place between the date of co-optation or appointment of the director concerned and 31 March 2017 (see *Composition of the Board of Directors*).

[3] Aalt Dijkhuizen B.V., represented by Mr Aalt Dijkhuizen, permanent representative, has been co-opted by the Board of Directors held on 21 February 2017, as independent director, in replacement of Mr Aalt Dijkhuizen, who voluntarily resigned as independent director as from this date. On 16 September 2016, Mr Aalt Dijkhuizen was appointed as independent director by the Annual General Shareholders' Meeting.

[4] Two meetings of the Audit Committee took place between 1 April 2016 and 16 September 2016 (being the date on which the directors indicated in the table above voluntarily resigned as member of the Audit Committee).

[5] Four meetings of the Audit Committee took place between 5 July 2016 (being the date on which Gescon BVBA (represented by Mr Dirk Van Vlaenderen) was appointed as member and Chairman of the Audit Committee) and 31 March 2017.

[6] Three meetings of the Remuneration Committee took place between 1 April 2016 and 16 September 2016 (being the date on which the directors indicated in the table above voluntarily resigned as member of the Remuneration Committee).

[7] Three meetings of the Remuneration Committee took place between 13 October 2016 (being the date on which the directors indicated in the table above were appointed as member (and as the case may be, Chairman) of the Remuneration Committee) and 31 March 2017.

[8] Until his resignation as director with effect as from 16 September 2016, Mr Peter Maenhout was invited to participate to the meetings of the Remuneration Committee and the Nomination Committee in an advisory capacity.

[9] Mr Marc Ooms (as permanent representative of Bonem Beheer BVBA) was invited to one meeting of the Remuneration Committee in an advisory capacity.

[10] The Nomination Committee met on one occasion during AY 16/17.

8. Leadership team

The Board of Directors has authorised the Leadership Team with the day-to-day management of the Company, taking into account the values, strategies, policies, plans and budgets established by the Board of Directors. The Leadership Team does not qualify as a management committee ("*directiecomité*"/"*comité de direction*") in accordance with article 524*bis* of the Company Code.

The Leadership Team consists per 31 March 2017 of:

- Mavac BVBA, Chief Executive Officer, represented by Ms Marleen Vaesen, permanent representative;
- PDN BVBA[1], Chief Financial Officer, represented by Mr Karl Peeters, permanent representative;
- Qualexco BVBA, Head of Legal, represented by Mr Alexander Verbist, permanent representative;
- HCTL Consulting BVBA[2], Corporate HR Director, represented by Ms Christine Buytaert, permanent representative;
- Haluvan BVBA, Managing Director of Frozen division, represented by Mr Hans Luts, permanent representative;
- Mr Dominiek Stinckens, Managing Director of Prepared division;

- T-I BVBA, Managing Director of Horticulture segment and Managing Director of Fresh Growth Markets, represented by Mr Stefaan Vandaele, permanent representative;
- Ms Irénke Meekma, Managing Director of Fresh Bakker;
- Mr Lars Wagener(3), Managing Director of Fresh Region German Market.

(1) Member as from 1 October 2016.
(2) Member as from 1 June 2016.
(3) Member as from 1 August 2016.

Mr Koen Sticker (as permanent representative of Koen Sticker BVBA) voluntarily resigned as Chief Financial Officer and member of the Leadership Team as from 1 August 2016. He (as permanent representative of Koen Sticker BVBA) was replaced by Mr Karl Peeters (as permanent representative of PDN BVBA) as Chief Financial Officer and member of the Leadership Team, starting as from 1 October 2016. During this transition period, the Chief Executive Officer temporarily assumed the responsibilities of the Chief Financial Officer.

In derogation of provision 6.2 of the Belgian Corporate Governance Code of 2009, the Leadership Team does not include all executive directors. Deprez Invest NV, Executive Chairman of the Board of Directors, represented by Mr Hein Deprez, and Mr Charles-Henri Deprez, executive director of the Company, are not members of the Leadership Team. The Executive Chairman does not participate to the meetings, however the Chief Executive Officer reports to him on the daily management of the Company and the subjects discussed within the Leadership Team during a weekly debrief meeting. Mr Charles-Henri Deprez, Finance Manager of Bakker Barendrecht B.V., is not a member of the Leadership Team as Bakker Barendrecht B.V., a subsidiary of the Company, is already represented within the Leadership Team by its Managing Director, Ms Irénke Meekma.

The Leadership Team is assisted by a team of key persons active in each of the different business units in the Group.

9. Statutory auditor

The audit of the annual accounts and consolidated financial statements of the Company has been entrusted to Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, with registered office at Luchthaven Nationaal 1 J, 1930 Zaventem. Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA has been appointed as the Company's statutory auditor for a period of three years, which ends immediately after the 2018 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2018. For the exercise of its duties, Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA is represented by Ms Charlotte Vanrobaeys and Mr Mario Dekeyser in the capacity as permanent representatives, both having their offices at Raymonde de Larochelaan 19A, 9051 Sint-Denijs-Westrem.

10. Transactions with related parties

Pursuant to the Belgian Corporate Governance Code of 2009, 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 and members of the Leadership team and their respective permanent representatives have to give prior notice to the Board of Directors and the statutory auditor of all contemplated transactions between them and Greenyard or one of its subsidiaries. Only the Board of Directors is authorised to decide whether Greenyard or the subsidiary concerned may enter into such a transaction. The Board of Directors has to motivate its decision in its minutes and makes certain that the transaction is at arms' length. By way of exception, this prior approval by the Board of Directors is not required, if the contemplated transaction concerns a customary transaction for the Company or its subsidiary and is executed under conditions in accordance with general market practice for comparable transactions.

10.1. Application of article 523 of the Company Code

The procedure laid down in article 523 of the Company Code shall be applied in case a director or a permanent representative of a director-legal entity has a direct or indirect financial interest that is conflicting with a transaction or decision to be resolved upon by the Board of Directors. This procedure was applied six times during AY 16/17 (on 1 June, 5 July, 27 November, 7 December and 15 December 2016, and on 27 March 2017).

10.1.1. Consultancy services provided by Intal BVBA to the Company

On 1 June 2016, the Board of Directors decided on the consultancy services provided by Intal BVBA, represented by Mr Johan Vanovenberghe, to the Company as from the completion of the business combination (i.e. on 19 June 2015). Mr Johan Vanovenberghe (as permanent representative of Intal BVBA) declared at the beginning of the Board meeting to have a conflicting financial interest within the meaning of article 523 of the Company Code with respect to this agenda item.

This conflict of interest was recorded in the minutes of the meeting of the Board of Directors held on 1 June 2016 as follows: "*Intal BVBA, in its capacity of director-legal entity of the Company, and Mr Johan Vanovenberghe, in his capacity of legal representative of a director-legal entity of the Company, declared to have a conflicting financial interest within the meaning of article 523 of the Company Code with respect to the agenda item regarding the monthly fee invoiced by Intal BVBA, represented by Mr Johan Vanovenberghe, for the consultancy services provided to the Company as from the business combination between the Greenyard Foods Group, FieldLink group and Peatinvest group.*

After having made the above-mentioned statement, Mr Johan Vanovenberghe, as permanent representative of Intal BVBA, declared not to participate in the deliberation and voting on this agenda item. Mr Johan Vanovenberghe undertook to inform the Company's statutory auditor of the application of article 523 of the Company Code immediately after the Board meeting."

The Board of Directors held on 1 June 2016 took the following decision with respect to this agenda item: "*The Board of Directors approved and ratified the monthly fee of €15.300 (VAT exclusive) invoiced by Intal BVBA, represented by Mr Johan Vanovenberghe, to the Company for the consultancy services provided to the Company as from the business combination between the Greenyard Foods Group, FieldLink group and Peatinvest group. The financial impact on the Company equals the fixed monthly remuneration of €15.300 (VAT exclusive) - which is considered an at arms' length remuneration*."

10.1.2. Remuneration of the Chief Executive Officer

At the beginning of the meeting of the Board of Directors held on 5 July 2016, the Chairman of the Board of Directors, Deprez Invest NV (represented by Mr Hein Deprez), made the following statement in his capacity as special proxy holder of Mavac BVBA (represented by Ms Marleen Vaesen) with respect to the agenda item on the remuneration of the Chief Executive Officer (as recorded in the minutes of the meeting of the Board of Directors held on 5 July 2016):

"The Chairman declared in its capacity as special proxy holder of Mavac BVBA (CEO), represented by Ms Marleen Vaesen, which has given proxy with respect to this Board meeting, not to participate in the deliberation and voting on agenda item 5 regarding the remuneration of the CEO, given that Mavac BVBA, in its capacity of director-legal entity of the Company, and its permanent representative, Ms Marleen Vaesen, have a conflicting financial interest within the meaning of article 523 of the Company Code with respect to this agenda item.

The Chairman will inform the Company's statutory auditor thereof immediately after the Board meeting."

The Board of Directors was informed that the evaluation carried out by the Remuneration Committee on the work performed by the Chief Executive Officer during AY 15/16 had indicated that she performed an excellent job within the framework of the completion of the business combination and the further alignment within the new Group.

Following this positive evaluation, the Board of Directors held on 5 July 2016 decided *"on the advice of the Remuneration Committee, at its own discretion and as a token of its appreciation, to increase the current (gross) annual fixed remuneration of the CEO with 10% as of April 1, 2016 (AY 16/17)."*

10.1.3. Lease of warehouse by Greenyard Logistics Poland Sp. Zo.o.

The Board of Directors held on 27 November 2016 decided on the termination of the existing lease agreement between De Weide Blik RE Poland Sp. Z o.o. (*De Weide Blik RE Poland*) and Greenyard Logistics Poland Sp. Z o.o. (*Greenyard Logistics Poland*) (formerly known as Univeg Logistics Poland Sp. Z o.o.) and the conclusion of a new lease agreement. The Board of Directors also decided on the parent company guarantee to be provided in accordance with the new lease agreement by Greenyard to guarantee the obligations of its subsidiary Greenyard Logistics Poland under the lease agreement.

Prior to the deliberation, pursuant to article 523 of the Company Code, each of Mr Hein Deprez (as permanent representative of Deprez Invest NV), Ms Veerle Deprez (as permanent representative of Management Deprez BVBA), Mr Marc Ooms (as permanent representative of Bonem Beheer BVBA) and Mr Johan Vanovenberghe (as permanent representative of Intal BVBA) declared to the other directors (as recorded in the minutes of the meeting of the Board of Directors held on 27 November 2016) "*that (s)he had to be regarded as having an interest conflicting with the decisions to be made by the Board of Directors in connection with the items on the agenda. Each of said directors advised the Board of Directors that the conflict of interest arose from the fact that (s)he was also an indirect shareholder in De Weide Blik RE Poland, the counterparty of Univeg Logistics Poland, a subsidiary of the Company, in the proposed lease agreement and guarantee.*

Said directors informed the other directors that they would inform the statutory auditor of the conflict of interest that has arisen pursuant to article 523 BCC.

Each of Mr Hein Deprez, Ms Veerle Deprez, Mr Marc Ooms and Mr Johan Vanovenberghe then left the room and did not participate in the deliberation or vote."

The new lease agreement and the guarantee together are the transaction which is the subject of the meeting of the Board of Directors held on 27 November 2016, to which the procedure as stipulated in article 524 of the Company Code applies. For more information about the approval and justification of this transaction by the Board of Directors, and the description of its financial consequences, reference is made to section *Application of article 524 of the Company Code*.

10.1.4. Refinancing of the financial instruments on Group level

On 7 December 2016, the Board of Directors decided on the refinancing of the financial instruments on Group level by issuing convertible bonds convertible into newly issued Company's ordinary shares, in combination with syndicated bank financing. Mr Hein Deprez (as permanent representative of Deprez Invest NV) and Ms Veerle Deprez (as permanent representative of Management Deprez BVBA) declared at the beginning of the meeting of the Board of Directors to have a potential interest conflicting with the decisions to be taken in this respect.

This potential conflict of interest was recorded in the minutes of the meeting of the Board of Directors held on 7 December 2016 as follows (free English translation): "*Prior to the deliberation, each of Mr Hein Deprez, as permanent representative of Deprez Invest NV, and Ms Veerle Deprez, as permanent representative of Management Deprez BVBA, declared to the other directors to have a potential interest conflicting with the decisions which the Board of Directors need to take within the framework of the agenda items.*

The potential conflict of interest relates to the intention of Mr Hein Deprez and Ms Veerle Deprez to subscribe, through a company controlled by them (being Deprez Holding NV), for Bonds (as further defined in the minutes), insofar as Bonds would be granted within the framework of the allocation by the banks involved. In view of the directors concerned, their interest to subscribe for Bonds will be positive for other potential investors in Bonds who potentially will consider the directors' interest as a token of trust and engagement by the Deprez family in the Group.

Therefore the directors proposed to apply, insofar as applicable, the procedure of article 523 of the Company Code. In accordance with article 523 of the Company Code, the directors concerned will inform the statutory auditor of this."

Mr Hein Deprez and Ms Veerle Deprez did not participate in the deliberations and voting on the agenda items with respect to the proposed refinancing structure and left the meeting. To avoid creating the impression of a conflict of interest, Mr Charles-Henri Deprez did not participate in the deliberations and voting on these agenda items either.

On 15 December 2016, the Board of Directors held in front of notary public Tim Carnewal decided on the capital increase in kind in Greenyard, within the limits of its authorised capital and on the condition precedent of issuance of the convertible bonds, by means of the contribution by the holders of convertible bonds in Greenyard Fresh Holding BE NV (*Greenyard Fresh Holding BE*) (formerly known as FieldLink NV), a subsidiary of the Company, of their receivable against Greenyard Fresh Holding BE into Greenyard (subject to the effective exercise of their conversion right). At the beginning of this Board meeting, the same potential conflict of interest was raised by each of Mr Hein Deprez (as permanent representative of Deprez Invest NV), Ms Veerle Deprez (as permanent representative of Management Deprez BVBA), Mr Thomas Borman, Mr Marc Ooms (as permanent representative of Bonem Beheer BVBA) and Mr Johan Vanovenberghe (as permanent representative of Intal BVBA). The potential conflict of interest of these directors relates to their intention to subscribe, as the case may be, through a company controlled by them, for convertible bonds.

These directors did not participate in the deliberations and voting on the agenda items with respect thereto and left the meeting. To avoid creating the impression of a conflict of interest, Mr Charles-Henri Deprez did not participate in the deliberations and voting on these agenda items either.

The grounds for justification and the financial consequences of the decisions with respect to the refinancing on Group level and, more in particular, the capital increase in kind in Greenyard, were recorded in the minutes of the meetings of the Board of Directors held on 7 December and 15 December 2016 as follows (free English translation): "*It is intended to combine the current external debts into one or more new credit facilities, resulting on average in more favourable and flexible credit terms and which allow the company to extend the average maturity of its financing instruments.*

[…]

In addition, it is proposed that FieldLink NV (the Issuer or FieldLink), a wholly-owned subsidiary of the Company, will issue unsubordinated, senior and unsecured bonds, guaranteed by the Company and convertible into shares of the Company, due December 2021 (the Bonds), for a principal amount of €110 million, with an increase option of up to €15 million, which leads to the total principal amount of maximum €125 million (the Bond offering).

[…]

The proceeds of the Bond offering and the new credit facilities will be used to refinance: (i) the €158.5 million term and revolving facilities agreement dated 16 December 2013 entered into by the Company as borrower, as amended on 30 June 2015 and 30 March 2016, (ii) the €90 million senior facility agreement dated 14 November 2013 entered into by FieldLink NV as Parent and Univeg Holding B.V. and Univeg Belgium NV as Original Borrowers, (iii) the €285 million 7.875% senior secured notes issued by Univeg Holding B.V., due 2020 (the High Yield Bonds), and (iv) certain bilateral credit arrangements of Peatinvest NV and its subsidiaries ((i) up to (iv) (and including) the Existing Financing).

[…]

The Bonds will be issued in denominations of €100,000 at 100% of their principal amount. It is expected that the Bonds will have a coupon range between 3.5% and 4% per annum, payable semi-annually. The conversion price of the Bonds is expected to be set at a premium between 22.5% and 27.5% of the volume weighted average price of the shares of the Company on Euronext Brussels between opening and closing of the regulated market at the date of launch.

[…]

Within the framework of the Bank financing, two credit facilities (the Facilities) will be made available in accordance with the Credit Agreement (as defined in Annex 1):

(a) a €150 million term loan facility for a term of five years, with FieldLink and/or the Company and/or another subsidiary of the Company as borrowers; and
(b) a €225 million multicurrency revolving facility for a term of five years, available in several currencies, with FieldLink and/or the Company and/or another subsidiary of the Company as borrowers."

In addition, the Board of Directors held on 7 December 2016 further considered that *"the Refinancing will allow the Group to refinance its external financing under favourable conditions, given the current market opportunities. The new credit instruments will be available for the entire Group. The Refinancing should allow the Group to create a stable financing structure in the long term which should allow the Group to implement its medium-term plan as laid down in the current business plan. […] the Group can reduce further its annual interest costs, which is in the interest of the Company and its shareholders in general. […] the financial exposure of the Company following the refinancing is reasonable. Therefore, the directors decide that the advantages which the Company expects to take of the refinancing are in proportion to the obligations which the Company will enter into following the refinancing."*

After deliberation and consideration, the Board of Directors approved on 7 December 2016 the proposed refinancing structure and all the documents relating thereto. On 15 December 2016, the Board of Directors took note of the different special reports and approved the proposed decisions in view of the capital increase in kind in Greenyard NV, within the limits of its authorised capital.

10.1.5. Prepayments by Orchards Invest Services B.V. and The Fruit Farm Group B.V. to Greenyard Fresh Belgium NV

The Board of Directors held on 27 March 2017 decided on the proposed early prepayments by Orchards Invest Services B.V. and The Fruit Farm Group B.V. to Greenyard Fresh Belgium NV, following a loan granted to respectively, Orchards Invest Services B.V. pursuant to a working capital facility agreement dated 19 July 2012 (as amended from time to time) (the *Orchards Invest Loan Agreement*) and The Fruit Farm Group B.V. pursuant to the vendor loan dated 17 December 2014 (the *The Fruit Farm Group Loan Agreement*).

Prior to the deliberation, pursuant to article 523 of the Company Code, each of Mr Hein Deprez (as permanent representative of Deprez Invest NV), Ms Veerle Deprez (as permanent representative of Management Deprez BVBA), Mr Marc Ooms (as permanent representative of Bonem Beheer BVBA) and Mr Johan Vanovenberghe (as permanent representative of Intal BVBA) declared the following (as recorded in the minutes of the meeting of the Board of Directors held on 27 March 2017):

"[…] (s)he had to be regarded as having an interest conflicting with the decisions to be made by the Board of Directors in connection with the items on the agenda. Each of said directors advised the Board of Directors that the conflict of interest arose from the fact that (s)he was also an indirect shareholder in Orchards Invest Services B.V. and The Fruit Farm Group B.V., the borrowers under the Orchards Invest Loan Agreement and The Fruit Farm Group Loan Agreement who wish to prepay their respective loans to Greenyard Fresh Belgium NV, a subsidiary of the Company, through the proposed prepayments.

Said directors informed the other directors that they would inform the statutory auditor of the conflict of interest that has arisen pursuant to article 523 BCC.

Each of Mr Hein Deprez, Ms Veerle Deprez, Mr Marc Ooms and Mr Johan Vanovenberghe did not participate in the deliberation or vote."

The procedure as stipulated in article 524 of the Company Code is applicable to the proposed prepayments by both Orchards Invest Services B.V. and The Fruit Farm Group B.V. For detailed information on the decision and justification of these prepayments by the Board of Directors, and the description of its financial consequences, reference is made to section *Application of article 524 of the Company Code.*

10.2. Application of article 524 of the Company Code

In accordance with article 524, §2 and §5 of the Company Code, prior to any decision or transaction between (a subsidiary of) Greenyard and any affiliated company of Greenyard, a committee of three independent directors must provide an assessment thereof. Such committee shall be assisted by one or more independent experts appointed by the committee. The expert(s) shall be remunerated by the Company. Pursuant to article 524, §3 of the Company Code, after having taken note of the advice of the committee, the Board of Directors shall deliberate on the proposed decision or transaction. The statutory auditor shall issue an opinion on the accuracy of the information set out in the committee's advice and the Board minutes.

10.2.1. Lease of warehouse by Greenyard Logistics Poland Sp. Z o.o.

On 23 September 2014, De Weide Blik RE Poland Sp. Z o.o. (*De Weide Blik RE Poland*), an affiliated company of Greenyard pursuant to article 11 of the Company Code, and Greenyard Logistics Poland Sp. Z o.o. (*Greenyard Logistics Poland*) (formerly known as Univeg Logistics Poland Sp. Z o.o.), a subsidiary of Greenyard pursuant to article 6 of the Company Code, concluded a lease agreement relating to a property in Poland. De Weide Blik RE Poland, in turn, leased the property from ING Lease (Polska) Sp. Z o.o. (*ING*), which held the full ownership to the property. De Weide Blik NV informed the Company about its intention to sell its shares in De Weide Blik RE Poland to a third party-investor and simultaneously to exercise the purchase option over the property and to terminate the existing lease agreement with ING as lessor. These actions were proposed to take place on 28 November 2016. As a result of this, as from this date, De Weide Blik RE Poland will be the only full owner of the property and Greenyard Logistics Poland will be the only lessee of the property. Also on 28 November 2016, De Weide Blik RE Poland and Greenyard Logistics Poland were proposed to terminate the existing lease agreement between them and to conclude a new lease agreement (the *New Lease Agreement*). In accordance with the New Lease Agreement, the Company was proposed to provide a parent company guarantee to guarantee the obligations of its subsidiary Greenyard Logistics Poland under the New Lease Agreement (the *Guarantee*). The New Lease Agreement and the Guarantee are together referred to as the *Transaction*.

On 13 October 2016, the Board of Directors requested the independent directors of the Company (together, the *committee of independent directors*) to deliver an advice to the Board of Directors in accordance with article 524, §2 and §5 of the Company Code in relation to the Transaction. The committee of independent directors appointed Jones Lang LaSalle Sp. Z o.o. as independent expert to assess the terms and conditions of the Transaction. Taking into account the report of the independent expert and the considerations of the management of the Company, the committee concluded "*that the Transaction is not such as to imply a disadvantage to the Company, that, in light of its current policies, would be manifestly illegitimate. Furthermore, the Committee is of the opinion that it is unlikely that the Transaction would lead to disadvantages for the Company which will not be outweighed by the benefits for the Company of the Transaction*", as stated in its report issued on 27 November 2016.

Taking into account the report of the committee, including the independent expert's report, the Board of Directors deliberated on the Transaction and decided as follows (as recorded in the minutes of the meeting of the Board of Directors held on 27 November 2016):

"*the Transaction is justified, and in the Company's corporate benefit, because:*

- *Poland is an interesting market for further development: […];*
- *The Property is a high performance site: […];*
- *The Property fulfils an important function for the good relationship with suppliers: […].*

The Board of Directors further considered that amounts paid to the lessor did not differ substantially from amounts paid in relation to the previous lease agreement and were considered, by the Independent Expert, as market terms, specifically in conjunction with the right of first refusal over any development by De Weide Blik re Poland on 35.000 sqm of neighbouring land for a period of 10 years. The Board of Directors did note that an eventual development of the land (regardless of whether Univeg Logistics Poland would exercise its right of first refusal or not) would not lead to a reduction of the rent, but considered that this disadvantage did not outweigh the advantages that the Lease Agreement procured. […]

The Board of Directors further considered that it was customary for the top holding company of a group to provide a parent guarantee for this type of lease agreement and that the Guarantee would be less expensive for the Company and its subsidiaries than a bank guarantee or security.

The financial consequences of the Transaction consist in the payment of an annual rental amount of 2.122.695 euro per annum during a period of 20 year.

In view of the above, the Board of Directors approved the Transaction […]."

In accordance with article 524, §3 of the Company Code, the statutory auditor issued the following opinion on the accuracy of the information set out in the advice of the committee of independent directors and the Board minutes (free English translation): "*Following the work performed by us, we did not take note of elements as a result of which we would decide that the information set out in the advice of the committee of independent directors or the minutes of the board of directors would not be accurate*.". The statutory auditor's report of 21 February 2017 has been attached to the Board minutes.

10.2.2. Prepayments by Orchards Invest Services B.V. and The Fruit Farm Group B.V. to Greenyard Fresh Belgium NV

In 2012, Greenyard Fresh Belgium NV (*Greenyard Fresh Belgium*) (formerly known as Univeg Belgium NV), a subsidiary of the Company pursuant to article 6 of the Company Code, granted a loan to Orchards Invest Services B.V. (the *Orchards Invest Loan*) pursuant to a working capital facility agreement dated 19 July 2012 entered into between Greenyard Fresh Belgium and Greenyard Fresh Holding BE NV (*Greenyard Fresh Holding BE*) (formerly known as FieldLink NV), on the one hand, and the Orchards Invest group and De Weide Blik NV, on the other hand, as amended from time to time, with maturity date 1 December 2019 (the *Orchards Invest Loan Agreement*). In 2014, a loan was granted by Greenyard Fresh Belgium to The Fruit Farm Group B.V. (the *The Fruit Farm Group Loan*) pursuant to the vendor loan dated 17 December 2014 entered into between Greenyard Fresh Belgium, on the one hand, and subsidiaries of The Fruit Farm Group B.V., on the other hand, with maturity date 17 January 2020 (the *The Fruit Farm Group Loan Agreement*).

At that moment in time, Greenyard Fresh Holding BE and its subsidiary Greenyard Fresh Belgium were not yet a member of the Greenyard Group.

The Orchards Invest group proposed to the Company to prepay the Orchards Invest Loan at a discount of 20,9% of the nominal amount of the Orchards Invest Loan Agreement, resulting in the repayment of a total amount of € 6.273.447 to Greenyard Fresh Belgium (the *Orchards Invest Prepayment*). The Fruit Farm Group proposed to the Company to prepay the The Fruit Farm Group Loan at a discount of 13,5% of the nominal amount of The Fruit Farm Group Loan Agreement, resulting in the repayment of a total amount of € 9.474.572 to Greenyard Fresh Belgium (the *The Fruit Farm Group Prepayment*). The Orchards Invest Prepayment and The Fruit Farm Group Prepayment are together referred to as the *Transaction*.

The procedure as laid down in article 524 of the Company Code was initiated by the Board of Directors held on 21 February 2017 in view of the approval of the Transaction. On 21 February 2017, the Board of Directors requested the independent directors of the Company (together, the *committee of independent directors*) to deliver an advice to the Board of Directors in relation to the Transaction. The committee of independent directors appointed Degroof Petercam Corporate Finance NV/SA as independent expert.

Taking into account the report of the independent expert and the considerations of the management of the Company, the committee concluded "*that the Transaction is not such as to imply a disadvantage to the Company, that, in light of its current policies, would be manifestly illegitimate. Furthermore, the Committee is of the opinion that it is unlikely that the Transaction would lead to disadvantages for the Company which will not be outweighed by the benefits for the Company of the Transaction*", as stated in its report issued on 22 March 2017.

After deliberation and consideration, the Board of Directors decided as follows (as recorded in the minutes of the meeting of the Board of Directors held on 27 March 2017):

"*[...] the Board of Directors considered that the Transaction is justified, and in the Company's corporate benefit […].*

The Board of Directors further considered that the discounts granted in the Transactions, are set at a level below the discounts considered to be market-conform by the Independent Expert.

The financial consequences of the Transaction consist in the receipt by Greenyard of an amount of EUR 15.748.019, resulting from the grant of an aggregate discount of EUR 2.944.815.

In view of the above, the Board of Directors approves the Transaction […]."

In accordance with article 524, §3 of the Company Code, the statutory auditor issued the following opinion on the accuracy of the information set out in the advice of the committee of independent directors and the Board minutes (free English translation): "*Following the work performed by us, we did not take note of elements as a result of which we would decide that the information set out in the advice of the committee of independent directors or the minutes of the board of directors would not be accurate*.". The statutory auditor's report of 30 May 2017 has been attached to the Board minutes.

For more information with respect to transactions with related parties, reference is made to note 7.4. *Related parties*.

10.3. Measures for the prevention of market abuse

In accordance with provision 3.7. and guidelines laid down in Appendix B of the Belgian Corporate Governance Code of 2009, a dealing code has been adopted by the Company which is intended to ensure that any persons who are in possession of inside information (i.e. information relating to the Group or Greenyard securities that is precise, not public, and that would, if it were made public, be likely to have a significant effect on the price of these securities) at any given time, do not misuse, and do not place themselves under suspicion of misusing such inside information and to ensure that such persons maintain the confidentiality of such inside information and refrain from market manipulation. The dealing code was revised following Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse. The adapted version of the dealing code which is applicable as from 3 July 2016, has been last revised and modified by the Board of Directors held on 21 February 2017.

The dealing code can be consulted on the website (www.greenyard.group).

11. Remuneration report

11.1. Description of the procedure applied during AY 16/17 for the development of a remuneration policy for and the determination of the remuneration of the directors and the members of the Leadership Team

The remuneration policy, including the attendance fees, for non-executive directors are set by the Board of Directors upon proposal of the Remuneration Committee, thereby taking into account market standards, the listed character and the scope of the Company, the industry in which the Group operates and their role and resulting responsibilities. The remuneration policy is subsequently submitted for approval to the General Shareholders' Meeting.

The Board of Directors develops the remuneration policy for the members of the Leadership Team with the aim to attract, motivate and retain highly qualified and promising management talent and to align the managers' interests with the interests of all Company's stakeholders. The remuneration policy is set according to benchmark analyses carried out by independent external advisory companies. Each year, the Remuneration Committee evaluates the level and components of the remuneration and makes recommendations to the Board of Directors regarding the remuneration policy and remuneration of the members of the Leadership Team.

The Board of Directors is considering the implementation of a new long-term incentive scheme at executive level resulting in an amended remuneration policy for the members of the Leadership Team with respect to their variable remuneration. There are no other plans to substantially amend the current remuneration policy for the non-executive directors and members of the Leadership Team in the next two accounting years AY 17/18 and AY 18/19.

11.1.1. Statement on the remuneration policy for the directors and the members of the Leadership Team with respect to AY 16/17

Remuneration policy for the non-executive directors

The remuneration of the non-executive directors consists of a fixed remuneration of € 25.000 per annum plus an additional attendance fee of € 1.500 per meeting of the Board of Directors or an advisory Committee established within the Board of Directors which the director concerned attends (including the attendance through video or telephone conference). No attendance fees are due to the directors in case the meeting is not held physically, but by telephone conference by all members. An advance on annual remuneration is paid to the directors at the end of the first six months of the accounting year. All remuneration is paid on a pro-rata basis according to the duration of the director's term of office.

This remuneration covers all costs. Given the findings of a benchmark analysis carried out amongst similar companies, the Board of Directors has decided to propose to the 2017 Annual General Shareholders' Meeting to amend the remuneration policy for the non-executive directors, with effect as from 1 April 2016, in such a way that the annual fixed remuneration and attendance fees cover all costs, with the exception of the international travel expenses incurred by directors domiciled outside Belgium in carrying out their mandate.

Non-executive directors are not entitled to performance-related remuneration. There are no pension plans for non-executive directors, nor do they receive any benefits in kind.

Intal BVBA, represented by Mr Johan Vanovenberghe, receives a fee for the consultancy services provided to the Company and does not receive any additional compensation in his capacity of director. The monthly fee invoiced by Intal BVBA for the consultancy services provided during AY 16/17 amounts to € 15.300 (VAT exclusive).

Remuneration policy for the executive directors

The executive directors, who hold an executive position in the Company or one of its subsidiaries, do not receive any additional compensation for the execution of their mandate as director.

The Chief Executive Officer receives a management fee. Mr Charles-Henri Deprez receives a monthly fee for the services provided as Finance Manager of Bakker Barendrecht B.V. and for the assistance rendered to the Company in projects at corporate level. The Executive Chairman of the Board of Directors receives a fixed remuneration per annum, which is paid on a quarterly basis.

Remuneration policy for the members of the Leadership Team

The remuneration of the Chief Executive Officer and the other members of the Leadership Team is determined by the Board of Directors on recommendation of the Remuneration Committee. Each year, the Remuneration Committee evaluates the remuneration policy developed for the members of the Leadership Team.

Their remuneration consists of a fixed remuneration and a variable remuneration in the form of an annual bonus (short-term incentives) and in particular cases long-term incentives.

The variable remuneration always relates to performance over the past accounting year. When meeting the objectives set forward, the variable remuneration varies between 20% and 50% of the annual fixed remuneration and depends on the position of each member of the Leadership Team.

The variable remuneration in the form of an annual bonus is based on both quantitative and qualitative parameters.

The long-term incentive plan approved by the Board of Directors is based on the cumulative financial results of the Group over a period of three accounting years. The plan varies between 10% and 20%, depending on the position of each member included in the plan.

There are no performance bonuses in the form of shares, share options or any other right to acquire shares awarded to the members of the Leadership Team (and the executive directors who are not members of the Leadership Team). Company's shares held by them have been purchased or on the stock exchange or through their participation in the 'Stichting Administratiekantoor' FieldLink which has been dissolved and liquidated in the meantime.

11.1.2. Remuneration of the directors and the members of the Leadership Team with respect to AY 16/17

Total annual remuneration of the directors

The total annual remuneration paid to the directors for the performance of their mandate during AY 16/17 amounts to € 316.383.

The table below includes the individual remuneration paid to each director with respect to AY 16/17. These amounts are calculated based on sixteen meetings of the Board of Directors (of which ten meetings were held by telephone conference). In AY 16/17, the Audit Committee met five times, the Remuneration Committee met six times and the Nomination Committee met one time. No meeting of the Strategic Committee was held.

Directors' remuneration	Fixed remuneration €'000	Attendance fees €'000	Total €'000
Deprez Invest NV, rep. by Mr Hein Deprez	-	-	-
The Marble BVBA, rep. by Mr Luc Van Nevel (1)	11,5	10,5	22,0
Ms Hilde Laga	25,0	10,5	35,5
Ardiego BVBA, rep. by Mr Arthur Goethals (1)	11,5	6,0	17,5
Management Deprez BVBA, rep. by Ms Veerle Deprez	25,0	18,0	43,0
Mr Peter Gain (2)	12,5	3,0	15,5
Mr Thomas Borman	25,0	16,5	47,2 (10)
Bonem Beheer BVBA, rep. by Mr Marc Ooms	25,0	10,5	35,5
Mr Charles-Henri Deprez (3)	-	-	-
Mr Peter Maenhout (1)	11,5	4,5	16,0
Mr Jozef Marc Rosiers (4)	3,1	-	3,1
Intal BVBA, rep. by Mr Johan Vanovenberghe	-	-	-
Mavac BVBA, rep. by Ms Marleen Vaesen	-	-	-
Argalix BVBA, rep. by Mr Francis Kint (5)	4,2	-	4,2
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen (6)	18,8	18,0	36,8
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen (7) and (8)	13,5	7,5	22,0 (9)
Mr Mark Wittemans (4) and (7)	13,5	4,5	18,0
TOTAL	**200,1**	**109,5**	**316,3**

(1) Director until 16 September 2016.
(2) Director until 27 September 2016.
(3) Mr Charles-Henri Deprez receives a monthly fee for the services provided as Finance Manager of Bakker Barendrecht B.V. and the assistance rendered to the Company in projects at corporate level following an agreement which took effect on 1 September 2015. The monthly fee of €12.500 (VAT exclusive) invoiced by Mr Charles-Henri Deprez, has been divided in a fixed part (80%) and variable part (20%).
(4) The directors' remuneration of Mr Jozef Marc Rosiers (until his voluntary resignation as from 13 May 2016) and Mr Marc Wittemans is paid to the company Agri Investment Fund CVBA.
(5) Director until 1 June 2016.
(6) Director as from 5 July 2016.
(7) Director as from 16 September 2016. Member of one or more advisory Committees as from 13 October 2016.
(8) Mr Aalt Dijkhuizen was director until 21 February 2017. Aalt Dijkhuizen B.V. (represented by Mr Aalt Dijkhuizen) has been co-opted as director in his replacement as from this date.
(9) The total director's remuneration of Aalt Dijkhuizen B.V. (represented by Mr Aalt Dijkhuizen), having its registered office in the Netherlands, includes the international travel expenses incurred in connection with the exercise of its office during AY 16/17, amounting to € 1.055.
(10) The total director's remuneration of Mr Thomas Borman, who is domiciled in South-Africa, includes the international travel expenses incurred in connection with the exercise of his office during AY 16/17, amounting to € 5.728.

Annual remuneration of Executive Chairman of the Board of Directors

The fixed annual remuneration paid to the Executive Chairman of the Board of Directors for AY 16/17 amounts to € 600.000. The total amount of expenses of € 46.722 has been reimbursed during AY 16/17.

Annual remuneration of the Chief Executive Officer

The Chief Executive Officer has a management contract and receives a fixed remuneration that includes all social security charges and taxes. In addition, the Chief Executive Officer receives a variable remuneration.

Following the positive results of the evaluation procedure conducted with respect to AY 15/16, the total annual fixed remuneration of the Chief Executive Officer has been increased by 10% as of 1 April 2016. For AY 16/17, the total fixed remuneration paid to Mavac BVBA, represented by Ms Marleen Vaesen, as Chief Executive Officer, amounts to € 660.000.

The total variable remuneration for AY 16/17 amounts to € 451.170. The total amount of expenses of € 21.321 has been reimbursed during AY 16/17.

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

Total annual remuneration of the members of the Leadership Team (excluding Chief Executive Officer)

Components of total annual remuneration	AY 16/17 [2] €'000	AY 15/16 [1] €'000
Total basic remuneration	2.075	1.477
Total variable remuneration	510	448
Pensions	48	15
Other benefits	84	60
TOTAL	**2.717**	**2.001**

[1] As per 31 March 2016, the Leadership Team was composed of six members (excluding Chief Executive Officer).
[2] As per 31 March 2017, the Leadership Team consists of eight members (excluding Chief Executive Officer), of whom three have become member as from respectively, 1 June, 1 August and 1 October 2016. Mr Koen Sticker (as permanent representative of Koen Sticker BVBA) voluntarily resigned as Chief Financial Officer and member of the Leadership Team as from 1 August 2016.

For AY 16/17, the total annual remuneration paid to the members of the Leadership Team (excluding Chief Executive Officer) amounts to € 2,7m. This increase against AY 15/16 is mainly resulting from the increased number of Leadership Team members.

All remuneration is paid on a pro-rata basis according to the duration of the term of office of the members of the Leadership Team.

The other benefits consist mainly of the reimbursement of expenses incurred by members who operate on a self-employed basis on behalf of the Group (being, amongst others, travel and accommodation expenses). For the members who are employees, the other benefits concern fringe benefits such as a company car, defined contributions within the framework of pension schemes, healthcare and hospitalisation insurance and the reimbursement of travel and accommodation expenses.

There were no stock options awarded to the Leadership Team members during AY 16/17.

Evaluation criteria for the remuneration of the members of the Leadership Team and the executive directors

The members of the Leadership Team and the executive directors, with the exception of the Executive Chairman of the Board of Directors, receive a variable remuneration in addition to the fixed remuneration.

The variable remuneration consists of an annual bonus (short-term incentives) and in particular cases long-term incentives.

The annual bonus plan is based on the attainment of a certain number of targets, with a maximum between 75% and 100% for the quantitative collective targets (REBITDA and working capital) and a maximum of 25% for the qualitative individual targets related to the member’s individual performance (such as, amongst others, the efficiency of certain processes, the delivery of a number of projects).

The evaluation period corresponds to the accounting year of the Company. The payment takes place in the following accounting year. The quantitative calculation is performed by the Chief Financial Officer on the basis of audited figures. The evaluation of the qualitative individual targets is done by the Chief Executive Officer in consultation with the Remuneration Committee and the Board of Directors. The Remuneration Committee gives its recommendations on the bonus plan annually.

The 2016 Annual General Shareholders’ Meeting with respect to AY 15/16 has approved dispensation with the application of article 520*ter*, second paragraph, of the Company Code for AY 16/17.

The long-term incentive plan as approved by the Board of Directors is 100% based on quantitative targets over three accounting years. AY 14/15 was the first year of the long-term incentive plan for which payment is made after closing of AY 16/17. The conditions thereof are approved by the Board of Directors on an annual basis.

11.1.3. Severance pay for members of the Leadership Team

In accordance with article 554 of the Company Code the agreements concluded with the members of the Leadership Team (including CEO) after 3 May 2010 provide for severance pay not exceeding twelve months’ remuneration.

In the event of early termination, the Board of Directors justifies and decides on recommendation of the Remuneration Committee, whether the Leadership Team member concerned (including Chief Executive Officer), qualifies for severance pay, and the basis on which it is calculated.

No severance payment was made following the voluntary resignation of Koen Sticker BVBA, represented by Mr Koen Sticker, as Chief Financial Officer, with effect as from 1 August 2016.

11.1.4. Recovery provision

The Company does not dispose of recovery rights with regard to the variable remuneration of the members of the Leadership Team or the executive directors should it be awarded on the basis of incorrect financial data.

11.1.5. Other information to be communicated pursuant to article 96 of the Company Code and article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market

This section contains the information required to be disclosed under the legislation mentioned above and not included in other parts of the report of the Board of Directors.

Information regarding specific control rights of certain holders of securities

According to article 5 of the Company’s articles of association, all shares represent an equal share in the Company’s assets.

Information regarding limitations by law or the articles of association on the exercise of voting rights

Article 8 of the Company’s articles of association 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 held will be suspended automatically until such time as the payment has been completed. On 31 March 2017, the capital was fully paid up.

In accordance with article 10 of the Company’s articles of association, the Board of Directors may suspend exercise of the rights attaching to a share if the share concerned belongs to two or more persons or if the rights associated with the share concerned are divided among several persons, until such time as a single person is designated as the shareholder vis-à-vis the Company.

Information regarding the rules for amending the articles of association

In the event of the Company’s articles of association being amended, article 30 of the articles of association applies.

Information regarding the rules on appointment and replacement of directors

The Board of Directors makes a proposal to the General Shareholders’ Meeting for the (re)appointment as director based upon the candidate list drawn up by the Nomination Committee. Before each (re)appointment, an assessment of the competency, the know-how and experience already available and required at the level of the Board of Directors is executed. In case of the appointment of a new director, the Chairman of the Nomination Committee ascertains that the Board of Directors has sufficient information on the candidate. For each vacant position of independent director, the Nomination Committee initiates the search and proposes at least two (and preferably more) candidates to the Board of Directors. In addition to the criteria laid down in article 526*ter* of the Company Code, the appointment as independent director will only be taken into consideration if the candidate-independent director also meets the criteria stipulated in the Corporate Governance Charter. The decision of the Board of Directors to propose a candidate-independent director for (re)appointment to the General Shareholders’ Meeting requires a two third majority. The mandate ends immediately after the Annual General Shareholders’ Meeting until which the director has been appointed. Retiring directors are eligible for reappointment.

The mandate of the directors will end at the Annual General Shareholders’ Meeting of the year in which the director concerned (or its permanent representative) reaches the age of seventy. Exceptions to this age limit can be proposed by the Board of Directors to the General Shareholders’ Meeting. The mandate of the directors may be withdrawn at any time by simple majority in the General Shareholders’ Meeting.

In accordance with article 16 of the Company’s articles of association, in the event of an early vacancy on the Board of Directors, the remaining directors manage the Company and are entitled to temporarily fill the vacancy until the General Shareholders’ Meeting has appointed a new director.

Information regarding the authority of the Board of Directors to issue or purchase own shares

For more information about the Board of Directors’ authority to issue or purchase own shares, we refer to section *Information for Shareholders*.

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 shareholders' agreements that could give rise to share transfer restrictions and/or limitations to the exercise of voting rights, except for the agreement dated 8 May 2015 between Deprez Holding NV, Mr Hein Deprez, Food Invest International NV (*FII*), Gimv NV, Gimv XL Partners Invest Comm. V., Adviesbeheer Gimv XL NV (the Gimv entities are jointly referred to as *Gimv XL*), Agri Investment Fund CVBA (*AIF*) and Greenyard.

This shareholders' agreement has been concluded for a term of maximum 5 years. This agreement contains an obligation for the parties to allow each of Gimv XL and AIF to have at all times one director on the Board of Directors and to vote at any General Shareholders' Meeting in favour of the appointment of one of the candidates proposed by Gimv XL and AIF. This right shall respectively terminate when Gimv XL and AIF hold less than 5% of the shares. AIF will however be entitled to have a director on the Board of Directors even if it holds less than 5% of the shares during an interim period of two years starting on 19 June 2015. This agreement also provides for a lock-up undertaking by Deprez Holding NV towards Gimv XL not to sell shares in such a number that it would hold less than 30% of the shares in the Company. In addition, the agreement contains provisions relating to the process applying to a secondary sale and includes a tag-along right in favour of Gimv XL.

The other shareholders' agreement concluded in respect of Greenyard on 30 August 2013 between FII, Groupe d'Aucy (formerly known as Union Fermière Morbihannaise SCA), Deprez Holding NV (which joined this concerted action on 2 December 2014) and Greenyard has been terminated as from 1 March 2017. On this date, Deprez Holding NV has exercised its call option and has acquired all the shares held by Groupe d'Aucy in Greenyard. As a result of this, Groupe d'Aucy is no longer shareholder of Greenyard.

Important agreements that take effect, undergo changes or expire in the event of change of control over the Company

The following agreements take effect, undergo changes or expire in the event of change of control over the Company:

- The Multi-Country Factoring Syndication Agreement concluded on 1 March 2016 between the Company and certain of its subsidiaries (as *Original Clients*), of the one part, and ING Commercial Finance BELUX NV (as *Agent*), BNP Paribas Fortis Factor NV, KBC Commercial Finance NV and Belfius Commercial Finance NV, of the other part; and
- The € 375.000.000 Senior Term and Multicurrency Revolving Facilities Agreement concluded on 22 December 2016 between the Company and certain of its subsidiaries (as *Original Borrowers* and *Original Guarantors*), of the one part, and KBC Bank NV (as *Coordinator*), BNP Paribas Fortis SA/NV, ING Belgium NV/SA, KBC Bank NV (as *Bookrunning Mandated Lead Arrangers*), ABN Amro Bank N.V., Belfius Bank NV, Coöperatieve Rabobank U.A. (as *Mandated Lead Arrangers*), and ING Bank NV (as *Agent* and *Security Agent*), of the other part; and
- The Subscription Agreement relating to € 125.000.000 3,75% convertible bonds concluded on 8 December 2016 between Greenyard Fresh Holding BE NV (formerly known as FieldLink NV) and Greenyard, on the one hand, and Joh. Berenberg, Gossler & Co. KG, Frankfurt Branch and BNP Paribas Fortis SA/NV (Joint Global Coordinators) and Bank Degroof Petercam SA/NV, KBC Bank NV, Daiwa Capital Markets Europe Limited (Joint Bookrunners), on the other hand.

12. Internal control and risk management

The Board of Directors is responsible for monitoring the risks that are specific to the Group and for the evaluation of the effectiveness of the internal control system.

The Board of Directors has approved an internal control system based on the Committee of Sponsoring Organisations of the Treadway Commission ('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 objectives.

12.1. Control environment

12.1.1. General

The Group performs a conscious risk management based on the implementation of an internal control system and 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.

12.1.2. Audit Committee

Without prejudice to the responsibilities of the Board of Directors as a whole, the Audit Committee monitors the effectiveness of the internal control and risk management systems set up by the management of the Group 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.

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

In addition, the management team gives a regular update to the Audit Committee on pending disputes. In that respect, a quantified risk assessment and classification is carried out.

12.1.3. Internal audit

The Group has a professional internal audit department. The Audit Committee reviews the internal audit's risk assessment, the internal audit charter and annual internal audit plan and regularly receives internal audit reports for review and discussion. The mission of the internal audit department is to provide independent, objective quality assurance and support, designed to add value and improve the Group's operations and systems of internal controls.

The internal audit department assists the Group with accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal control deficiencies identified by internal audit are communicated in a timely manner to management and periodic follow-up is performed to ensure corrective action has been taken.

12.2. 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 management and the Board of Directors, advised by the Audit Committee; hereby risks are prioritised 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 on a regular basis.

For a discussion of the principal risks and the associated control activities, please see note 6.18. *Risk management policy*.

12.3. Financial reporting and communication

The financial reporting and communication process of the Group 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 year-end closing of the Company 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. In particular, it reviews the relevance and the consistency of the application of the accounting standards used within the Group and the criteria for the consolidation of the accounts of the companies of the 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 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 Executive Management Committee and the external auditor.

12.4. Oversight and monitoring

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

The external auditor carries out an annual evaluation of the internal controls related to the risk associated with the financial statements of the Group. In that regard, the external auditor makes recommendations concerning the internal control and risk management systems when appropriate, which are formalised in a management letter. Management undertakes actions to handle the findings and thereby achieve an even better control environment. Those measures are followed up and the Audit Committee is monitoring if the Executive Management Committee is fulfilling the recommendations presented by the external auditor.

INFORMATION FOR SHAREHOLDERS

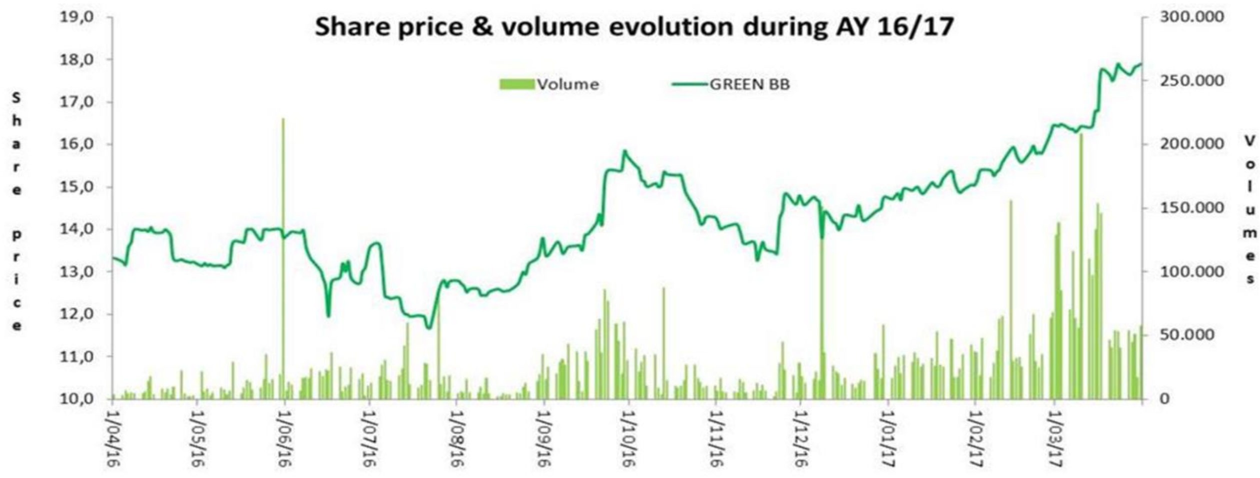
1. Shares

The Company's shares are listed on the continuous market of Euronext Brussels (ticker: GREEN), more specifically in the compartment B (mid-caps) of this market, since 1 March 2005. The Greenyard share was introduced onto the Brussels Stock Exchange in June 1999. Greenyard NV has liquidity contract with Bank Degroof Petercam. On 14 March 2017 the Company initiated a share buyback program representing 1.750.000 shares or almost 4% of outstanding shares. Up until 31 March 2017 the Company purchased 1.034.677 shares.

2. Share trading evolution

	AY 16/17	Date	AY 15/16	Date
Highest price	€ 17,90	23/03/2017	€ 21,25	2/06/2015
Lowest price	€ 11,68	22/07/2016	€ 11,59	12/10/2015
Opening price	€ 13,33	1/04/2016	€ 17,16	1/04/2015
Closing price	€ 17,90	31/03/2017	€ 13,33	31/03/2016
Average daily trading volume	28.302		23.002	
Turnover	€ 110.281.234		€ 81.984.689	
Velocity	16,6%		13,2%	
Total number of shares including treasury shares	44.372.585		44.372.585	
Market capitalisation	€ 794.047.409		€ 591.486.558	

The average daily trading volume in AY 16/17 was 28.302, compared to 23.002 shares the year before, or a 23% increase. Taking into account the rise of the share price, total turnover rose to € 110.281.234, which represents an increase of 31% compared to AY 15/16. Including block trades, which are part of the share buyback program, the increase amounts to 50%.



3. Capital structure

Authorised capital

In accordance with article 7 of the articles of association, the Board of Directors is authorised to increase the share capital of the Company in one or more times to an aggregate maximum amount of € 293.851.765,23. The authority is valid for five years, as from 15 July 2015, and can be renewed in accordance with the applicable statutory provisions. Pursuant to this authorisation, the Board of Directors may, amongst others, effect a capital increase under the authorised capital by means of issuing ordinary shares, warrants, convertible bonds or subscription rights, the conversion of reserves and may limit or suspend the preferential subscription right of the Company's shareholders. In addition, the Board of Directors has been authorised for a period of three years as from 15 July 2015, to make use of the authorised capital upon receipt by the Company of a notice from the FSMA of a public takeover bid for the Company's securities.

Issuance of convertible bond

On 7 December 2016, the Board of Directors approved the issuance by Greenyard Fresh Holding BE NV (formerly known as FieldLink NV) of senior unsecured convertible bonds for an aggregate amount of € 125,0m, guaranteed by the Company and convertible into ordinary shares of the Company, due 22 December 2021. These convertible bonds carry a coupon of 3,75% per annum and are listed on the Open Market segment of the Frankfurt Stock Exchange (*Freiverkehr*). The Board of Directors considered it in the Company's interest to suspend the preferential subscription rights of the existing shareholders in accordance with articles 596 and following of the Company Code in order to benefit from the current market opportunities and to involve the capital markets in time and efficiently, taking into account the formalities which need to be complied with in case of offering convertible bonds with preferential subscription rights.

The Board of Directors has made use of its powers under the authorised capital when it, on 15 December 2016, approved the capital increase in kind, within the limits of its authorised capital, by means of the contribution by the holders of convertible bonds in Greenyard Fresh Holding BE NV of their receivable against Greenyard Fresh Holding BE NV into the Company, subject to the effective exercise of their conversion right. On 22 December 2016, the Board of Directors enacted the implementation of the convertible bonds' issuance. As per 31 March 2017 no conversion options were exercised.

Acquisition of own shares

In accordance with article 12 of the articles of association of the Company, the Board of Directors is authorised to acquire own shares up to the legal maximum amount of 20% of the total issued share capital as permitted under article 620 of the Company Code, without a preliminary resolution of the General Shareholders' Meeting being required. The Board of Directors has been authorised for a period of five years as from 10 October 2014. This authorisation can be renewed in accordance with article 620 of the Company Code.

Share buyback program

On 14 March 2017, the Board of Directors approved, within the authority granted by the General Shareholders' Meeting, the launch of a share buyback program of up to 1.750.000 shares. The program is set in place to mitigate the potential dilution from the convertible bond and to create a pool of own shares to finance potential future acquisitions and/or possible future long-term incentive plans. By the end of March 2017, the Company repurchased 1.034.677 shares or 2,33% of the total issued share capital. The total consideration amounts to € 16,4m or € 15,88 per share.

4. Shareholder structure

Every shareholder with at least 5% of the voting rights is required to comply with the Act of 2 May 2007 and the Royal Decree of 14 February 2008 concerning the disclosure of the major holdings and the Company Code. The people concerned are required to send a notification to the Financial Services and Market Authority (FSMA) and to the Company.

The Company's shareholder structure as per 31 March 2017 is as follows:

Shareholder structure	Number of shares	%
Deprez Holding NV	13.550.861	30,5%
Food Invest International NV	6.534.173	14,7%
Sujajo Inv.	3.957.145	8,9%
Agri Investment Fund CVBA	1.776.393	4,0%
Gimv	1.607.828	3,6%
Own shares	1.034.677	2,3%
Public	15.911.508	35,9%
TOTAL	**44.372.585**	**100,00%**

An actual overview of the shareholder structure can be consulted on our website www.greenyard.group under the heading *Investor relations > Share Information*.

5. Major changes in shareholder structure

On 6 October 2016, the Company received a transparency notification whereby 2D NV sold 2.749.343 shares to Food Invest International NV (FII NV) and 493.950 shares to Tosalu NV. As a result, 2D NV is no longer a shareholder of Greenyard and FII NV increased its stake in the Company from 8,5% to 14,7%.

On 3 March 2017, the Company received a transparency notification whereby Deprez Holding NV exercised its call option by acquiring the shares of Groupe d'Aucy, lifting its stake to 30,5% from 29,1% previously. As a result, the Deprez Family, through Deprez Holding NV and FII NV, increased its stake to 45,2%. As from this date, Groupe d'Aucy's stake in the Company reduced to 0%.

On 23 February 2017, Green Valley SA sold 2.700.000 shares to Peter Gain. As a result, Green Valley SA and Peter Gain crossed the lowest notification threshold of 5%, respectively, downwards and upwards. Following this transaction, Peter Gain owned 6,1% of the shares of the Company. On 24 March 2017 the Company received a transparency notification whereby Mr Peter Gain crossed the lowest notification threshold of 5% downward.

As per 31 March 2017, Greenyard repurchased 1.034.677 shares or 2,33% of the total issued share capital.

6. Contacts

The investor relations team is available to answer shareholder and investor questions about the Group's activities, shares and other information requests:

For the attention of Mr Kris Kippers

Greenyard NV
Strijbroek 10
BE – 2860 Sint-Katelijne-Waver

Or by e-mail: ir@greenyard.group

7. Financial calendar

Q1 trading update AY 17/18:	29 August 2017 (after market)
General Assembly AY 16/17:	15 September 2017 (2 pm)
Announcement of half-year results (01/04/2017-30/09/2017):	21 November 2017 (after market)

LIKE-FOR-LIKE FINANCIAL INFORMATION

The consolidated income statement includes 12 months for all segments for AY 16/17. AY 15/16 only includes Fresh and Horticulture for 9,5 months. As such, pro-forma unaudited management results for AY 15/16 were prepared for comparison purposes with AY 16/17.

Greenyard LFL	AY 16/17 €'000 000	AY 15/16 €'000 000	Difference
Sales	4.249,2	3.967,3	7,1%
REBITDA	145,7	136,2	7,0%
REBITDA-margin %	3,4%	3,4%	
Net result	0,7	17,0	-95,9%
EPS	0,02	0,44	-95,5%
NFD	324,2	382,9	-15,3%
NFD/LFL REBITDA	2,2	2,8	

Sales increase by 7,1% to € 4.249,2m in AY 16/17. This growth comes largely from internal growth (5,3%) and mergers and acquisitions (2,7%), while exchange rate fluctuations have a slightly negative effect (-1,0%).

REBITDA increases by 7,0% to € 145,7m. The € 9,5m increase in AY 16/17 is mainly the result of the top line growth, improved product mix and cost efficiencies.

Net result amounts to € 0,7m. Excluding one-off costs, net adjusted result amounts to € 21,9m. This translates into an EPS of € 0,02 and an adjusted EPS of € 0,51.

Net financial debt decreases by € 58,7m to € 324,2m in AY 16/17. This translates into a leverage of 2,2x, down from 2,8x last year and 2,7x in September 2016. The improvement is driven by the operational cash flow as well as a reduction in working capital.

EBIT before non-recurring items - REBITDA	AY 16/17 €'000	AY 15/16 €'000
EBIT before non-recurring items	**81.643**	**60.417**
Depreciation and amortisation	62.776	54.655
Divestitures (not in IFRS 5 scope)	1.291	-114
REBITDA	**145.710**	**114.958**
LFL adjustment for Fresh and Horticulture to 12 months	-	21.242
REBITDA LFL	**145.710**	**136.200**

Reconciliation net financial debt	31 March 2017 As reported €'000	31 March 2017 Reconciliation (*) €'000	31 March 2017 Total €'000
Cash and cash equivalents	-113.242	-	-113.242
Interest-bearing loans (non-current/current)	418.881	18.595	437.476
Net financial debt			**324.234**

(*) Primarily net capitalised transaction costs related to the refinancing (€ 7,2m) and net value of the conversion bond option at inception after amortisation (€ 11,5m) are added back in order to present the nominal amounts of drawn financing as part of the reported net financial debt.

LIKE-FOR-LIKE SALES AND REBITDA PER OPERATING SEGMENT

Fresh

Segment Fresh LFL	AY 16/17 €'000 000	AY 15/16 €'000 000	Difference
Sales	3.425,8	3.248,8	5,4%
REBITDA	79,2	75,4	5,1%
REBITDA-margin %	2,3%	2,3%	

Sales of Fresh grow by 5,4% with an internal growth of 6,0%. This growth is driven by strong performances in the German and Dutch markets. Growth Markets have a mixed impact on sales evolution: the UK operations are impacted by the Brexit, resulting in a difficult retail pricing environment, while France and the US continue to grow ahead of Fresh' overall sales growth. The slowdown compared to the first half of AY 16/17 is mainly explained by the cold weather conditions in the last quarter of AY 16/17, resulting in shortage of produce, hindering volumes. Pricing continues to contribute positively, with an ongoing strong product mix driven by strong demand in exotics, ready-to-eat and mixes.

REBITDA grows by 5,1% with flat margins at 2,3%. The improvement of € 3,8m is driven by the German and Dutch market and the ongoing improvement in the logistic operations. However, this is countered by the volume shortages in the last quarter of AY 16/17. Retail prices and margin pressure impact margins in the UK, mainly during the second half of AY 16/17.

Long Fresh

Segment Long Fresh Reported	AY 16/17 €'000 000	AY 15/16 €'000 000	Difference
Sales	748,3	646,1	15,8%
REBITDA	56,5	53,8	5,1%
REBITDA-margin %	7,6%	8,3%	
REBITDA restated	56,5	51,6	9,6%
REBITDA -margin % (restated)	7,6%	8,0%	

Long Fresh' sales are up 15,8% supported by internal sales growth (2,1%) and the incorporation of Lutèce (16,7%). The product mix continues to drive the Frozen operations, whereas the pricing environment in Prepared improves but still contributes negatively. The impact of exchange rate fluctuations is negative (-3,0%), explained by the weakening of the GBP.

After a slight decrease in the first half of AY 16/17, REBITDA improves in the second half of AY 16/17 (+23,4%). The increase is the result of ongoing improvements in product mix (mainly Frozen), enduring cost efficiencies, a recovery of the situation in Moréac and the contribution of Lutèce. This is somewhat offset by difficult production yields (adverse weather) as well as the above-mentioned price pressure within Prepared.

Horticulture

Segment Horticulture LFL	AY 16/17 €'000 000	AY 15/16 €'000 000	Difference
Sales	75,1	72,4	3,7%
REBITDA	9,9	9,2	7,7%
REBITDA-margin %	13,2%	12,8%	

Whereas sales decrease in the first half of AY 16/17 by 2,5%, this was more than compensated by a strong second half of AY 16/17 (+10,3%) lifting sales in AY 16/17 by 3,7%. The majority of this growth is internal (3,1%), driven by ongoing strong demand for new, innovative products combined with growth in Poland and Belgium. In the second half of AY 16/17, Horticulture expanded its sourcing thanks to the acquisition of Nesterovskoye in Russia, aimed at securing future growth. This acquisition impacts sales by 0,6%.

REBITDA increases by 7,7% whereby the margin improves to 13,2%. The main drivers of this improvement are an improved product mix, lower transportation costs as well as continued cost focus.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	Note (*)	AY 16/17 €'000	AY 15/16 €'000
CONTINUING OPERATIONS			
Sales		4.249.203	3.203.201
Cost of sales	5.1.	-3.942.910	-2.968.823
Gross profit/loss (-)		**306.293**	**234.378**
Selling, marketing and distribution expenses	5.1.	-97.298	-72.866
General and administrative expenses	5.1.	-135.829	-108.700
Other operating income	5.3.	8.930	8.190
Share of profit/loss (-) of equity accounted investments		-452	-584
EBIT before non-recurring items		**81.643**	**60.417**
Non-recurring items from operating activities	5.4.	-8.241	12.813
EBIT		**73.402**	**73.230**
Interest expense	5.5.	-50.139	-36.640
Interest income	5.5.	1.795	1.737
Other finance result	5.5.	-24.268	-8.923
Net finance income/cost (-)		**-72.612**	**-43.826**
Profit/loss (-) before income tax		**790**	**29.405**
Income tax expense (-)/income	5.6.	-74	-12.363
Profit/loss (-) for the period from continuing operations		**716**	**17.041**
DISCONTINUED OPERATIONS			
Profit/loss (-) for the period from discontinued operations (attributable to the shareholders of the Group)		-	-
PROFIT/LOSS (-) FOR THE PERIOD		716	17.041
Attributable to:			
The shareholders of the Group		885	16.693
Non-controlling interests		-169	348

Earnings per share (in € per share)	Note (*)	AY 16/17	AY 15/16
Basic	5.7.	0,02	0,44
Diluted	5.7.	0,02	0,44

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	AY 16/17 €'000	AY 15/16 €'000
Profit/loss (-) for the period	**716**	**17.041**
Remeasurements on post employment benefit obligations, gross	-2	-2.506
Deferred tax on remeasurements on post employment benefit obligations	19	706
Items that will not be reclassified to profit or loss	**17**	**-1.801**
Cash flow hedges, gross	2.745	-5.321
Deferred tax on cash flow hedges	-746	1.809
Currency translation differences	1.003	-2.540
Fair value reserve	-60	87
Items that may be reclassified to profit or loss	**2.942**	**-5.965**
Other comprehensive income	**2.959**	**-7.765**
TOTAL	**3.675**	**9.276**
Attributable to:		
The shareholders of the Group	3.749	8.978
Non-controlling interests	-74	296

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note (*)	31 March 2017 €'000	31 March 2016 €'000
NON-CURRENT ASSETS		1.265.218	1.286.162
Property, plant & equipment	6.1.	375.952	380.866
Goodwill	6.2.	591.923	589.875
Other intangible assets	6.3.	238.541	249.703
Biological assets	6.4.	20.353	21.081
Investments accounted for using equity method	6.5.	8.975	7.141
Other financial assets	6.6.	183	187
Deferred tax assets	6.7.	22.579	10.871
Trade and other receivables	6.9.	6.711	26.438
CURRENT ASSETS		725.454	800.326
Biological assets		66	80
Inventories	6.8.	296.217	293.587
Trade and other receivables	6.9.	313.892	360.944
Other financial assets	6.6.	2.037	7.765
Cash and cash equivalents	6.10.	113.242	137.949
TOTAL ASSETS		1.990.673	2.086.488

Equity and liabilities	Note (*)	31 March 2017 €'000	31 March 2016 €'000
EQUITY		706.246	728.292
Issued capital	6.12.	288.392	288.392
Share premium and other capital instruments	6.12.	317.882	317.882
Consolidated reserves		91.257	114.670
Cumulative translation adjustments		-2.875	-4.370
Non-controlling interests		11.590	11.718
NON-CURRENT LIABILITIES		517.718	534.864
Employee benefit liabilities	6.14.	21.245	21.620
Provisions	6.15.	8.855	11.396
Interest-bearing loans	6.16.	410.472	450.281
Other financial liabilities	6.6.	28.572	4.362
Trade and other payables	6.17.	1.116	1.051
Deferred tax liabilities	6.7.	47.458	46.154
CURRENT LIABILITIES		766.708	823.332
Provisions	6.15.	894	6.223
Interest-bearing loans	6.16.	8.409	72.687
Other financial liabilities	6.6.	781	3.584
Trade and other payables	6.17.	756.624	740.839
TOTAL EQUITY AND LIABILITIES		1.990.673	2.086.488

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

The consolidated statement of financial position is presented in a more compressed way compared to AY 15/16. The compressed presentation aligns with internal reporting and gives a clear summarised overview of equity and all assets and liabilities and refers to disclosures for more detail. The compressed presentation will be applied consistently in the future.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity AY 16/17	Attributable to shareholders of the Group									Non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation	Fair value reserve	Defined benefit liability	Total		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2016	**288.392**	**317.882**	**-**	**120.271**	**-3.900**	**-4.357**	**87**	**-1.801**	**716.574**	**11.718**	**728.292**
Profit/loss (-) for the period	**-**	**-**	**-**	**885**	**-**	**-**	**-**	**-**	**885**	**-169**	**716**
Cash flow hedges, gross	-	-	-	-	2.745	-	-	-	2.745	-	2.745
Deferred tax on cash flow hedges	-	-	-	-	-746	-	-	-	-746	-	-746
Currency translation differences	-	-	-	-	-	908	-	-	908	95	1.003
Remeasurements on post employment benefit obligations, gross	-	-	-	-	-	-	-	-2	-2	-	-2
Deferred tax on remeasurements on post employment benefit obligations	-	-	-	-	-	-	-	19	19	-	19
Fair value reserve	-	-	-	-	-	-	-60	-	-60	-	-60
Other comprehensive income	**-**	**-**	**-**	**-**	**1.999**	**908**	**-60**	**17**	**2.864**	**95**	**2.959**
Total comprehensive income for the period	**-**	**-**	**-**	**885**	**1.999**	**908**	**-60**	**17**	**3.749**	**-74**	**3.675**
Dividend payment (note 6.12.)	-	-	-	-8.875	-	-	-	-	-8.875	-	-8.875
Scope and other changes	-	-	-	-357	-	-	-	-	-357	-54	-410
Buyback program (note 6.12.)	-	-	-16.436	-	-	-	-	-	-16.436	-	-16.436
Balance at 31 March 2017	**288.392**	**317.882**	**-16.436**	**111.924**	**-1.901**	**-3.449**	**27**	**-1.784**	**694.656**	**11.591**	**706.247**

Equity AY 15/16	Attributable to shareholders of the Group									Non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Fair value reserve	Defined benefit liability	Total		
	€'000	€'000		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2015	**97.845**	**14.309**	**-**	**103.867**	**-388**	**-1.869**	**-**	**-**	**213.764**	**8.066**	**221.830**
Profit/loss (-) for the period	**-**	**-**	**-**	**16.693**	**-**	**-**	**-**	**-**	**16.693**	**348**	**17.041**
Cash flow hedges, gross	-	-	-	-	-5.321	-	-	-	-5.321	-	-5.321
Deferred tax on cash flow hedges	-	-	-	-	1.809	-	-	-	1.809	-	1.809
Currency translation differences	-	-	-	-	-	-2.489	-	-	-2.489	-51	-2.540
Remeasurements on post employment benefit obligations, gross	-	-	- -	-	-	-	-	-2.506	-2.506	-	-2.506
Deferred tax on remeasurements on post employment benefit obligations	-	-	- -	-	-	-	-	706	706	-	706
Fair value reserve	-	-	-	-	-	-	87	-	87	-	87
Other comprehensive income	**-**	**-**	**-**	**-**	**-3.512**	**-2.489**	**87**	**-1.801**	**-7.714**	**-51**	**-7.765**
Total comprehensive income for the period	**-**	**-**	**-**	**16.693**	**-3.512**	**-2.489**	**87**	**-1.801**	**8.979**	**296**	**9.275**
Capital increase	190.546	-11.376	-	-	-	-	-	-	179.170	-	179.170
Scope and other changes	-	314.950	-	-289	-	-	-	-	314.661	3.356	318.017
Balance at 31 March 2016	**288.392**	**317.882**	**-**	**120.271**	**-3.900**	**-4.357**	**87**	**-1.801**	**716.574**	**11.718**	**728.292**

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	Note (*)	AY 16/17 €'000	AY 15/16 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE	**6.10.**	**137.949**	**20.506**
CASH FLOW FROM OPERATING ACTIVITIES (A)		**192.206**	**218.257**
EBIT		**73.402**	**73.230**
Income taxes paid	5.6.	**-10.170**	**-15.518**
Adjustments		**54.390**	**34.447**
Fair value adjustments biological assets	6.4.	-939	-1.455
Gain on bargain purchase		-	-18.252
Amortisation of intangible assets	6.3.	14.674	15.562
Depreciation and impairment of property, plant & equipment	6.1.	49.022	39.112
Write-off on stock/trade receivables		102	3.568
Increase/decrease (-) in provisions and employee benefit liabilities	6.14.,6.15.	-8.235	-4.973
Gain (-)/ loss on disposal of property, plant & equipment		-686	301
Share of profit/loss (-) of equity accounted investments		452	584
Increase (-) /decrease in working capital		**74.583**	**126.098**
Increase (-)/decrease in inventories	6.8.	-4.946	17.566
Increase (-)/decrease in trade and other receivables	6.9.	65.676	-8.149
Increase/decrease (-) in trade and other payables	6.17.	13.854	116.682
CASH FLOW FROM INVESTING ACTIVITIES (B)		**-43.009**	**-45.083**
Acquisitions (-)		**-49.885**	**-61.532**
Acquisition of intangible assets and property, plant & equipment		-44.922	-53.896
Acquisition of subsidiaries/ associates		-4.962	-7.636
Disposals		**6.875**	**16.449**
Disposal of intangible assets and property, plant & equipment		2.051	9.393
Disposal of subsidiaries/ associates		4.824	7.056
CASH FLOW FROM FINANCING ACTIVITIES (C)		**-175.393**	**-52.501**
Dividend payment		-8.875	-
Capital increase	6.12.	-	25.584
Acquisition of treasury shares	6.12.	-16.436	-
Long- and short-term funds paid (-)		-85.935	-45.285
Net interests paid		-52.258	-26.261
Other financial expenses		-11.889	-6.540
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**-26.196**	**120.673**
Effect of exchange rate fluctuations		982	-3.231
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE	**6.10.**	**112.735**	**137.949**
Of which:			
Cash and cash equivalents		113.242	137.949
Bank overdrafts		-507	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

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

The consolidated financial statements of Greenyard NV ('the Company') and its subsidiaries (together, 'the Group') for the year ended 31 March 2017 were authorised for issue by the Board of Directors on 5 July 2017.

2. Significant accounting policies

2.1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and with legal and regulatory requirements applicable in Belgium. The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, biological assets and available-for-sale financial assets that have been valued at fair value.

2.2. Changes in accounting policies and disclosures

Amendments to IFRS that are mandatorily effective for the current year

- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (applicable for annual periods beginning on or after 1 January 2016);
- 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);
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (applicable for annual periods beginning on or after 1 January 2016).

With regard to the standards and interpretations which became applicable during the period April 2016 – March 2017, the Group is in the opinion that these have no or limited impact on the consolidated financial statements of the Group. Amendments to IAS 16 and IAS 41 did not have any impact since the Group has biological assets (IAS 41) and no bearer plants (IAS 16).

New and revised IFRS issued but not yet effective

The Group did not apply prospectively in AY 16/17 the following new or revised standards and interpretations, which had been issued but are not yet effective at the date of approval of the consolidated financial statements:

- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU);
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU);
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU);
- Amendments to IAS 40 Transfers of Investment Property (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU);
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU);

- Annual improvements to IFRSs 2014-2016 Cycle (issued December 2016) (applicable for annual periods beginning on or after 1 January 2017 and after 1 January 2018, but not yet endorsed in the EU);

At the present time the Group does not expect that the first-time application of new 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 (effective from annual periods beginning on or after 1 January 2018) is the standard issued as part of a wider project to replace IAS 39. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held; defines a new, expected loss impairment model that will require more timely recognition of expected credit losses; and introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new hedge accounting model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities. IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value.
- IFRS 15 Revenue from Contracts with Customers (effective from annual periods beginning on or after 1 January 2018). The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.
- IFRS 16 Leases (effective from annual periods beginning on or after 1 January 2019, not yet endorsed in the EU) replaces the existing lease accounting requirements and represents a significant change in the accounting and reporting of leases that were previously classified as operating leases, with more assets and liabilities to be reported on the statement of financial position and a different recognition of lease costs.

The Group is in process of analysing and assessing the impact of the above standards. Currently no estimate can be given.

2.3. Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and their subsidiaries. The Group controls an investee if the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full in consolidation.

Changes in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transactions. The carrying amounts of the Group’s net interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Group.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is initially recognised at fair value.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed 1 year from the acquisition date) about facts and circumstances that existed at the acquisition date. Subsequent changes to the fair value of the contingent consideration that do not qualify as measurement period adjustments and are deemed to be an asset or liability are recognised either in profit and loss or as a change to other comprehensive income. A contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if those interests were disposed of.

Investments in joint ventures and associated companies

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group’s investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment.

The income statement reflects the Group’s share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group’s other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group’s share of profit or loss of equity accounted investments is shown on the face of the income statement within EBIT, which represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interests in that associate or joint venture, the Group discontinues recognising its share of losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4. Summary of significant accounting policies

Foreign currencies

A. Foreign currency transactions

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance result. All other foreign exchange gains and losses are presented in the income statement within EBIT.

B. Translation of the results and financial position of foreign operations

Assets and liabilities of foreign operations are translated to euro at foreign exchange rates prevailing at the reporting date. Income statements of foreign operations are translated to euro at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of the transactions. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity to euro at period-end exchange rates are taken to other comprehensive income (currency translation differences). In case the operation is not fully-owned, the relevant proportionate share of the translation adjustment is allocated to the non-controlling interests. On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the shareholders of the Group are reclassified to profit and loss.

C. Exchange rates

The most important exchange rates that have been used in preparing the financial statements are:

	Closing rate		Average rate		
	31 March 2017	31 March 2016	AY 16/17	AY 15/16 - 12 months	AY 15/16 - 9,5 months
1 USD =	€ 0,9354	€ 0,8783	€ 0,9112	-	€ 0,9051
1 GBP =	€ 1,1689	€ 1,2633	€ 1,1886	€ 1,3655	€ 1,3616
1 RUB =	€ 0,0166	€ 0,0131	€ 0,0144	-	€ 0,0136
1 PLN =	€ 0,2366	€ 0,2349	€ 0,2298	€ 0,2366	€ 0,2348
1 BRL =	€ 0,2959	€ 0,2429	€ 0,2761	€ 0,2548	€ 0,2451
1 CZK =	€ 0,0370	€ 0,0370	€ 0,0370	-	€ 0,0369
1 CLP =	€ 0,0014	€ 0,0013	€ 0,0014	-	€ 0,0013
1 HUF =	€ 0,0033	€ 0,0032	€ 0,0032	€ 0,0032	€ 0,0032
1 PEN =	€ 0,2896	€ 0,2669	€ 0,2828	-	€ 0,2791

Intangible assets

A. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible, future economic benefits are probable and the company has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

B. Software and licences

Purchased software and licences are measured at cost less accumulated amortisation and impairments. Expenditure on internally developed software is capitalised when the expenditure qualifies as development activities; otherwise, it is recognised in the income statement when incurred. Software and licences are amortised using the straight-line method over their estimated useful lives.

C. Customer relationships

The customer relationships acquired in a business combination are initially measured at fair value at the date of the acquisition. Fair value is determined based on an external valuation report. Following their initial recognition, customer relationships are carried at cost less any accumulated amortisation and impairment losses.

D. Peat bogs

The favourable lease component related to peat bogs that are acquired in a business combination is initially measured at the date of the acquisition as the discounted (over the lifetime of the rent contract) variance between the market rent at the date of the acquisition and the contractual rent. Market rent of the peat bogs is determined based on publicly available information (including tenders). Following their initial recognition, the favourable lease components related to rented peat bogs are carried at cost less any accumulated amortisation. Favourable lease components related to rented peat bogs are amortised over the remaining lifetime of the rent contracts.

Item	Years	Method
Software and licences	3 - 5	Straight-line
Customer relationships	15 -25	Straight-line
Favourable lease component of peat bogs	Individual basis (based on contractual life time)	Straight-line

The carrying amount of intangible assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated in order to determine the amount of the impairment loss.

Goodwill

In conformity with IFRS 3 Business Combinations, goodwill is stated at cost and not amortised but tested for impairment on an annual basis and whenever there is an indicator that the cash generating unit to which goodwill has been allocated may be impaired. The carrying amount of the goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less cost to sell.

Biological assets

The Group operates a growing and sourcing activity of daffodils in the UK Cornwall region. Flowers are grown using bulbs which are planted providing a yearly flower which is cut and sold. The bulbs and flowers (till harvested) are considered as biological assets within the scope of IAS 41 Agriculture. The bulbs reproduce themselves every five years resulting in the so-called ‘multiplication’ effect. The bulbs are not considered as bearer plants as it is a common practice to sell bulbs each year as bulbs.

The most appropriate and representative method for assessing the fair value in accordance with IAS 41 Agriculture is considered to be the net present value of the daffodil flowers held for production. Based on historical information The Group has established a clear profitability reporting on own and sourced production. This allows the Group to clearly forecast future performance and to implement a more consistent approach enabling a net present value approach to measure the fair value of these assets.

A gain or loss arising from a change in fair value less costs to sell of a biological asset is included in profit or loss of the period in which it arises. Farming costs such as day-to-day maintenance are expensed.

Property, plant & equipment

The Group has opted for the historical cost model and not for the revaluation model. Property, plant & equipment separately acquired is initially measured at cost. Property, plant & equipment acquired in a business combination is initially measured at fair value, which thus becomes its deemed cost. After initial recognition, property, plant & equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes all direct costs and all expenditure incurred to bring the asset to its working condition and location for its intended use. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Depreciation is provided over the estimated useful lives of the various classes of property, plant & equipment on a straight-line basis.

The useful life, residual value and depreciation method are reviewed at least at each financial year-end.

Item	Years	Method
Owned buildings	18 - 40	Straight-line
Owned buildings - refurbishments	5 - 25	Straight-line
Leased buildings - structural refurbishments	18 - 40	Straight-line
Leased buildings - refurbishments	5 - 25	Straight-line
Land improvements	3 - 13	Straight-line
Plant, machinery and equipment	3 - 15	Straight-line
Vehicles	3 - 10	Straight-line
Hardware	3 - 5	Straight-line
Furniture	3 - 10	Straight-line

Government grants relating to the purchase of property, plant & equipment are deducted from the cost of those assets. They are recognised in the statement of financial position at their expected value at the time of initial government approval and corrected, if necessary, after final approval. The grant is amortised over the depreciation period of the underlying asset.

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the amount of the impairment loss.

Accounting for leases as lessee

Leases of property, plant & equipment where the Group assumes substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are recognised as assets and liabilities (interest-bearing loans) at amounts equal to the lower of the fair value of the leased property and the present value of the minimum lease payments at inception of the lease. Depreciation and impairment testing for depreciable leased assets is the same as for depreciable assets that are owned.

Lease payments are apportioned between the outstanding liability and financial charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Leases of assets under which all the risks and rewards of ownership are substantially retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

A. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at fair value through profit or loss if they are held for trading. Financial assets at FVTPL are stated at fair value, with any resultant gains or losses recognised in profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as at FVTPL unless they are designated and effective as hedges.

B. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. The Group's loans and receivables category comprises, unless stated otherwise, trade and other receivables, bills of exchange received, short-term deposits and cash and cash equivalents in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

An estimate of impairment losses for doubtful receivables is made based on a review of all outstanding amounts at the reporting date. An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful.

Such a receivable becomes doubtful when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows. An impairment loss is recognised in the income statement, as are subsequent recoveries of previous impairments.

C. Available-for-sale financial assets

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. Assets classified in this category are stated at fair value, with any resultant gains or losses recognised directly in equity. However, they are stated at cost if they do not have a quoted price in an active market and their fair value cannot be reliably measured by alternative valuation methods.

Impairment

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Non-financial assets other than goodwill and equity investments classified as available-for-sale that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The FIFO (first-in, first-out) method is used in assigning the cost of inventories.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labour, other direct costs and an allocation of fixed and variable overhead based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs. In case of contracted sales, the average contract price is used to calculate the net realisable value.

Inventories are written down on a case-by-case basis if the anticipated net realisable value declines below the carrying amount of the inventories. The calculation of the net realisable value takes into consideration specific characteristics of each inventory category, such as expiration date, remaining shelf life, slow-moving indicators.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash. They are stated at face value, which approximates their fair value. In the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

Equity

A. Repurchase of share capital

When the Group buys back its own shares, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity under treasury shares. The result on the disposal of treasury shares sold or cancelled is recognised in retained earnings.

B. Dividends

Dividends are recognised in the consolidated financial statements on the date that the dividends are declared.

C. Share issuance costs

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions

Provisions are recognised when (i) the company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the company are not provided for.

B. Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract by the Group are lower than the unavoidable cost of meeting its obligations under the contract. Such provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

C. Disputes and litigations

A provision for disputes and litigations is recognised when it is more likely than not that the Group will be required to make future payments as a result of past events. Such items may include but are not limited to several claims, environmental matters, employment related disputes and claims from tax authorities.

D. Decommissioning

A provision for decommissioning is recognised when the Group has the obligation to decommission a building at the end of the lease agreement.

Employee benefits

A. Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement when incurred. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return. Hence, those plans classify as defined benefit plans and trigger the recognition of a net defined benefit obligation.

B. Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. For defined benefit plans, the pension expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans at least every three years. The amounts charged to the income statement include current service costs, net interest expense (income), past service costs and the effect of any curtailments or settlements. Past service costs are recognised at the earlier of when the amendment / curtailment occurs or when the Group recognises related restructuring or termination costs. The pension obligations recognised in the statement of financial position are measured at the present value of the estimated future cash outflows using interest rates based on high quality corporate bond yields, which have terms to maturity approximating the terms of the related liability, less the fair value of any plan assets. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest) are recognised in full in the period in which they occur in the statement of comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

C. Other long-term employee benefits

Other long-term employee benefits, such as jubilee awards, are accounted for using the projected unit credit method. However, the accounting method differs from the method applied for defined benefit plans, as actuarial gains and losses are recognised immediately through profit or loss.

Interest-bearing loans

Interest-bearing loans are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost with any difference between the initial amount and the maturity amount being recognised in the income statement (in interest expense) over the expected life of the instrument on an effective interest rate basis.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives, hedging and hedging reserves

The Group uses derivatives to hedge its exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. The net exposure of all subsidiaries is managed on a centralised basis by Corporate Treasury in accordance with the aims and principles laid down by general management. As a policy, the Group does not engage in speculative or leveraged transactions.

Derivatives are initially and subsequently measured and carried at fair value. 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.

The Group applies hedge accounting in accordance with IAS 39 to reduce income statement volatility. Depending on the nature of the hedged risk, a distinction is made between fair value hedges, cash flow hedges and hedges of a net investment in a foreign entity.

Fair value hedges are hedges of the exposure to variability in the fair value of recognised assets and liabilities. The derivatives classified as fair value hedges are carried at fair value and the related hedged items (assets or liabilities) are re-measured for fair value changes due to the hedged risk. The corresponding changes in fair value are recognised in the income statement. When a hedge ceases to be highly effective, hedge accounting is discontinued and the adjustment to the carrying amount of a hedged interest-bearing financial instrument is recognised as income or expense and will be fully amortised over the remaining period to maturity of the hedged item.

Cash flow hedges are hedges of the exposure to variability in future cash flows related to recognised assets or liabilities, highly probable forecast transactions or currency risk on unrecognised firm commitments. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognised directly in shareholders' equity. The ineffective portion is recognised immediately in the income statement. If the hedged cash flow results in the recognition of a non-financial asset or liability, all gains and losses previously recognised directly in equity are transferred from equity and included in the initial measurement of the cost or carrying amount of the asset or liability. For all other cash flow hedges, gains and losses initially recognised in equity are transferred from the hedging reserve to the income statement when the hedged firm commitment or forecast transaction results in the recognition of a profit or loss. When the hedge ceases to be highly effective, hedge accounting is discontinued prospectively and the accumulated gain or loss is retained in equity until the committed or forecast transaction occurs. If the forecast transaction is no longer expected to occur, any net cumulative gain or loss previously reported in equity is transferred to the income statement.

If a net investment in a foreign entity is hedged, all gains or losses on the effective portion of the hedging instrument, together with any gains or losses on the foreign currency translation of the hedged investment, are taken directly to equity. Any gains or losses on the ineffective portion are recognised immediately in the income statement. The cumulative re-measurement gains and losses on the hedging instrument, that had previously been recognised directly in equity, and the gains and losses on the currency translation of the hedged item are recognised in the income statement only on disposal of the investment.

In order to comply with the requirements of IAS 39 regarding the use of hedge accounting, the strategy and purpose of the hedge, the relationship between the financial instrument used as the hedging instrument and the hedged item and the estimated (prospective) effectiveness are documented by the Group at the inception of the hedge. The effectiveness of existing hedges is monitored on a quarterly basis. Hedge accounting for ineffective hedges is discontinued immediately.

The Group also uses derivatives that do not satisfy the hedge accounting criteria of IAS 39 but provide effective economic hedges under the Group's risk management policies. Changes in the fair value of any such derivatives are recognised immediately in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the tax effect is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the reporting date, and any adjustments to tax payables in respect of previous years. In accordance with IAS 12 Income Taxes deferred taxes are provided using the so-called comprehensive balance sheet method. This means that, for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position a deferred tax liability or asset is recognised. Under this method a provision for deferred taxes is also made for differences between the fair values of assets and liabilities acquired in a business combination and their tax base. IAS 12 prescribes that no deferred taxes are recognised i) on the initial recognition of goodwill, ii) on the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit and iii) on differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and to the extent that the company is able to control the timing of the reversal. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using currently or substantively enacted tax rates.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

The Group recognises deferred tax assets, including assets arising from losses carried forward, to the extent that future probable taxable profit will be available against which the deferred tax asset can be utilised, or the extent of the recognised deferred tax liability. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax claims are recorded within provisions on the statement of financial position.

Revenue

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

The revenue on the sale of fresh fruit and vegetables is generated through different business models. Fresh obtains its supply from outside sources (excluding daffodils), of which the majority is directly sourced from third party growers. For all of its business models sourcing is done at market prices or in advance negotiated price ranges. In general, growers are compensated based on the prices obtained from the customers, occasionally with a minimum guaranteed price (through well monitored pre-season advances to growers) or based on agreed price ranges. For all business models the Group is acting as a principal as the main risks related to the purchase and sale of the goods are born by the Group. Therefore the gross inflows received from the customers are recognised as revenue.

Some Fresh subsidiaries entered into logistics agreements with customers, to whom a handling fee is invoiced. The supplies for the customer are delivered and centralised at the Group’s warehouse. The Group is responsible for the warehouse management and transport of the supplies to the customer’s premises.

The sale of frozen and prepared fruit and vegetables is mainly based on contractually agreed prices while the volumes sold are mostly order based.

Horticulture goods are sold to professional growers, garden centres and retailers. Products for professional users are often tailor-made and prices are based on the customer's quality and volume needs. Sales contracts with retailers are agreed on an annual or multiannual basis.

In general, the goods and services are invoiced as they are delivered/performed. The amounts are directly recognised in the income statement and do not require the measurement of the stage of completion.

Government grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attached to the grants and the grants will be received. Grants that compensate the Group for expenses incurred are recognised as other operating income on a systematic basis in the same period in which the expenses are incurred.

Rental income is recognised in other operating income on a straight-line basis over the term of the lease.

Finance result

Interest income comprises interest received or receivable on funds invested and is recognised as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Interest expense comprises interests on interest-bearing loans, calculated using the effective interest rate method, factoring interests and net interests on interest rate swaps settlements. All interest expenses incurred in connection with interest-bearing loans or financial transactions are expensed as incurred as part of interest expense. Any difference between the initial amount and the maturity amount of interest-bearing loans, such as transaction costs and fair value adjustments, are recognised in the income statement over the expected life of the instrument on an effective interest rate basis. The interest expense component of financial lease payments is also recognised in the income statement using the effective interest rate method.

Other finance result compromises dividend income, foreign exchange gains/losses, net gains/losses on interest rate swaps that are not part of a hedge accounting relationship, gains/losses on financial assets classified as trading, net fair value gains/losses on the conversion option, as well as any gains/losses from hedge ineffectiveness.

Non-recurring items

Non-recurring items are those that in management's judgment need to be disclosed by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement or separately disclosed in the notes to the financial statements. Transactions which may give rise to non-recurring items are principally restructuring activities, impairments, gains or losses on disposal of investments, IFRS 3 acquisition accounting and the effect of the accelerated repayment of certain financial indebtedness.

Events after balance sheet date

Events after balance sheet date which provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the financial statements. Events after the balance sheet date which are not adjusting events are disclosed in the notes if material.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These judgments, estimates and assumptions are reviewed on an ongoing basis.

3.1. Critical judgments in applying the entity's accounting policies

The following are the critical judgments made by management, apart from those involving estimations (see note 3.2. *Key sources of estimation uncertainty*), that have a significant effect on the amounts reported in the consolidated financial statements.

- Given its global presence, the Group is exposed to tax risks in many jurisdictions. Tax authorities in those jurisdictions conduct regular tax audits which may reveal potential tax issues. While the outcome of such tax audits is not certain, management is convinced that the Group, based on an overall evaluation of potential tax liabilities, has recorded adequate tax liabilities in its consolidated financial statements.

- Note 7.1. *Subsidiaries, associates, joint ventures and investments recorded at cost* states that the Group holds 94% of the shares of Greenyard Fresh Germany. However, based on the signed share purchase agreement for 6% of the shares, the Group remains eligible to all past and future profits of Greenyard Fresh Germany. As a result, Greenyard Fresh Germany is consolidated for 100%.

3.2. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and the other key sources of estimation uncertainty at the end of the reporting period that have a risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

- The Group reviews the estimated useful lives of intangible assets and property, plant & equipment at the end of each reporting period. Where expectations differ from previous estimates, the changes are treated administratively as a change in estimate;
- Deferred tax assets relating to tax losses carried forward, unused tax credits and temporary differences are recognised only to the extent that it is probable that sufficient taxable profit will exist in the foreseeable future. In estimating this, the Group takes into account elements such as budgets, long-term business strategies and tax planning opportunities (further details are provided for in note 5.6. *Income tax* and 6.7. *Deferred tax assets and liabilities)*. The corporate tax team, which has the overview of the Group's deferred tax positions, is involved in assessing deferred tax assets. Deferred tax assets for tax losses carried forward are based on five-year revenue forecasts;
- The Group closely reviews the outstanding trade receivables, also considering ageing, payment history and credit risk coverage. Specific and general bad debt allowances recognised are based on management's best estimates at the reporting date (see note 6.9. *Trade and other receivables*);
- At every year-end the Group estimates the future risks and costs of pending litigations, taking advice from inside and outside experts. Any significant litigations (tax, environmental and other, including threat of litigation) are reviewed by the Group's in-house legal department with the support, when appropriate, of external counsels at least every quarter. This review includes an assessment of the need to recognise provisions and/or re-measure existing provisions together with the Finance Department and the Insurance Department;
- The Group tests goodwill and cash generating units annually and whenever there is an indicator that goodwill and cash generating units may be impaired. This analysis is based on assumptions such as market evolution, market share, margin evolution, EBITDA/sales ratio, discount rates and working capital/sales ratio. Further details are provided in note 6.2. *Goodwill;*
- The defined benefit obligations are based on actuarial assumptions such as discount rate and salary increases, which are detailed in note 6.14. *Pension and other employee benefit liabilities*;
- Fair value measurements that cannot be fully based on observable market parameters involve judgment that could affect the estimated fair value. This includes the conversion option attached to the convertible bond issued in December 2016 (see note 6.6. *Other financial assets and liabilities*) and the biological assets (see 6.4. *Biological assets)*.

4. Segment information

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

The Fresh segment supplies high quality fresh and fresh-cut fruit and vegetables, flowers and plants and logistics services. Segment Long Fresh (formerly Prepared) includes the Frozen activities processing a wide range of freshly harvested fruits and vegetables into fresh frozen products. The Prepared entities (formerly Canning), also being part of the Long Fresh segment, process harvest-fresh vegetables and fruits and deliver ready-to-eat food products. Segment Horticulture offers a wide range of growing media for growing plants, fruit and vegetables. An overview of the companies included in the different segments is provided in note 7.1. *Subsidiaries, associates, joint ventures and investments recorded at cost.*

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

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

The tables below provide a summary of the performance of each business segment, for the accounting year ended 31 March 2016 (including 9,5 months for Fresh and Horticulture) and 31 March 2017.

Segment information AY 16/17	Continuing operations					
	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
Sales	**3.427.303**	**748.290**	**75.122**	**-1.512**	**-**	**4.249.203**
Sales	3.425.828	748.261	75.114	-	-	4.249.203
Intersegment sales	1.475	30	8	-1.512	-	-
REBITDA	**79.219**	**56.541**	**9.950**	**-**	**-**	**145.710**
Total assets at 31 March 2017	**1.094.264**	**635.115**	**160.610**	**-14.067**	**114.750**	**1.990.673**

Segment information AY 15/16	Continuing operations					
	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
Sales	**2.508.554**	**646.153**	**48.987**	**-493**	**-**	**3.203.201**
Sales	2.508.075	646.139	48.987	-	-	3.203.201
Intersegment sales	479	14	-	-493	-	-
REBITDA	**57.682**	**51.570**	**5.706**	**-**	**-**	**114.958**
Total assets at 31 March 2016	**1.145.569**	**719.110**	**93.674**	**-12.808**	**140.943**	**2.086.488**

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

We refer to the section *Like-for-like financial information* for the reconciliation from EBIT to REBITDA.

4.1. Information about major customers

The segments have built an elaborated and diversified client portfolio, both in type of clients and geographical spread.

Sales to the three major customers slightly increases and amounts to 47,9% of the total sales in AY 16/17 (AY 15/16: 47,0%). Other than these customers, there are no individual customers which represent more than 10% of total sales (for current and previous accounting year). Sales to the ten major customers amount to 63,3% of the total sales in AY 16/17.

4.2. Geographical information

The Group sells its products in more than 100 countries across the world. The table below gives an overview of sales by customer location.

Sales	AY 16/17	AY 15/16
Germany	31,4%	32,0%
The Netherlands	22,8%	21,4%
Belgium	10,3%	10,6%
The United Kingdom	8,4%	10,1%
France	6,0%	6,6%
Other - Europe	16,1%	15,6%
Other - non-Europe	5,0%	3,7%
TOTAL	**100,0%**	**100,0%**

The table below shows the geographical spread of non-current assets. Non-current assets as shown below do not include goodwill, other financial assets and deferred tax assets.

Geographical spread of non-current assets	31 March 2017 €'000	31 March 2016 €'000
Belgium	218.704	248.772
The Netherlands	105.400	111.230
The United Kingdom	95.165	99.427
Germany	67.334	68.178
France	63.203	64.704
Other	100.728	92.919
TOTAL	**650.533**	**685.229**

Additional disclosures about each of these segments are included in the *Report of the Board of Directors*.

5. Notes to the consolidated income statement

The reported consolidated income statement AY 16/17 includes 12 months for Fresh, Long Fresh and Horticulture.

Following the business combination with Fresh and Horticulture, the reported consolidated income statement AY 15/16 includes 12 months for Long Fresh and 9,5 months for Fresh and Horticulture.

5.1. Operating expenses

Operating expenses	AY 16/17 €'000	AY 15/16 €'000
Cost of goods	2.971.006	2.176.468
Transport	300.133	236.680
Packing, warehousing and farming	351.958	293.079
Personnel and temporary workforce costs	271.460	216.255
Other	48.352	46.340
Cost of sales (*)	**3.942.910**	**2.968.823**
Rentals	14.557	11.081
Maintenance and repair	3.852	3.383
Personnel expenses	125.082	97.547
Utilities	2.865	2.349
Travel and representation	10.241	8.753
Office expenses	3.706	2.661
Fees	21.845	15.534
Insurance	4.979	5.930
Information and communication technology	11.220	8.519
Depreciation	17.804	14.752
Quality	493	535
Other	16.481	10.524
Other operating expenses	**233.127**	**181.567**
TOTAL	**4.176.037**	**3.150.389**

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

Depreciation and amortisation expenses included in the cost of goods amounts to € 45,0m.

5.2. Personnel expenses

Personnel expenses	AY 16/17 €'000	AY 15/16 €'000
Wages and salaries	230.834	187.363
Social security costs	46.154	37.985
Pension costs - defined benefit plans	2.076	960
Pension costs - defined contribution plans	2.986	1.739
Termination benefits	251	237
Temporary workforce	98.795	72.425
Other employee benefit expenses	15.445	13.092
TOTAL	**396.542**	**313.802**
Included within cost of sales	**271.460**	**216.255**
Included within other operating expenses	**125.082**	**97.547**

The total number of full time equivalents at 31 March 2017 amounts to 9.713, compared to 9.213 at 31 March 2016.

5.3. Other operating income

Other operating income	AY 16/17 €'000	AY 15/16 €'000
Income from rentals	2.015	1.655
Indemnities received	2.758	1.076
Sale of waste	741	868
Gain/loss (-) on disposal of property, plant & equipment	713	-172
Costs passed on to growers	-	1.449
Operating subsidies	-	374
Recharge of costs from frozen division to CECAB (Groupe d'Aucy)	-	235
Recharges processing fees	-	324
Other	2.702	2.381
TOTAL	**8.930**	**8.190**

5.4. Non-recurring items

Non-recurring items	AY 16/17 €'000	AY 15/16 €'000
Restructuring costs Belgium	-3.749	-
Reorganisation costs Germany	-1.365	-
Legal restructuring Long Fresh	-678	-
Impact of acquisition accounting on inventory valuation Lutèce	-617	-
Merger & acquisition costs	-259	-6.001
Refinancing costs	-89	-
Loss on sale H-Pack & H-Fruit	-81	-
Other	-1.403	-628
Non-recurring expenses	**-8.241**	**-6.629**
Impact of acquisition accounting on inventory valuation Fresh	-	1.184
Gain on bargain purchase (Lutèce and H-Pack & H-Fruit)	-	18.253
Other	-	5
Non-recurring income	**-**	**19.442**
TOTAL	**-8.241**	**12.813**

5.5. Finance result

Finance result	AY 16/17 €'000	AY 15/16 €'000
Interest expense - Fresh bond (redeemed in AY 16/17)	-28.492	-17.768
Interest expense - Retail bond	-7.495	-7.500
Interest expense - Convertible bond	-1.284	-
Interest expense - Bank borrowings	-5.250	-7.275
Amortisation transaction costs - Fresh bond (redeemed in AY 16/17)	-7.525	-1.270
Amortisation transaction costs - Retail bond	-73	-68
Amortisation transaction costs - Convertible bond	-128	-
Amortisation conversion option	-558	-
Amortisation transaction costs - Fresh revolving credit facility (redeemed in AY 16/17)	-993	-310
Amortisation transaction costs - Revolving credit facility (redeemed in AY 16/17)	-1.205	-453
Amortisation transaction costs - Term loan / Revolving credit facility	-251	-
Amortisation fair value - Fresh bond (redeemed in AY 16/17)	10.314	1.665
Interest expense - Factoring	-3.937	-2.958
Interest expense - IRS	-2.214	-319
Other	-1.048	-384
Interest expense	**-50.139**	**-36.640**
Interest income	1.795	1.737
Interest income	**1.795**	**1.737**
Foreign exchange gains/losses (-)	-4.932	-8.041
Fair value gains/losses (-) on IRS	286	2.098
Fair value gains/losses (-) on conversion option	-13.600	-
Bank and other financial expenses	-6.021	-2.980
Other finance result	**-24.268**	**-8.923**
TOTAL	**-72.612**	**-43.826**

5.6. Income tax

Income tax	AY 16/17 €'000	AY 15/16 €'000
Current tax on profits for the year	-9.819	-11.035
Adjustments in respect of prior years	-1.751	864
Current tax	**-11.570**	**-10.171**
Origination and reversal of temporary differences	12.263	1.365
Deferred tax assets on tax losses and forfeited losses	-767	-3.557
Deferred tax	**11.496**	**-2.192**
TOTAL	**-74**	**-12.363**

Effective tax rate reconciliation	AY 16/17 €'000	AY 15/16 €'000
Profit/loss (-) before income tax	**790**	**29.405**
Theoretical tax rate	33,99%	33,99%
Tax calculated at statutory Belgian tax rate applicable to profits	-269	-9.995
Tax effects of:		
Effect of different tax rates in other countries	3.424	158
Income not subject to income tax	3.109	4.375
Non-deductible items	-5.142	-4.953
Non-recognised deferred tax assets on tax losses and forfeited losses	-2.564	-3.231
Recognition and use of deferred tax assets not previously recognised	1.797	-326
Adjustments in respect of prior years	-1.751	864
Other	1.321	745
Effective income tax expense (-)/ income	**-74**	**-12.363**
Effective tax rate	**9,37%**	**42,04%**

For a detailed discussion please refer to note 6.7. *Deferred tax assets and liabilities*.

Income tax for AY 16/17 amounts to € 0,1m. This implies a consolidated effective tax rate of 9,37%. The difference in effective tax rate between AY 16/17 and AY 15/16 is mainly related to the recognition of deferred tax assets as well as efforts done to streamline the corporate structure. Due to these improvements, the Group has also been able to realise savings on the tax cash outflow. Going forward a return to a more normal tax rate is anticipated.

5.7. Earnings per share

Earnings per share AY 16/17	Basic	Diluted
Weighted average number of ordinary shares	44.327.306	44.327.306
Dilution effect of convertible bond (issued in December 2016)	-	-
Total	**44.327.306**	**44.327.306**
Profit/loss (-) attributable to the shareholders of the Group	885	885
Earnings per share	**0,02**	**0,02**

Earnings per share AY 15/16	Basic	Diluted
Weighted average number of ordinary shares	38.271.369	38.271.369
Total	**38.271.369**	**38.271.369**
Profit/loss (-) attributable to the shareholders of the Group	16.693	16.693
Earnings per share	**0,44**	**0,44**

Earnings per share ('EPS') is the amount of post-tax profit attributable to each share. Basic EPS is calculated as the result for the period attributable to the shareholders of the Group divided by the weighted average number of shares outstanding during the year. Diluted EPS reflects any commitments the Group has to issue shares in the future. These comprise the convertible bond issued in December 2016. The convertible bond tends to affect both the denominator and the numerator of the EPS ratio. The dilution effect of the convertible bond on the earnings (to be used in the numerator of the EPS ratio) consists of a reversal of all income and expenses directly related to the convertible bond and having affected the 'basic' earnings for the period. Following income statement items are affected by the convertible bond: (i) the effective interest expense (€ 1,3m); (ii) amortisation transaction costs and embedded conversion option component (€ 0,7m); (iii) fair value loss on the conversion option liability (€ 13,6m) and (iv) taxes (€ 0,4m).

The convertible bond is anti-dilutive in AY 16/17, since it causes the calculated diluted EPS ratio to improve. To calculate the impact, it is assumed that all conversion options of the convertible bond are exercised in their entirety at the beginning of the period, or at the issue date during the current accounting year. The amount of shares to be converted has been set at 7.171.543. As part of a buyback program that started in March 2017, the Group acquired 1.034.677 shares. For diluted EPS calculation purposes, the theoretical amount of average shares outstanding, that potentially could imply a dilution effect, equals 2.239.879.

6. Notes to the consolidated statement of financial position

6.1. Property, plant & equipment

Property, plant & equipment AY 16/17	Land and buildings €'000	Plant, machinery and equipment €'000	Furniture and vehicles €'000	Leasing €'000	Other €'000	Assets under construction €'000	TOTAL €'000
ACQUISITION VALUE							
Balance at 31 March 2016	**251.547**	**432.449**	**57.039**	**10.895**	**-**	**14.892**	**766.821**
Additions	3.016	13.562	3.559	1.432	-	27.339	48.908
Change in scope: business combinations	110	776	-	-	-	3	889
Sales and disposals	-1.847	-6.830	-3.139	-	-	-393	-12.209
Change in scope: disposal of subsidiaries	-	-	-28	-	-	-	-28
Transfer from one heading to another	9.279	5.812	573	846	-	-25.730	-9.220
Translation differences	-2.243	-3.546	-247	1	-	-298	-6.333
Balance at 31 March 2017	**259.862**	**442.223**	**57.757**	**13.174**	**-**	**15.813**	**788.829**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at 31 March 2016	**88.089**	**244.037**	**47.763**	**5.492**	**-**	**575**	**385.955**
Depreciation	11.558	31.632	3.563	1.350	-	-	48.103
Impairment losses	889	30	-	-	-	-	919
Change in scope: business combinations	107	205	-	-	-	-	312
Reversals after sales and disposals	-1.480	-6.362	-3.039	-	-	-	-10.881
Change in scope: disposal of subsidiaries	-	-	-12	-	-	-	-12
Transfer from one heading to another	-75	-9.837	154	641	-	-	-9.117
Translation differences	-390	-1.804	-212	-	-	4	-2.402
Balance at 31 March 2017	**98.698**	**257.901**	**48.217**	**7.483**	**-**	**579**	**412.877**
Net carrying amount at 31 March 2017	**161.164**	**184.322**	**9.541**	**5.691**	**-**	**15.234**	**375.952**

Property, plant & equipment AY 15/16	Land and buildings €'000	Plant, machinery and equipment €'000	Furniture and vehicles €'000	Leasing €'000	Other €'000	Assets under construction €'000	TOTAL €'000
ACQUISITION VALUE							
Balance at 31 March 2015	**137.528**	**209.268**	**5.371**	**-4.051**	**7.168**	**-**	**355.284**
Additions	10.205	20.660	2.970	1.959	-	14.370	50.164
Change in scope: business combinations	106.865	210.008	54.238	6.486	-	4.560	382.157
Sales and disposals	-2.309	-8.184	-3.048	-	-	-260	-13.801
Change in scope: disposal of subsidiaries	-	-	-125	-	-	-	-125
Transfer from one heading to another	3.559	6.577	-1.889	6.501	-7.168	-3.322	4.257
Translation differences	-4.302	-5.880	-478	-1	-	-457	-11.118
Balance at 31 March 2016	**251.547**	**432.449**	**57.039**	**10.895**	**-**	**14.892**	**766.821**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at 31 March 2015	**22.382**	**76.260**	**2.933**	**-4.051**	**2.034**	**-**	**99.558**
Depreciation	9.869	28.984	2.939	1.038	-	-	42.830
Change in scope: business combinations	55.543	149.238	46.045	2.890	-	591	254.307
Reversals after sales and disposals	-1.885	-7.181	-2.859	5	-	-	-11.920
Change in scope: disposal of subsidiaries	-	-	-55	-	-	-	-55
Transfer from one heading to another	2.706	22	-962	5.610	-2.034	-	5.341
Translation differences	-526	-3.285	-278	-	-	-16	-4.105
Balance at 31 March 2016	**88.089**	**244.037**	**47.763**	**5.492**	**-**	**575**	**385.955**
Net carrying amount at 31 March 2016	**163.458**	**188.412**	**9.277**	**5.402**	**-**	**14.317**	**380.866**

The decrease in property, plant & equipment of € 4,9m is related to the depreciation (€ 48,1m), foreign exchange rate fluctuations (€ 3,9m), impairment losses related to the reorganisation for the centralisation of the Greenyard Fresh Direct Belgium (formerly Ben Fresh) activities towards Sint-Katelijne-Waver (€ 0,9m) and the combined impact of disposals and other movements (€ 1,5m). This decrease is partially compensated by the investments during AY 16/17 (€ 48,9m) and the business combination with Nesterovskoye (€ 0,6m).

6.2. Goodwill

Goodwill per cash generating unit	31 March 2017 €'000	31 March 2016 €'000
Fresh	477.029	477.029
Long Fresh	78.910	78.910
Horticulture	35.984	33.937
TOTAL	**591.923**	**589.875**

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

The increase of Horticulture goodwill results from the recent acquisition of a minor Russian operation, Nesterovskoye. As per 31 March 2017 there are no indications that the carrying value of the goodwill of Fresh, Long Fresh or Horticulture may be impaired.

Goodwill	AY 16/17 €'000	AY 15/16 €'000
ACQUISITION VALUE		
Balance at the end of the preceding period	**589.875**	**10.340**
Change in scope: business combinations	2.048	579.643
Translation differences	-	-108
Balance at the end of the period	**591.923**	**589.875**
IMPAIRMENT LOSSES		
Balance at the end of the preceding period	**-**	**-**
Impairment losses	-	-
Balance at the end of the period	**-**	**-**
Net carrying amount at the end of the period	**591.923**	**589.875**

At 31 March 2017 the Group performed its annual impairment test for each cash generating unit, i.e. segments Fresh, Long Fresh and Horticulture. For each segment, the recoverable amount has been determined based on a value in use calculation cash flow projections from the financial budget of AY 17/18 and long range plan for the subsequent financial periods until AY 20/21 (together referred to as 'LRP').

Fresh

The LRP takes into account a margin improvement resulting in an expected average REBITDA margin of 2,7% (compared to 2,3% for the period AY 16/17), and an average sales growth of 0% over the period AY 17/18 - AY 20/21, in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of four years and also on a perpetuity of cash flows as of then with a growth rate of 1,0%. Cash flows are discounted at an after-tax discount rate of 7,1% which was benchmarked with the WACC (weighted average capital cost) provided by the analysts. 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 € 413,8m. The major sensitivities for the impairment tests are the (perpetual) growth rate, REBITDA % variance, and the discount rate. This headroom would reduce to zero if the (perpetual) growth which is applied in calculating the value in use were to fall by 460 base points (or a rate of -3,6%), or if the after-tax discount rate was to rise by 510 base points (or a rate of 12,2%). When applying a REBITDA margin for both the forecast as well as the perpetual period of 1,8%, the headroom would decrease from € 413,8m to zero. Based on the above assumptions the Group has concluded that no impairment losses need to be recorded at 31 March 2017 on the goodwill of the Fresh segment.

Long Fresh

The LRP takes into account a margin improvement resulting in an expected average REBITDA margin of 8,9% (compared to 7,6% for the period AY 16/17), and an average sales growth of 4,2% over the period AY 17/18 - AY 20/21, in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of four years and also on a perpetuity of cash flows as of then with a growth rate of 1,7%. Cash flows are discounted at an after-tax discount rate of 6,7% which was benchmarked with the WACC provided by the analysts. 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 € 191,0m. The major sensitivities for the impairment tests are the (perpetual) growth rate, REBITDA % variance, and the discount rate. This headroom would reduce to zero if the (perpetual) growth which is applied in calculating the value in use were to fall by 280 base points (or a rate of -1,1%), or if the after-tax discount rate was to rise by 180 base points (or a rate of 8,5%). Only, when applying a REBITDA margin for both the forecast as well as the perpetual period of 7,7%, this would bring down the headroom from € 191,0m to zero. Based on the above assumptions the Group has concluded that no impairment losses need to be recorded at 31 March 2017 on the goodwill of the Long Fresh segment.

Horticulture

The LRP takes into account a margin improvement resulting in an expected average REBITDA margin of 14,5% (compared to 13,2% for the period AY 16/17), and an average sales growth of 2,6% over the period AY 17/18 - AY 20/21, in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of four years and also on a perpetuity of cash flows as of then with a growth rate of 2,0%. Cash flows are discounted at an after-tax discount rate of 6,8% which was benchmarked with the WACC provided by the analysts. 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 € 57,7m. The major sensitivities for the impairment tests are the (perpetual) growth rate, REBITDA % variance, and the discount rate. This headroom would reduce to zero if the (perpetual) growth which is applied in calculating the value in use were to fall by 540 base points (or a rate of -3,4%), or if the after-tax discount rate was to rise by 380 base points (or a rate of 10,6%). When applying a REBITDA margin for both the forecast as well as the perpetual period of 10,1%, the headroom would decrease from € 57,7m to zero. Based on the above assumptions the Group has concluded that no impairment losses need to be recorded at 31 March 2017 on the goodwill of the Horticulture segment.

At 31 March 2016 the applied methodology was similar to the one discussed above. The key parameters are presented below.

Goodwill impairment test - key parameters	31 March 2017	31 March 2016
Fresh		
Average sales growth rate	0,0%	0,7%
Perpetual growth rate	1,0%	1,0%
Average REBITDA margin	2,7%	2,8%
Discount rate	7,1%	7,1%
Headroom (in €'000 000)	413,8	420,3
Long Fresh		
Average sales growth rate	4,2%	5,2%
Perpetual growth rate	1,7%	1,7%
Average REBITDA margin	8,9%	9,0%
Discount rate	6,7%	6,9%
Headroom (in €'000 000)	191,0	108,4
Horticulture		
Average sales growth rate	2,6%	3,1%
Perpetual growth rate	2,0%	2,0%
Average REBITDA margin	14,5%	14,0%
Discount rate	6,8%	6,6%
Headroom (in €'000 000)	57,7	59,4

6.3. Other intangible assets

Other intangible assets AY 16/17	Software and licences €'000	Customer relationships €'000	Other €'000	TOTAL €'000
ACQUISITION VALUE				
Balance at 31 March 2016	**40.925**	**250.535**	**2.678**	**294.139**
Additions	2.836	-	65	2.901
Change in scope: business combinations	494	-	-	494
Sales and disposals	-94	-	-87	-181
Transfer from one heading to another	333	-	-7	326
Translation differences	52	-	-	52
Balance at 31 March 2017	**44.546**	**250.535**	**2.649**	**297.731**
AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 31 March 2016	**28.151**	**14.955**	**1.329**	**44.435**
Amortisation	3.694	10.688	293	14.674
Reversals after sales and disposals	-37	-	-113	-150
Transfer from one heading to another	229	-	-8	221
Translation differences	9	-	-	9
Balance at 31 March 2017	**32.046**	**25.643**	**1.501**	**59.189**
Net carrying amount at 31 March 2017	**12.500**	**224.892**	**1.148**	**238.541**

Other intangible assets AY 15/16	Software and licences €'000	Customer relationships €'000	Other €'000	TOTAL €'000
ACQUISITION VALUE				
Balance at 31 March 2015	**4.924**	**25.000**	**908**	**30.832**
Additions	3.016	-	-	3.016
Change in scope: business combinations	33.158	225.535	2.249	260.942
Sales and disposals	-491	-	-37	-528
Transfer from one heading to another	473	-	-441	33
Translation differences	-155	-	-1	-156
Balance at 31 March 2016	**40.925**	**250.535**	**2.678**	**294.139**
AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 31 March 2015	**3.065**	**6.250**	**83**	**9.398**
Amortisation	3.076	8.705	129	11.910
Impairment losses	137	-	1.128	1.265
Change in scope: business combinations	23.500	-	-	23.500
Reversals after sales and disposals	-474	-	-	-474
Transfer from one heading to another	-1.055	-	-10	-1.065
Translation differences	-98	-	-1	-99
Balance at 31 March 2016	**28.151**	**14.955**	**1.329**	**44.435**
Net carrying amount at 31 March 2016	**12.774**	**235.580**	**1.348**	**249.703**

The decrease of the other intangible assets by € 11,2m mainly results from the amortisation on customer relationships (€ 10,7m). This is primarily compensated by software investments (€ 2,9m) and the business combination with Nesterovskoye (€ 0,5m).

Customer relationships mainly relate to the client portfolio of the Fresh segment, acquired in the business combination in AY 15/16. The portfolio has a remaining useful life of 23 years.

6.4. Biological assets

Biological assets	AY 16/17 €'000	AY 15/16 €'000
Net carrying amount at the end of the preceding period	**21.081**	**-**
Change in scope: business combinations	-	21.813
Change in fair value through P&L	939	1.342
Translation differences	-1.666	-2.074
Net carrying amount at the end of the period	**20.353**	**21.081**

Biological assets consist of daffodil bulbs and are measured at fair value. Over the years, the Group has expanded its bulb varieties to more than 360 varieties currently in portfolio. All varieties are grouped under the following categories:

- Early varieties: these can be harvested in January;
- Mid varieties: harvested February-March, this is the normal period (all other growers have production as well);
- Late varieties: harvested in April, which is very challenging due to weather uncertainties (and low production from competitors).

The assets producing the flowers are the actual bulbs in the ground which form the basis for revenue assurance and future growth. As these bulbs generate an extra bulb (also producing a flower) after five years, the number of bulbs in the ground will increase year on year. In order to contemplate this into the valuation model, a 'multiplicator' effect has been applied (after five years, a bulb generates an extra bulb with flower production, excluding waste). As it is common practice to sell bulbs annually, the assumption was taken that a substantial amount of bulbs generated in the ground, is sold. The remainder is used to further grow flowers and fulfil the extra demand of customers. A year-on-year increase of sales prices of 1% is the best estimate going forward. No impact of increasing yields is taken into account. Growth rate was set at 0%. All costs are based on the actual performance of the previous year, including a 2% inflation rate. Potential savings going forward are not taken into account. All these assumptions are reflected in the discounted cash flow ('DCF') model using a post-tax discount rate of 10,7%.

During AY 16/17 the fair valuation of the bulbs has been reassessed based upon an update of the DCF model, which results in an increased value of € 0,9m.

6.5. Investments accounted for using equity method

Name of investment	Description of interest	Type of investment	31 March 2017	31 March 2016
Grupo Yes Procurement Marketing SL	Procurement of fruit and vegetables for export purposes in Spain	Joint venture	50%	50%
Logidis Sistem SL	Bundling transport of fresh products using subcontractors in Spain	Joint venture	50%	50%
Mahindra Univeg Private Ltd	Import and export hub in India	Joint venture	40%	40%
H-Pack	Sorting and packaging services, mainly of apples and pears	Joint venture	-	50%
H-Fruit	Sourcing and sales, mainly of apples and pears	Joint venture	-	50%
Lunasoft	Software developer	Joint venture	50%	50%
Bardsley Farms Ltd	A premium apple and fruit producer	Joint venture	30%	-
Agritalia Srl	Bio certified cooperative with growers network across Italy	Associate	33%	-

Investments accounted for using equity method	AY 16/17 €'000	AY 15/16 €'000
Balance at the end of the preceding period	**7.141**	**-**
Share of profit/loss (-)	-452	-584
Acquisition	2.894	-
Change in scope: business combination	-	7.764
Change in scope: disposal of joint venture	-581	-
Translation differences	-27	-39
Balance at the end of the period	**8.975**	**7.141**

The amounts below represent sales and expenses, assets and liabilities of all the joint ventures and associates as currently in scope except for the newly acquired Bardsley Farms Ltd as no figures are available yet at the date of issuance of this financial report.

Investments accounted for using equity method	Assets		Liabilities		Net assets	
	31 March 2017 €'000	31 March 2016 €'000	31 March 2017 €'000	31 March 2016 €'000	31 March 2017 €'000	31 March 2016 €'000
Grupo Yes Procurement Marketing SL	10.549	9.108	3.360	2.685	7.189	6.422
Logidis Sistem SL	5.561	4.145	4.253	3.037	1.308	1.108
Mahindra Univeg Private Ltd	1.523	2.569	821	1.117	702	1.452
H-Pack	-	5.273	-	3.425	-	1.848
H-Fruit	-	11.971	-	10.994	-	978
Lunasoft [3]	234	-	126	-	108	-
Agritalia Srl [3]	2.180	-	1.822	-	358	-

Investments accounted for using equity method	Sales		Expenses		Profit after tax	
	AY 16/17 €'000	AY 15/16 [1] €'000	AY 16/17 €'000	AY 15/16 [1] €'000	AY 16/17 €'000	AY 15/16 [1] €'000
Grupo Yes Procurement Marketing SL	24.666	21.521	23.899	20.888	767	632
Logidis Sistem SL	20.396	18.072	20.196	17.980	200	91
Mahindra Univeg Private Ltd	4.718	6.515	5.141	6.777	-423	-262
H-Pack [2]	1.487	3.764	2.275	4.324	-787	-560
H-Fruit [2]	18.472	32.170	19.349	33.192	-877	-1.022
Lunasoft [3]	430	-	365	-	65	-
Agritalia Srl [3]	5.800	-	5.641	-	158	-

[1] Includes 9,5 months

[2] Includes 5 months in AY 16/17

[3] Figures at 31 December 2016

There are no contingent liabilities relating to the Group's interest in the associates or joint ventures incurred jointly with other investors and no contingent liabilities arising because the investor is severally liable for all or part of the liabilities of the associate or joint venture.

6.6. Other financial assets and liabilities

Other financial assets and liabilities	31 March 2017		31 March 2016	
	Assets	Liabilities	Assets	Liabilities
	€'000	€'000	€'000	€'000
IRS - cash flow hedging	-	2.913	-	4.362
Conversion option	-	25.659	-	-
Non-current derivatives	**-**	**28.572**	**-**	**4.362**
IRS - held-for-trading	-	-	-	286
IRS - cash flow hedging	166	303	782	1.083
Forward agreements - held-for-trading	-	-	708	-
Forward agreements - cash flow hedges	1.343	478	1.504	2.214
Current derivatives	**1.508**	**781**	**2.994**	**3.584**
Available-for-sale financial assets	**712**	**-**	**4.959**	**-**
TOTAL	2.220	29.354	7.952	7.945

In December 2016, the Group issued a convertible bond for an amount of € 125,0m. The characteristics of this convertible bond are such that its conversion option constitutes an embedded derivative which, in accordance with IAS 39, is separated from the host contract. The fair value of the conversion option amounts to € 25,7m at 31 March 2017 (at issue date: € 12,1m), as a result of which a loss of € 13,6m was recognised in other finance result.

Conversion option	AY 16/17	AY 15/16
	€'000	€'000
Net carrying amount at the end of the preceding period	-	-
At issue of the convertible debt	12.059	-
Change in fair value through P&L	13.600	-
Net carrying amount at the end of the period	25.659	-

6.7. Deferred tax assets and liabilities

Deferred taxes (net carrying amount)	AY 16/17		AY 15/16	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€'000	€'000	€'000	€'000
Balance at the end of the preceding period	10.871	46.154	6.698	23.023
Increase/decrease (-) via income statement	9.588	-1.908	-3.561	-1.369
Increase/decrease (-) via equity	426	1.152	9.680	7.155
Change in scope: business combinations	-	114	49.409	68.756
Translation differences	57	309	-	-56
Set-off of assets and liabilities	1.637	1.637	-51.355	-51.355
Balance at the end of the period	22.579	47.458	10.871	46.154

Deferred taxes (allocation)	AY 16/17		AY 15/16	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€'000	€'000	€'000	€'000
Intangible assets and property, plant & equipment	19.578	83.362	9.049	85.159
Derivatives	665	118	1.769	516
Bond loans	1.109	134	3.309	779
Cash and cash equivalents	-	436	-	-
Inventories	342	3.717	406	6.933
Trade and other receivables	1.591	1.916	-10	1.438
Provisions	4.647	2.079	4.720	3.147
Current liabilities	4.849	3.201	-	-463
Fiscal losses and other tax credits	39.362	-	42.982	-
Tax reserves	154	2.215	-	-
Total deferred taxes related to temporary differences	**72.297**	**97.177**	**62.226**	**97.510**
Set-off of assets and liabilities	-49.718	-49.718	-51.354	-51.355
Net deferred tax assets/liabilities	**22.579**	**47.458**	**10.871**	**46.154**

The deferred tax assets amount to € 22,6m per 31 March 2017. As mentioned in note 5.6. *Income tax* the Group recognised additional deferred tax assets. The total amount of fiscal losses for which a deferred tax asset has been set up amounts to € 141,0m (gross) at 31 March 2017.

Unrecognised deferred tax assets (gross)	AY 16/17 €'000	AY 15/16 €'000
Fiscal losses and other tax credits	89.716	146.768
TOTAL	**89.716**	**146.768**

6.8. Inventories

Inventories	31 March 2017 €'000	31 March 2016 €'000
Raw materials and consumables	39.127	39.366
Work in progress and finished goods	257.090	254.221
TOTAL	**296.217**	**293.587**

Raw materials and consumables mainly include fresh fruit and vegetables, packing materials and components for potting soil. Fresh fruit and vegetables are either used for trading (Fresh segment) or for processing (Long Fresh segment).

Work in progress and finished goods mainly relate to the segment Long Fresh. Work in progress includes frozen vegetables which are stored in bulk (not yet packed).

A part of inventories is secured under the current financing programs of the Group. We refer to note 7.3. *Off-balance sheet commitments* in this respect.

6.9. Trade and other receivables

Trade and other receivables	31 March 2017 €'000	31 March 2016 €'000
Trade receivables	99	99
Valuation allowances on trade receivables	-99	-99
Trade receivables net	-	-
Other receivables	6.080	24.005
Guarantee deposits	410	393
Prepayments	221	2.039
Other receivables net	**6.711**	**26.438**
Non-current	**6.711**	**26.438**
Trade receivables	225.863	270.665
Valuation allowances on trade receivables	-4.311	-4.963
Trade receivables net	**221.553**	**265.702**
Other receivables	56.156	48.201
Valuation allowances on other receivables	-112	-46
Prepaid expenses and accrued income	15.062	20.219
Prepayments	21.233	26.868
Other receivables net	**92.339**	**95.242**
Current	**313.892**	**360.944**

The other receivables mainly relate to VAT, other recoverable taxes and deposits. Prepaid expenses and accrued income mainly relate to prepayments on maintenance contracts, rent and IT costs. Prepayments mainly relate to prepayments to growers and suppliers.

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

A major part of trade and other receivables are pledged under the current financing and factoring programs of the Group. We refer to note 7.3 *Off-balance sheet commitments* in this respect.

Ageing analysis of trade receivables and valuation allowances

Ageing of trade receivables	31 March 2017			31 March 2016		
	Gross €'000	Valuation allowances €'000	Net €'000	Gross €'000	Valuation allowances €'000	Net €'000
Not overdue	128.634	-	128.634	190.851	-	190.851
Overdue less than 30 days	80.429	-11	80.417	60.548	-	60.548
Overdue between 30 and 60 days	4.937	-41	4.896	5.852	-3	5.849
Overdue more than 60 days	11.864	-4.259	7.605	13.415	-4.960	8.455
TOTAL	**225.863**	**-4.311**	**221.553**	**270.665**	**-4.963**	**265.702**

The valuation allowances on trade and other receivables are determined by management. When amounts are more than 30 days overdue, an estimation is made with regard to the recoverability and if relevant (bankruptcy, etc.) an adequate 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 credit insurance, tax authorities or because the Group holds sufficient securities.

The Group's exposure to credit risks is described in note 6.18. *Risk management policy.*

Valuation allowances on short-term receivables	31 March 2017		31 March 2016	
	Trade receivables < 1 year €000	Other receivables < 1 year €000	Trade receivables < 1 year €000	Other receivables < 1 year €000
Balance at the end of the preceding period	-4.963	-46	-1.800	-
Addition	-573	-181	-1.396	-2
Non-recoverable amounts (use)	699	-	360	1
Reversal	526	115	407	-
Changes in scope: business combinations	-	-	-2.533	-45
Balance at the end of the period	-4.311	-112	-4.963	-46

Current and non-current trade and other receivables in foreign currencies

Trade and other receivables: foreign currencies	31 March 2017 €'000	31 March 2016 €'000
GBP	27.938	42.109
USD	23.405	24.508
PLN	16.242	20.412
CZK	18.990	19.087
Other	14.009	5.045

Factoring

Most subsidiaries within the Group entered into multi-country syndicated factoring agreements. In accordance with the syndicated factoring agreements, trade receivables are sold to certain commercial finance companies on a basis which is non-recourse. The financing obtained through the factoring has an off-balance character. The syndicated factoring agreements also contain a negative pledge, a maximum dilution ratio, a leverage test and a maximum program amount.

Subsidiaries in the United Kingdom, France, Germany, the Netherlands, Italy, Austria, Poland and Belgium participate in the syndicated factoring program which is subject to an overall maximum program amount of € 475,0m.

Besides the above multi-country syndicated factoring programs, only one US entity entered into a bilateral factoring agreement.

Factoring is used only with customers accepted for credit insurance by the commercial finance company and excludes intra-group receivables. The commercial finance institution only accepts credit insurers with at least an investment grade rating.

As at 31 March 2017 € 405,4m of financing was obtained through the multi-country syndicated factoring programs (€ 358,6m as at 31 March 2016). The late payment risk related to the factoring has been assessed as immaterial in AY 15/16 and AY 16/17.

In accordance with IAS 39 Financial instruments: Recognition and Measurement, all non-recourse trade receivables, included in these factoring programs, are derecognised for the non-continuing involvement part.

6.10. Cash and cash equivalents and bank overdrafts

Cash and cash equivalents and bank overdrafts	31 March 2017 €'000	31 March 2016 €'000
Cash and cash equivalents	113.242	137.949
Bank overdrafts	-507	-
TOTAL	112.735	137.949

6.11. Financial instruments by category

Financial assets by category at 31 March 2017	Note	Loans and receivables €'000	Assets at fair value through profit and loss €'000	Derivatives used for hedging €'000	Available-for-sale €'000	TOTAL €'000
Available-for-sale financial assets	6.6.	-	-	-	712	712
Derivatives	6.6.	-	-	1.508	-	1.508
Trade and other receivables excluding prepayments	6.9.	299.149	-	-	-	299.149
Cash and cash equivalents	6.10.	113.242	-	-	-	113.242
TOTAL		412.391	-	1.508	712	414.612

Financial assets by category at 31 March 2016	Note	Loans and receivables €'000	Assets at fair value through profit and loss €'000	Derivatives used for hedging €'000	Available-for-sale €'000	TOTAL €'000
Available-for-sale financial assets	6.6.	-	-	-	4.959	4.959
Derivatives	6.6.	-	708	2.286	-	2.994
Trade and other receivables excluding prepayments	6.9.	358.475	-	-	-	358.475
Cash and cash equivalents	6.10.	137.949	-	-	-	137.949
TOTAL		496.424	708	2.286	4.959	504.377

6.12. Issued capital, share premium and other capital instruments

Movements of issued capital	31 March 2017 €'000	31 March 2016 €'000
Balance at the end of the preceding period	288.392	97.845
Conversion warrants: capital increase of 19 June 2015	-	14.729
Fresh Group contribution and De Weide Blik partial demerger: capital increase of 19 June 2015	-	84.727
Horticulture Group contribution: capital increase of 19 June 2015	-	21.566
Incorporation of share premiums in capital	-	71.818
Costs related to capital increase (IAS 32)	-	-2.294
Balance at the end of the period	288.392	288.392

The capital of the Group consists at 31 March 2017 of 44.372.585 shares without nominal value.

Ordinary shares, issued and fully paid *(in numbers)*	31 March 2017	31 March 2016
Balance at the end of the preceding period	44.372.585	16.459.520
Conversion warrants: capital increase of 19 June 2015	-	2.400.000
Fresh contribution and De Weide Blik partial demerger: capital increase of 19 June 2015	-	21.998.869
Horticulture contribution: capital increase of 19 June 2015	-	3.514.196
Balance at the end of the period	44.372.585	44.372.585

Movement of authorised capital	31 March 2017 €'000	31 March 2016 €'000
Balance at the end of the preceding period	293.851	101.011
Movements of the period	-	192.840
Balance at the end of the period	293.851	293.851

Movements of share premium and other capital instruments	31 March 2017 €'000	31 March 2016 €'000
Balance at the end of the preceding period	317.882	14.309
Conversion warrants: capital increase of 19 June 2015	-	10.855
Fresh Group contribution and De Weide Blik partial demerger: capital increase of 19 June 2015	-	11.153
Horticulture Group contribution: capital increase of 19 June 2015	-	38.434
Incorporation of share premiums in capital	-	-71.818
Goodwill: increase of other financial instruments	-	314.950
Balance at the end of the period	317.882	317.882

The Board of Directors is authorised, for a period of five years from the publication of the deed in the annexes to the Belgian Official Journal (15 July 2015), to increase the capital of the Company in one or more instalments up to a maximum amount of € 293,9m.

As set out in Greenyard's articles of association, the General Shareholders' Meeting of 19 September 2014 has granted a power of attorney to the Board of Directors to approve share buybacks up to the legal maximum of 20%. The Group announced on 14 March 2017 the start of a share buyback program representing a repurchase of up to 1.750.000 shares. Up until 31 March 2017 the Group purchased 1.034.677 shares for an amount of € 16,4m.

The Annual General Meeting of 16 September 2016 approved the dividend payment of € 0,20 per share, which was paid in October 2016.

6.13. Stock option and warrant plans

There are currently no option or warrant plans outstanding.

6.14. Pension and other employee benefit liabilities

Defined contribution plans

For defined contribution plans, the Group pays contributions to pension funds or insurance companies. Once the contributions have been paid, the Group has no further payment obligation. These contributions constitute an expense for the year in which they are due. The contributions paid during AY 16/17 amount to € 3,0m (€ 1,7m in AY 15/16).

The Belgian defined contribution pension plans are by law subject to minimum guaranteed rates of return. Pension legislation was amended at the end of 2015 and defines the minimum guaranteed rate of return as a variable percentage linked to government bond yields observed in the market as from 1 January 2016 onwards. For contributions paid during 2016 and 2017, the minimum guaranteed rate of return became 1,75% on employer and employee contributions. The former rates (3,25% on employer contributions and 3,75% on employee contributions) continue to apply to contributions paid up to 31 December 2015. The amendment in the legislation does not result in a material obligation to be accounted for by the Group. The net obligation was estimated based on individual information provided by the insurance companies, analysing the difference between the guaranteed rates of return and the return granted by the insurance companies. The material plans were reclassified as defined benefit plans.

Defined benefit plans and other employee benefits

The costs relative to IAS 19 provisions are recorded under personnel expenses whereas the interest component is recognised in finance costs.

The Group operates several defined benefit plans, five for employees in the Netherlands, three for employees in Germany and plans in the US, Italy and France. The actuarial valuation method used is the projected unit credit cost method. This method allocates future accruals to the year in which the benefit is earned. The sum of accruals for prior years is the liability for the present value of defined benefit obligations. The plan assets were valued at fair market value taking into account the present value of the expected future cash flows.

One of the plans in which the Group participates is the Gustav Scipio Stiftung Fund (GUSS), a multi-employer defined benefit pension fund. The assets and liabilities attributable to each member of the fund at the end of each accounting year are determined by an independent actuary, as are the contributions due from members. The ratio of contribution obligations is determined within the articles of association of GUSS. Contributions are based upon the ratio of unfunded liabilities between members. Unfunded liabilities are determined as the fund liabilities minus assets allocated to members. If, according to the annual actuarial report, the Group has no further obligations to beneficiaries of the plan and ceases to be liable under the GUSS, it will be entitled to a reimbursement payment in cash minus any negative tax impact on the other members. According to articles of association of GUSS, entities are not liable for liabilities of the other entities within the fund. In the event of a wind-up of the fund, all assets and liabilities will be split between members in the proportions determined by an independent actuary. Such a wind-up will require approval from the Board of Directors of GUSS and the Bremen State Authority.

The Group has several other long-term benefit liabilities (e.g. jubilee) and post-employment benefit liabilities (e.g. early retirement). The other employee benefit liabilities are provided for as from the moment the commitment exists.

Employment benefit liabilities	31 March 2017 €'000	31 March 2016 €'000
Obligations for defined benefit plan	19.205	19.074
Obligations other employment benefits	2.040	2.546
TOTAL	**21.245**	**21.620**

Defined benefits - income statement	31 March 2017 €'000	31 March 2016 €'000
Employee benefit expense	2.076	960
Interest expense	401	384
TOTAL	**2.477**	**1.344**

The expected employer contributions to be paid for AY 17/18 amount to € 1,9m.

Defined benefit - amounts recognised in the statement of financial position	31 March 2017 €'000	31 March 2016 €'000
Present value of defined benefit obligation	59.543	50.743
Fair value of plan assets	-40.337	-31.669
Net liability	**19.205**	**19.074**

Movement in defined benefit obligation	AY 16/17 €'000	AY 15/16 €'000
Balance at the end of the preceding period	**50.743**	**1.200**
Change in scope: business combinations	-	45.073
Current service cost	1.929	847
Past service cost	-	18
Interest cost	1.099	1.047
Remeasurements: Experience gain (-)/loss	476	178
Remeasurements: Gain (-)/loss due to demographic assumption changes	-111	174
Remeasurements: Gain (-)/loss due to financial assumption changes	840	3.156
Expected plan participant contributions	513	362
Benefits paid	-1.553	-1.563
Reclassification defined contribution to defined benefit plan	5.941	-
Translation differences	-333	252
Balance at the end of the period	**59.543**	**50.743**

Movement in fair value of plan assets	AY 16/17 €'000	AY 15/16 €'000
Balance at the end of the preceding period	**31.669**	**-**
Change in scope: business combinations	-	29.388
Interest income	698	663
Actual expenses, taxes and premiums paid	-147	-95
Employer contributions	2.242	1.394
Plan participant contributions	513	362
Return on plan assets (excluding interest income)	1.169	1.002
Benefits paid from plan assets	-1.266	-1.200
Reclassification defined contribution to defined benefit plan	5.941	-
Translation differences	-482	155
Balance at the end of the period	**40.337**	**31.669**

Defined benefit - development of accumulated other comprehensive income	AY 16/17 €'000	AY 15/16 €'000
Experience gain (-)/loss	476	178
Gain (-)/loss due to demographic assumption changes	-111	174
Gain (-)/loss due to financial assumption changes	840	3.156
Return on plan assets (excluding interest income)	-1.169	-1.002
Translation differences	-33	-
Total movement in other comprehensive income	**2**	**2.506**

Defined benefit - expense recognised in the income statement	AY 16/17 €'000	AY 15/16 €'000
Current service cost	1.929	847
Past service cost	-	18
Interest cost	1.099	1.047
Interest income	-698	-663
Actual expenses, taxes and premiums paid	147	95
Expense recognised in income statement	**2.477**	**1.344**

The actuarial assumptions and average duration of the major plans are detailed below.

Principal actuarial assumptions	The Netherlands		Germany	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Discount rate	2,0%	2,1%	2,0%	2,1%
General wage increases	1,8%	1,8%	2,0%	2,0%
Inflation	1,8%	1,8%	1,8%	1,8%
Average duration of pension plans	22	22	15	N/A

Principal actuarial assumptions	Italy		USA	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Discount rate	2,0%	2,1%	3,7%	3,6%
General wage increases	2,3%	2,3%	N/A	N/A
Inflation	1,8%	1,8%	0,0%	1,8%
Average duration of pension plans	13	10	8	10

For the major plans the sensitivity of the defined benefit obligation is as follows:

Sensitivity of defined benefit obligation - major plans	31 March 2017 DBO at discount rate	Impact increase of 0,50%	Impact decrease of 0,50%	31 March 2016 DBO at discount rate	Impact increase of 0,50%	Impact decrease of 0,50%
The Netherlands	31.413	-3.236	3.762	21.627	-2.135	2.483
Germany	14.564	-1.035	1.162	14.472	-1.045	1.175
Italy	1.867	-111	127	1.941	-118	135
USA	3.752	-140	152	3.801	-147	160
TOTAL	51.595	-4.521	5.203	41.841	-3.445	3.953

Detail of plan assets	31 March 2017 Insurance contracts	Equity instruments	Corporate bonds	Cash	31 March 2016 Insurance contracts	Equity instruments	Corporate bonds	Cash
The Netherlands	100%	-	-	-	100%	-	-	-
Germany	-	-	99%	1%	-	-	96%	4%
USA	-	60%	37%	3%	-	61%	36%	3%

6.15. Provisions

Provisions AY 16/17	Legal claims €000	Decommis-sionning €000	Onerous contracts €000	Environment Costs €000	Restructuring €000	Tax exposure €000	TOTAL €000
Balance at 31 March 2016	7.353	4.985	4.183	150	763	185	17.619
Additions	175	14	117	-	2.071	-	2.377
Unused amounts reversed	-484	-31	-481	-	-235	-30	-1.259
Used during period	-3.388	-	-3.093	-	-2.263	-147	-8.891
Translation differences	-24	1	-79	-	-	4	-98
Balance at 31 March 2017	3.633	4.969	647	150	336	12	9.748
Analysis of total provisions							
Non-current	3.559	4.969	164	150	-	12	8.855
Current	74	-	483	-	337	-	894
TOTAL	3.633	4.969	648	150	337	12	9.748

Provisions AY 15/16	Legal claims €000	Decommis-sionning €000	Onerous contracts €000	Environment Costs €000	Restructuring €000	Tax exposure €000	TOTAL €000
Balance at 31 March 2015	760	-	-	-	-	-	760
Additions	362	21	812	-	151	90	1.436
Unused amounts reversed	-11	-358	-368	-	-762	-4	-1.502
Used during period	-1.133	-60	-949	-	-3.401	-941	-6.484
Change in scope: business combinations	7.393	5.383	4.795	150	4.775	1.045	23.542
Translation differences	-18	-2	-108	-	-	-5	-132
Miscellaneous movements	-	1	-	-	-	-	1
Balance at 31 March 2016	7.353	4.985	4.183	150	763	185	17.619
Analysis of total provisions							
Non-current	5.095	4.985	1.032	150	-	133	11.396
Current	2.258	-	3.151	-	763	52	6.223
TOTAL	7.353	4.985	4.183	150	763	185	17.619

The decrease in provisions of € 7,9m is mainly attributable to the decrease in provisions for legal claims (€ 3,7m) and the decrease in provisions for onerous contracts (€ 3,5m). The change in provisions for legal claims mainly relates to the settlement of claimed import licences within Fresh (€ 3,1m). The reduction in provisions for onerous contracts predominantly results from the use of the provision by the Fresh flower business in the United Kingdom for onerous lease agreements (€ 1,3m), the use of the provision by the Fresh flower business in the Netherlands for onerous lease agreements (€ 0,9m) and the use of the provision by Lutèce (€ 1,1m).

The addition to and use of the provisions for restructuring mainly relates to the reorganisation charges for the centralisation of the Greenyard Fresh Direct Belgium (formerly Ben Fresh) activities towards Sint-Katelijne-Waver.

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

6.16. Interest-bearing loans

As per 14 November 2013 the Fresh segment issued a bond with a gross coupon of 7,875% fixed interest for a nominal amount of € 285,0m. On that same date a revolving credit facility agreement in an amount of € 90,0m was signed.

As per 5 July 2013 the Long Fresh segment issued a retail bond with a gross coupon of 5,0% fixed interest for a nominal amount of € 150,0m. On 16 December 2013 a term and revolving credit facility agreement in an amount of € 158,5m were signed.

In order to lower the interest cost and to extend the average maturity of the financing instruments, the Group initiated a refinancing exercise which was successfully completed in December 2016. As per December 2016 the Group issued a convertible bond with a gross coupon of 3,75% fixed interest for a nominal amount of € 125,0m. Simultaneously the Facilities Agreement in an amount of € 375,0m was signed.

Proceeds of this refinancing were utilised to repay the € 285,0m bond of the Fresh segment, to repay the € 158,5m term and revolving credit facility of the Long Fresh segment and to replace the € 90,0m revolving credit facility of the Fresh segment.

Per year-end a nominal amount of € 160,0m was drawn as financial debt. € 150,0m of this facility was drawn as a term loan, the remaining part of € 10,0m as a revolving credit facility.

By issuing the convertible bond and signing of the Facilities Agreement, the foundations were built for a stable financing structure in the medium-term in order to realise the strategic plan.

Interest-bearing loans at 31 March 2017	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	TOTAL €'000
Bank loans	-	148.665	278	148.943
Bond loans	-	260.679	-	260.679
Finance leases	-	850	-	850
Interest-bearing loans > 1 year	**-**	**410.194**	**278**	**410.472**
Bank loans	7.591	-	-	7.591
Bank overdrafts	507	-	-	507
Finance leases	310	-	-	310
Interest-bearing loans < 1 year	**8.409**	**-**	**-**	**8.409**
TOTAL	**8.409**	**410.194**	**278**	**418.881**

Interest-bearing loans at 31 March 2017	Fixed €'000	Floating €'000	TOTAL €'000
Total	261.839	157.042	418.881

Interest-bearing loans at 31 March 2017	Secured €'000	Non-secured €'000	TOTAL €'000
Total	418.881	-	418.881

Interest-bearing loans at 31 March 2016	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	TOTAL €'000
Bank loans	-	8.909	4.060	12.969
Bond loans	-	436.494	-	436.494
Finance leases	-	818	-	818
Interest-bearing loans > 1 year	**-**	**446.221**	**4.060**	**450.281**
Bank loans	71.986	-	-	71.986
Other financial debts	9	-	-	9
Finance leases	692	-	-	692
Interest-bearing loans < 1 year	**72.687**	**-**	**-**	**72.687**
TOTAL	**72.687**	**446.221**	**4.060**	**522.968**

Interest-bearing loans at 31 March 2016	Fixed €'000	Floating €'000	TOTAL €'000
Total	438.004	84.964	522.968

Interest-bearing loans at 31 March 2016	Secured €'000	Non-secured €'000	TOTAL €'000
Total	522.959	9	522.968

Bank loans

The Facilities Agreement encompasses a term loan for a nominal amount of € 150,0m and a revolving credit facility for a nominal amount € 225,0m. The Group disposes also of bilateral facilities with individual financial institutions for an amount of € 52,0m.

The term loan bears a margin between 1,50% and 2,75%, based on a leverage grid. The withdrawn amount on the term loan as per 31 March 2017 amounts to € 150,0m.

The revolving credit facility bears a margin between 1,25% and 2,50%, based on a leverage grid. Short-term bank debt varies in function of cash generated by operations, working capital needs and factoring drawdown. The withdrawn amount on the revolving credit facility as per 31 March 2017 amounts to € 10,0m. No funds were drawn under the bilateral facilities.

The other bank loans consist of a term loan within the Long Fresh segment.

All interest-bearing bank liabilities per 31 March 2017 are expressed in euro and concluded at market conditions.

Following the contractual agreements with some financial institutions most overdrafts are presented net from cash.

Under the Facilities Agreement, no defaults or violations were established with regard to principal and interest payments at 31 March 2017. As such no covenants were breached. We refer to note 7.3. *Off-balance sheet commitments* for further information on bank covenants and the rights and commitments not included in the statement of financial position.

The bank loans are recorded at amortised cost, net from transaction costs.

Reconciliation nominal to carrying amount bank loans at 31 March 2017	Term loan €'000	Revolving credit facility €'000	Other bank loans €'000	TOTAL €'000
Nominal amount	**150.000**	**10.000**	**963**	**160.963**
Transaction costs at inception	-1.872	-2.807	-	-4.679
Amortisation transaction costs	101	151	-	251
Carrying amount	**148.229**	**7.343**	**963**	**156.535**

Bond loans

In December 2016 the Group issued a convertible bond with a nominal amount of € 125,0m, a gross coupon of 3,75% fixed interest and due in December 2021. The convertible bond is considered as a financial liability with an embedded derivative liability consistent with IAS 32 based on the cash settlement alternative, recognised at amortised cost, net from transaction costs, for the debt component (host contract) and accounted for at fair value for the embedded derivative (conversion option).

The Long Fresh retail bond issued in 2013 for a nominal amount of € 150,0m carries a gross coupon of 5,0% fixed interest. The bond is due in July 2019.

Reconciliation nominal to carrying amount bond loans at 31 March 2017	Convertible bond €'000	Long Fresh retail bond €'000	TOTAL €'000
Nominal amount	**125.000**	**150.000**	**275.000**
Conversion option at inception	-12.059	-	-12.059
Amortisation conversion option	558	-	558
Transaction costs at inception	-2.771	-429	-3.200
Amortisation transaction costs	128	251	379
Carrying amount	**110.857**	**149.822**	**260.679**

For a discussion on the covenants related to the Long Fresh retail bond we refer to note 7.3. *Off-balance sheet commitments*.

6.17. Trade and other payables

Trade and other payables	31 March 2017 €'000	31 March 2016 €'000
Other payables	**1.116**	**1.051**
Non-current	1.116	1.051
Trade payables	**643.707**	**616.540**
Tax	25.977	25.123
Remuneration and social security	36.613	36.385
Other	50.326	62.791
Other payables	**112.917**	**124.299**
Current	756.624	740.839

The other payables include other amounts payable, mainly relating to accrued interest and other accrued charges.

The table below gives an overview of the current and non-current trade and other payables in foreign currency.

Trade and other payables: foreign currencies	31 March 2017 €'000	31 March 2016 €'000
GBP	46.078	45.283
USD	20.303	17.143
PLN	24.257	19.279
CZK	12.048	15.775
Other	9.566	3.560

6.18. Risk management policy

The Group's activities are exposed to a variety of financial risks: market risk (foreign exchange risk, interest rate risk and other risks), credit risk and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the Group's financial performance as a result of the unpredictability of financial markets.

The Group uses certain derivative financial instruments to hedge certain market risk exposures.

Financial risk management is carried out by a central treasury department ('Corporate Treasury') under the corporate treasury policies. Corporate Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

6.18.1. Market risk

The market risk is the risk of changes in market parameters, such as foreign exchange rates and interest rates, which can influence the Group's performance. The objective is to control and manage this market risk within the limits of acceptable parameters.

The Group buys and sells financial derivatives in the normal course of business in order to manage the market risk. All these transactions are carried out under the corporate treasury policy. It is Group policy not to undertake speculative transactions.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The US dollar and the British pound are the most important non-euro currencies. Of minor importance are the Polish zloty and the Czech koruna. Foreign exchange exposure arises from future commercial transactions and recognised assets and liabilities.

Foreign currency exposure	31 March 2017			31 March 2016		
	Receivables €'000	Payables €'000	Net exposure €'000	Receivables €'000	Payables €'000	Net exposure €'000
GBP	75.203	50.920	24.283	138.035	78.549	59.486
USD	45.272	39.394	5.878	47.685	39.149	8.535
PLN	28.387	30.136	-1.749	32.682	22.139	10.543
CZK	28.597	12.048	16.549	28.716	25.389	3.326
Other	14.142	9.566	4.576	6.961	5.414	1.548

These amounts relate to both receivables and liabilities from/to third parties and non-trade intercompany positions which represent a foreign exchange risk at reporting date. The amounts consist of receivables and payables in a currency other than the functional currency of the Group.

The receivables and liabilities in foreign currency can give rise to a realised gain or loss depending on whether the daily exchange rate at the time of receipt and payment differs from the exchange rate at which the receivable or payable is recorded.

Foreign exchange risk arises also when future commercial transactions are denominated in a currency that is not the entity's functional currency.

Management has set up guidelines to require subsidiaries to manage their foreign exchange risk against their functional currency. Subsidiaries are required to hedge their entire foreign exchange risk exposure with Corporate Treasury. To manage its foreign exchange risk arising from future commercial transactions, the Group uses foreign exchange forward contracts.

The Corporate Treasury's foreign exchange risk management practice applies following hedging ratios per currency pair:

Period	Hedging ratios
Up to 3 months	100%-75%
Over 3 months up to 6 months	75%-50%
Over 6 months and up to 1 year	50%-0%

If required for commercial reasons, a cash flow can be hedged at 100%.

Foreign exchange sensitivity

The sensitivity analysis is applied to third party and intercompany loans and deposits and third party trade and other receivables and liabilities, in so far as the foreign currency differs from the functional currency of the Group. A percentage of 10% fluctuation in foreign exchange rates is taken into account when calculating the foreign exchange sensitivity below. These fluctuations would affect the profit before taxes.

The sensitivity analysis is also applied on the outstanding forward agreements for a 10% fluctuation in foreign exchange rate. These fluctuations would affect equity.

The analysis below reflects the sensitivity for US dollar and British pound. The exposure to foreign currency changes for all other currencies is not material. A positive sign represents a gain, a negative sign represents a loss.

Foreign exchange sensitivity	Effect on profit before taxes at 31 March 2017 €'000	Effect on equity at 31 March 2017 €'000	Effect on profit before taxes at 31 March 2016 €'000	Effect on equity at 31 March 2016 €'000
GBP				
+10%	-2.208	1.784	-5.408	2.140
-10%	2.698	-2.181	6.610	-2.616
USD				
+10%	-534	-2.208	-776	-3.708
-10%	653	2.699	948	4.532

Interest rate risk

For managing interest rate risk, the Group balances its outstanding financings between fixed and floating interest rates. For the financing facilities with floating interest rates, the Group uses financial instruments to hedge the risk of interest rate fluctuations.

The floating interest rate debt of the Group arises mainly from its Facilities Agreement, the financing retrieved from the multi-country factoring program and the outstanding Long Fresh term loan.

To hedge the interest rate risk of the factoring program, the Group entered into Interest Rate Swaps (IRS) in a total outstanding nominal amount of € 125,0m.

The Group has hedged the risk on the Facilities Agreement and the Long Fresh term loan by IRS in a total outstanding nominal amount of € 10,7m.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Financial liabilities at amortised cost	31 March 2017		31 March 2016	
	€'000	Average effective interest rate	€'000	Average effective interest rate
Floating interest rate				
EUR	157.042	2,23%	84.964	2,90%
Fixed interest rate				
EUR	261.839	4,43%	438.004	6,88%
TOTAL	**418.881**		**522.968**	

Interest rate sensitivity

Despite the Group's recent reduction of the level of indebtedness, and hence the decrease in 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 future net result will be subject to interest rate fluctuations.

Interest rate sensitivity	Nominal value at 31 March 2017 €'000	Impact 20 base points increase of interest rate €'000	Impact 20 base points decrease of interest rate €'000	Nominal value at 31 March 2016 €'000	Impact 20 base points increase of interest rate €'000	Impact 20 base points decrease of interest rate €'000
Bank loans	160.963	56	-56	86.170	11	-11
IRS	135.738	456	-459	120.503	445	-448

Interest rate risk: maturity of financial assets and liabilities

Remaining terms of financial assets and liabilities at 31 March 2017	Category of instruments	Average effective interest rate %	Total carrying value €'000	< 1 year €'000	1- 5 year €'000	> 5 year €'000
Assets and liabilities with fixed interest rates						
Bond loans	FLmaAC	4,43%	260.679	-	149.822	110.857
Finance leases	n/a	2,00%	1.160	310	850	-
Assets and liabilities with floating interest rates						
Cash and cash equivalents	L&R	-	113.242	113.242	-	-
Bank loans	FLmaAC	2,23%	156.535	7.591	148.665	278
Bank overdrafts	FLmaAC	2,00%	507	507	-	-

Remaining terms of financial assets and liabilities at 31 March 2016	Category of instruments	Average effective interest rate %	Total carrying value €'000	< 1 year €'000	1- 5 year €'000	> 5 year €'000
Assets and liabilities with fixed interest rates						
Bond loans	FLmaAC	6,88%	436.494	-	436.494	-
Finance leases	n/a	2,00%	1.510	692	818	-
Assets and liabilities with floating interest rates						
Cash and cash equivalents	L&R	-	137.949	137.949	-	-
Bank loans	FLmaAC	2,90%	84.955	71.986	8.909	4.060

<u>**Categories of instruments**</u>

L&R: Loans and receivables

FLmaAC: Financial Liabilities measured at amortised cost

Foreign exchange risk and interest rate risk: derivatives financial instruments

Outstanding derivatives: nominal amounts at maturity date	31 March 2017			31 March 2016		
	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000
Foreign exchange risk						
Forward agreements	169.206	451	-	238.466	845	-
Interest rate risk						
IRS	-	135.000	738	40.000	75.000	5.503
TOTAL	**169.206**	**135.451**	**738**	**278.466**	**75.845**	**5.503**

Derivatives are reported at fair value and hedge accounting is applied for all derivatives. For financial derivatives no offsetting has been applied.

The forward agreements expire at 8 May 2018 at the latest. The maturity date of the IRS is no later than 21 November 2024.

The fair value of derivatives is calculated using pricing models taking into account current market rates. For IRS, this information is provided by the Group's financial institutions with which the financial instruments have been concluded. For the forward agreements Corporate Treasury calculates the fair value.

Fair value by type of derivative	31 March 2017					31 March 2016				
	Assets €'000	Liabilities €'000	Net Position €'000	Included in income statement €'000	Included in equity €'000	Assets €'000	Liabilities €'000	Net Position €'000	Included in income statement €'000	Included in equity €'000
Foreign exchange risk										
Forward agreements	1.343	478	865	-265	1.133	2.212	2.214	-2	1.097	128
Interest rate risk										
IRS	166	3.217	-3.051	286	1.612	782	5.731	-4.949	1.830	-5.847
TOTAL	**1.508**	**3.695**	**-2.187**	**20**	**2.745**	**2.994**	**7.945**	**-4.951**	**2.927**	**-5.719**

6.18.2. Credit risk

Credit risk is the risk of financial loss to the Group through a customer or a financial counterparty being unable to fulfil its contractual obligations. This risk originates in most cases from the Group's customer receivables and financial 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 international credit insurance companies, 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. The Group's credit policy does not identify any credit risk exposure on its major customers (three customers representing 47,9% of sales as disclosed in note 4.1. I*nformation for major customers*).

Financial investments are only allowed if the counterparties meet the minimum acceptable credit ratings at the time of initiation of the investment without exceeding a maximum concentration per counterparty. Investment counterparties must be of Western government credit (US, Canada, EC-countries) with banks and issuers with a credit rating of BBB (Standard& Poor's Corporation), Baa (Moody's Investor Service) or better.

Credit risk covers only the instrument category of 'loans and receivables' (L&R). For the other instrument categories the credit risk is limited or non-existent, given that counterparties are banks with a high creditworthiness.

6.18.3. Liquidity risk

Short-term cash flow forecasting is performed in the operating entities of the Group and aggregated by Corporate Treasury. Corporate Treasury monitors forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Most of the subsidiaries are part of a cash pool scheme, as such funds are collected on a daily basis on the bank accounts held by Corporate Treasury. For subsidiaries not part of a cash pool scheme, surplus cash above balances required for working capital purposes are transferred to Corporate Treasury.

At 31 March 2017 the Group has € 215,0m of unused available lines under its Facilities Agreement (per 31 March 2016: € 169,5m under the former term and revolving credit facilities). The total financing lines decreased with € 50,0m after the refinancing in December 2016. The total existing bilateral facilities for an amount of € 52,0m were fully unused at 31 March 2017.

For a discussion of the existing lines and their terms and conditions we refer to note 6.16. *Interest-bearing loans*.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The undiscounted cash flows reflect net interest payments and principal repayments. Derivative financial assets and liabilities are included in the analysis for the residual cash flows.

Remaining terms of financial debts at 31 March 2017	Contractually agreed undiscounted cash flows			
	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 year €'000	TOTAL €'000
Bank loans	13.569	161.758	288	175.616
Bond loans	12.177	179.063	129.687	320.927
Trade and other payables	694.033	1.116	-	695.149
Non-derivatives	**719.780**	**341.937**	**129.975**	**1.191.692**
IRS	1.812	1.766	23	3.601
Forward agreements	1.349	7	-	1.356
Derivatives	**3.161**	**1.773**	**23**	**4.957**
TOTAL	**722.941**	**343.710**	**129.998**	**1.196.649**

Remaining terms of financial debts at 31 March 2016	Contractually agreed undiscounted cash flows Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 year €'000	TOTAL €'000
Bank loans	71.123	10.652	2.899	84.673
Bond loans	29.871	547.327	-	577.198
Trade and other payables	679.331	1.051	-	680.382
Non-derivatives	**780.325**	**559.030**	**2.899**	**1.342.254**
IRS	2.111	3.043	146	5.299
Forward agreements	-444	5	-	-439
Derivatives	**1.667**	**3.047**	**146**	**4.860**
TOTAL	781.992	562.078	3.045	1.347.114

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. The variable interest payments arising from the financial instruments were calculated using the applicable forward interest rates.

6.18.4. Financial assets and liabilities – fair value

For the various classes of financial assets and liabilities the net carrying amounts and respective fair values are analysed. The table below only includes the financial assets and liabilities for which the fair value differs from the carrying amount. For all other financial assets and liabilities we consider the carrying amounts approximate the fair values.

The fair value of bank loans is calculated as the present value of the future cash flows (level 2 input). The fair value of the retail bond is calculated using standard financial valuation models based on market data (level 2 input). The fair value of the host component of the convertible bond is calculated as the present value of the future cash flows taking into account the reference swap rate and credit spread (level 3 input).

Financial assets and liabilities by class and category	Category in accordance with IAS 39	Net carrying amount at 31 March 2017 €'000	Amounts recognised in statement of financial position in accordance with IAS 39: Amortised cost €'000	Fair value at 31 March 2017 €'000
Retail bond	FLmaAC	149.822	149.822	160.419
Host component of the convertible bond	FLmaAC	110.857	110.857	121.751
Bank loans	FLmaAC	156.535	156.535	160.470

Financial assets and liabilities by class and category	Category in accordance with IAS 39	Net carrying amount at 31 March 2016 €'000	Amounts recognised in statement of financial position in accordance with IAS 39: Amortised cost €'000	Fair value at 31 March 2016 €'000
Bond loans	FLmaAC	436.494	436.494	446.822
Bank loans	FLmaAC	84.955	84.955	85.055

6.18.5. Capital structure

The Group constantly seeks to optimise its capital structure (balance between debts and equity) with a view to maximise shareholder value. The Group targets flexible structure in terms of periodicity and credit type, which enables it to grab potential opportunities. We refer to note 6.12. *Issued capital, share premium and other capital instruments* and in note 6.16. *Interest-bearing loans* for more detail on equity and debt components.

The Group has leverage ratios as detailed in note 7.3. *Off-balance sheet commitments*.

6.18.6. Fair value hierarchy included in the statement of financial position

Assets and liabilities at fair value	31 March 2017				31 March 2016			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	TOTAL €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	TOTAL €'000
Financial assets at fair value								
Derivatives - Forward agreements and IRS	-	2.220	-	2.220	-	2.994	-	2.994
Bond (TFFG)	-	-	-	-	4.214	-	-	4.214
Biological assets	-	-	20.353	20.353	-	-	21.081	21.081
Total	**-**	**2.220**	**20.353**	**22.573**	**4.214**	**2.994**	**21.081**	**28.289**
Financial liabilities at fair value								
Derivatives - Forward agreements and IRS	-	3.695	-	3.695	-	7.945	-	7.945
Derivatives - Conversion option	-	-	25.659	25.659	-	-	-	-
Total	**-**	**3.695**	**25.659**	**29.354**	**-**	**7.945**	**-**	**7.945**

The table above 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: fair value measurement: the fair values of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments.
  - Forward agreements are measured using quoted forward exchange rates and yield curves derived from quoted interest rates with matching maturities.
  - Interest rate swaps are measured at the present value of future cash flows estimated and discounted using the applicable yield curves derived from quoted interest rates.
- Level 3: fair value measurement: the fair value of the remaining financial assets and liabilities is derived from valuation techniques which include inputs that are not based on observable market data.
  - The share conversion option in the convertible bond issued in December 2016 is a non-closely related embedded derivative that has to be separated from the host debt instrument and measured at fair value through profit or loss. The main inputs in the valuation model for this conversion option are the convertible bond price (level 2), the reference swap rate and the Group’s credit spread (level 3). Consequently, the conversion option is classified as a level-3 financial instrument.
  - Biological assets: see note 6.4. *Biological assets*

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

Main inputs to the valuation of the conversion option	31 March 2017	At issue date
Level 1 inputs	-	-
Level 2 inputs		
Bond price	118%	100%
Reference swap rate	0,16%	0,12%
Level 3 inputs		
Credit spread	425bps	575bps

Fair value based on the valuation of the conversion option	31 March 2017 €'000	At issue date €'000
Fair value of the convertible bond	147.410	125.000
Fair value of the host component	121.751	112.941
Fair value of the conversion option	25.659	12.059

The fair value of the conversion option is determined as the difference between the fair values of the convertible bond and the host component.

Conversion option: sensitivity	Impact on fair value at 31 March 2017 €'000
Credit spread	
+100 bps	-4.987
+ 50 bps	-2.536
-50 bps	2.566
-100 bps	5.221

7. Other elements

7.1. Subsidiaries, associates, joint ventures and investments recorded at cost

The parent company of the Group is Greenyard NV, Sint-Katelijne-Waver, Belgium. The subsidiaries, associates, joint ventures and investments recorded at cost of the Group as per 31 March 2017 are presented below. Please note that almost all entities were renamed in AY 16/17.

Fresh

Fresh: Subsidiaries	Country of incorporation	Consolidation method	31 March 2017 % of interest	31 March 2016 % of interest
Greenyard Fresh Holding BE NV	Belgium	Full	100%	100%
Greenyard Fresh Belgium NV	Belgium	Full	100%	100%
Greenyard Fresh Direct Belgium NV	Belgium	Full	51%	51%
Greenyard Transport Belgium NV	Belgium	Full	100%	100%
Greenyard Logistics Belgium NV	Belgium	Full	100%	100%
Greenyard Fresh Holding NL B.V.	The Netherlands	Full	100%	100%
Greenyard Sourcing Connections B.V.	The Netherlands	Full	100%	100%
Greenyard Fresh NL B.V.	The Netherlands	Full	100%	100%
Greenyard Fresh Netherlands B.V.	The Netherlands	Full	100%	100%
Greenyard Finance B.V.	The Netherlands	Full	100%	100%
Greenyard Fresh Investments NL B.V.	The Netherlands	Full	100%	100%
Bakker Barendrecht B.V.	The Netherlands	Full	100%	100%
Bakker Barendrecht Transport B.V.	The Netherlands	Full	100%	100%
Holland Crop B.V.	The Netherlands	Full	100%	100%
Bakker Centrale Inkoop B.V.	The Netherlands	Full	100%	100%
Greenyard Flowers Netherlands B.V.	The Netherlands	Full	100%	100%
Greenyard Supply Chain Services B.V.	The Netherlands	Full	100%	100%
Greenyard Fresh France SAS	France	Full	100%	100%
Champaris SA	France	Full	100%	75%
Agrisol SA	France	Full	100%	100%
Delta Stocks Sarl	France	Full	100%	100%
Greenyard Fresh Beteiligungs GmbH	Germany	Full	100%	100%
Greenyard Fresh Holding DE GmbH & Co KG	Germany	Full	100%	100%
Greenyard Fresh Trade International GmbH	Germany	Full	100%	100%
Greenyard Fresh Germany GmbH (1)	Germany	Full	94%	94%
Greenyard Fresh Handelsgesellschaft GmbH	Germany	Full	100%	100%
Greenyard Fresh DFM Germany GmbH	Germany	Full	100%	100%
Pastari Gemusevertrieb GmbH & Co KG	Germany	Full	60%	60%
Greenyard Fresh Austria GmbH	Austria	Full	100%	100%
Greenyard Fresh Spain SA	Spain	Full	100%	100%
Greenyard Logistics Portugal - logistica e transportes SA	Portugal	Full	100%	100%
Greenyard Fresh Italy Srl	Italy	Full	100%	100%
Greenyard Flowers UK Ltd.	UK	Full	100%	100%
Winchester Bulb Growers Ltd (2)	UK	Full	-	100%
Greenyard Fresh UK Ltd.	UK	Full	100%	100%
Pastari International Ltd (2)	Turkey	Full	60%	60%
Greenyard Fresh Poland SA	Poland	Full	100%	100%
Greenyard Logistics Poland Sp. Z o.o.	Poland	Full	100%	100%
Univeg Real Estate LLC (2)	Russia	Full	-	100%
Atabel SA	Belarus	Full	98%	100%
Bakker Trans sro	Czech Republic	Full	100%	100%
Bakker sro	Czech Republic	Full	100%	100%
Univeg Bulgaria EOOD	Bulgaria	Full	100%	100%
Greenyard USA Co	US	Full	100%	100%
Seald Sweet LLC	US	Full	90%	90%
Greenyard Logistics America Inc	US	Full	100%	100%
Seald Sweet West International Inc (2)	US	Full	-	90%
DFM Brazil Ltda	Brazil	Full	100%	100%
Greenyard Fresh Brazil Ltda	Brazil	Full	100%	100%
Univeg Katope Peru SAC (2)	Peru	Full	95%	95%
Greenyard Fresh Peru SAC	Peru	Full	99%	99%
Greenyard Fresh Chile Ltda	Chili	Full	100%	100%
Greenyard Fresh Colombia SAS	Colombia	Full	100%	100%

Fresh: Joint ventures and associates	Country of incorporation	Consolidation method	31 March 2017 % of interest	31 March 2016 % of interest
Grupo Yes Procurement Marketing SL	Spain	Equity method	50%	50%
Logidis Sistem SL	Spain	Equity method	50%	50%
Mahindra Greenyard Private Ltd.	India	Equity method	40%	40%
H-Pack CVBA (3)	Belgium	Equity method	-	50%
H-Fruit NV (3)	Belgium	Equity method	-	50%
Lunasoft BVBA	Belgium	Equity method	50%	50%
Bardsley Farms Ltd. (4)	UK	Equity method	30%	-
Agritalia Srl (4)	Italy	Equity method	33%	-

Fresh: Investments recorded at cost	Country of incorporation	Consolidation method	31 March 2017 % of interest	31 March 2016 % of interest
Pison Srl (2)	Italy	Not consolidated	25%	25%
Campoverde Spa Agricola	Italy	Not consolidated	2%	2%
Export Frutta Puglia ARL	Italy	Not consolidated	9%	9%
Carpe Naturam Soc. Consortile ARL	Italy	Not consolidated	9%	9%
Project Fruit Chile SA	Chili	Not consolidated	5%	5%

Long Fresh

Long Fresh: Subsidiaries	Country of incorporation	Consolidation method	31 March 2017 % of interest	31 March 2016 % of interest
Pinguin Foods CEE GMBH (2)	Austria	Full	-	100%
Greenyard Frozen Langemark NV	Belgium	Full	100%	100%
Greenyard Frozen Belgium NV (5)	Belgium	Full	100%	-
Pinguin Langemark NV	Belgium	Full	100%	100%
Noliko Holding NV (2)	Belgium	Full	-	100%
Greenyard Prepared Investments NV	Belgium	Full	100%	100%
Greenyard Prepared Belgium NV	Belgium	Full	100%	100%
BND CVBA	Belgium	Full	25%	25%
Greenyard Frozen Brazil Ltda	Brazil	Full	100%	100%
Greenyard Frozen Investments FR (Moréac) SAS	France	Full	66%	66%
Greenyard Frozen Investments FR (Comines) SAS	France	Full	66%	66%
Greenyard Frozen Comines SAS	France	Full	100%	100%
Greenyard Frozen France SAS	France	Full	100%	100%
Greenyard Frozen Holding FR SAS	France	Full	100%	100%
M.A.C. S.A.R.L	France	Full	100%	100%
Greenyard Frozen Investments PL Sp. Z o.o.	Poland	Full	100%	100%
Greenyard Frozen Poland Sp. Z o.o.	Poland	Full	100%	100%
Greenyard Frozen Hungary Kft.	Hungary	Full	100%	100%
Greenyard Frozen UK Ltd.	UK	Full	100%	100%
Greenyard Prepared UK Ltd.	UK	Full	100%	100%
Lutèce Holding B.V.	The Netherlands	Full	100%	100%
Lutèce B.V.	The Netherlands	Full	100%	100%

Long Fresh: Investments recorded at cost	Country of incorporation	Consolidation method	31 March 2017 % of interest	31 March 2016 % of interest
Tomates D'Aquitaine S.A.S.	France	Not consolidated	9%	14%

Horticulture

Horticulture: Subsidiaries	Country of incorporation	Consolidation method	31 March 2017 % of interest	31 March 2016 % of interest
Peatinvest NV	Belgium	Full	100%	100%
Greenyard Horticulture Belgium NV	Belgium	Full	100%	100%
Agrofino Transport BVBA	Belgium	Full	100%	100%
Norland S.A.	Belgium	Full	100%	100%
Greenyard Horticulture Poland Sp. Z o.o.	Poland	Full	100%	100%
Greenyard Horticulture Latvia AS	Latvia	Full	99%	99%
Greenyard Horticulture France SAS	France	Full	100%	100%
Nesterovskoye PSC [4]	Russia	Full	85%	-

[1] The Group holds 94% of the shares of Greenyard Fresh Germany. Based on the signed share purchase agreement of 6% of the shares, the Group remains eligible to all past and future profits of Greenyard Fresh Germany. As a result, Greenyard Fresh Germany is consolidated for 100%.

[2] In liquidation/liquidated

[3] Divestment

[4] Acquisition

[5] Incorporation

Significant restrictions

There are no significant restrictions (e.g. resulting from borrowing arrangements, regulatory requirements or contractual arrangements between investors with significant influence over a subsidiary) on the ability of subsidiaries to transfer funds to its parent entity in the form of cash dividends, or to repay loans or advances made by the parent entity, except for those mentioned in note 7.3 *Off-balance sheet commitments*, with the approval of the majority shareholder. In addition, there are no significant restrictions on the Company's or its subsidiaries ability to access or use the assets and settle the liabilities of the Group, except for those mentioned in note 7.3. *Off-balance sheet commitments*.

Changes in the consolidation scope

There are no major changes in the consolidation scope in AY 16/17. For information regarding the business combinations in AY 15/16 we refer to prior year's financial statements.

7.2. Main disputes

Tax dispute Greenyard Frozen Brazil Ltda

Greenyard Frozen Brazil Ltda imports frozen fruit and vegetable from Europe for which the company has received an exemption to pay ICMS taxes (Tax on Circulation of Goods & Services) from the state Sao Paulo. Frozen fruit & vegetables are considered basic and natural products which are generally exempt from ICMS. But local tax authorities consider frozen fruit & vegetables not as natural products and claim administrative penalties for such imports. This is a general practice for the industry of frozen vegetables. The total litigations of Greenyard in this respect amount to R$ 22,5m (€ 6,1m) and are related to the period 2010 - 2016. Legal proceedings against the local tax authorities are still pending, but none of the court cases were lost in final appeal. A final favourable court decision is expected. Based on the above mentioned, Greenyard considers the risk as remote and no provision is recorded.

In addition, Greenyard has a right of recourse against the CECAB group for the ICMS claims between 2010 and September 2011.

Dispute false bananas' licenses Greenyard Fresh Italy S.r.l.

In 2002, Greenyard Fresh Italy S.r.l. (formerly known as Univeg Trade Italia S.r.l. and previous to that as Bocchi Import Italia S.r.l.) received a claim relating to custom duties which were allegedly not paid on the import of bananas from October 1998 to November 1999. The tax authorities claimed that false licenses were used by the company for trading bananas. In Portugal, the company has lost on appeal and has paid an amount of € 1,9m (including interests). The Greek tax authorities claim the payment of € 2,1m (including interests), for which a provision has been made by the company. The legal proceedings before Greek High Court are still pending.

Garlic dispute Greenyard Fresh Italy S.r.l.

In total, 31 claims have been brought against Greenyard Fresh Italy S.r.l. (formerly known as Univeg Trade Italia S.r.l.) and other Group companies (formerly belonging to the Univeg group) regarding the custom clearance of garlic imported from China in the period 2005-2007. The claims relate to the fact that at the time of export, Greenyard Fresh Italy S.r.l. had not yet identified the final customers and therefore issued the required documents in its own name and paid the customs invoice. Once the final customers were identified, the Chinese importer issued credit notes to Greenyard Fresh Italy S.r.l. and issued correct invoices to the final customers. The tax authorities allege that this amounts to the prohibited sale of licenses. The legal proceedings before Italian Supreme Court are pending. It was agreed with the tax authorities to pay the total outstanding due amount of € 1,3m without prejudice and with reservation of all rights, in order to avoid further accrual of interest while awaiting the outcome of the legal proceedings.

Bulbex Dispute

In 2006, Greenyard Finance B.V. (formerly known as Bulbex B.V.) received a claim following certain shareholdings which had been divested in 2004. More specifically, the claim relates to a debt waiver which was considered unconditional and without reserve at the time of divestment, and which is now being challenged on the grounds that it would not apply in certain circumstances. Greenyard Finance B.V. lost the case in first instance and filed appeal. Appeal is pending.

7.3. Off-balance sheet commitments

7.3.1. Commitments concerning purchases of property, plant and equipment and fresh vegetables

Per 31 March 2017 and 31 March 2016, the Group committed for the purchase of property, plant & equipment and fresh vegetables in an amount of:

Purchase commitments	31 March 2017 €'000	31 March 2016 €'000
Fresh vegetables and fruit	101.175	111.443
Property, plant & equipment	4.684	9.413
Other	3.672	147
TOTAL	**109.531**	**121.003**

The Group has concluded sowing and purchase contracts with a number of farmers for the procurement of fresh vegetables. The contracted amounts can still fluctuate as a function of climate conditions and market prices for fresh vegetables.

7.3.2. Commitments concerning 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	31 March 2017 €'000	31 March 2016 €'000
Within 1 year	48.243	48.467
Between 1 and 5 years	141.432	136.824
After 5 years	160.940	166.903
TOTAL	**350.615**	**352.194**

Rent and operating leases: expenses	31 March 2017 €'000	31 March 2016 €'000
Rent and operating leases: expenses	58.658	41.079
TOTAL	**58.658**	**41.079**

7.3.3. Factoring

In accordance with IAS 39 Financial instruments: Recognition and Measurement, all non-recourse trade receivables, included in these factoring programs, are derecognised for the non-continuing involvement part.

As at 31 March 2017, total derecognised trade receivables amount to € 405,4m.

7.3.4. Bank and bond covenants and undertakings

In December 2016, the Group refinanced a high yield bond (€ 285,0m) and total credit facilities (€ 263,0m) with a convertible bond (€ 125,0m) and the Facilities Agreement (€ 375,0m). The retail bond issued in July 2013 in Long Fresh of € 150,0m remains in place.

Group convertible bond

Greenyard Fresh Holding BE, a wholly-owned subsidiary of the Company, issued a senior, unsecured, guaranteed convertible bond of € 125,0m with a gross coupon of 3,75% fixed interest rate due in December 2021. The convertible bond is guaranteed by the Company. The terms and conditions allow Greenyard Fresh Holding BE to redeem the convertible bonds in cash, new and/or treasury ordinary shares of the Company or a combination thereof at Greenyard Fresh Holding BE's choice upon conversion of the convertible bonds by the bondholders.

Greenyard Fresh Holding BE has the option to call all outstanding convertible bonds on or after 22 January 2020 at par plus accrued interest in accordance with the terms and conditions of the convertible bonds, provided that the volume weighted average price of the Company's shares exceeds 130% of the conversion price over a specified period, or, at any time, if 15% or less of the principal amount of the convertible bonds remains outstanding.

The conversion price of the convertible bond has been set at € 17,43, representing a premium of 25% of the volume weighted average price of the Company's shares on Euronext Brussels between opening and closing of the market on placement date.

The terms and conditions of the convertible bond include, amongst others, some specific clauses on dividend protection and change of control. The convertible bond is not subject to financial covenants.

Group Facilities Agreement

In December 2016, the Group entered into a Facilities Agreement of € 375,0m consisting of a € 150,0m term loan facility and a € 225,0m revolving credit facility with a consortium of banks and maturing in December 2021. The term loan is to a lower extend repayable in periodical instalments.

The facilities bear an interest composed of EURIBOR plus margin for which the margin is different for the term loan and for the revolving credit facility. The margin is based on the Group leverage with a maximum of 2,75% for the term loan and 2,50% for the revolving credit facility.

Next to customary general covenants, the revolving credit facility includes the following financial covenants which are tested on a semi-annual basis (30 September and 31 March) and reported to the lenders:

- interest cover ratio : REBITDA / net finance cost (≥ 3,00 per 31 March 2017)
- leverage: total net financial debt / REBITDA (≤ 3,50 per 31 March 2017)

There were no covenant breaches at 31 March 2017.

The Facilities Agreement foresees a Guarantor Cover requirement for which the Guarantors need to meet certain minimum levels on coverage of total consolidated gross assets, total consolidated net sales and consolidated REBITDA. The guarantor cover test is required annually at year-end and Guarantors need to be added to the Facilities Agreement in case that the guarantor test is not met.

Long Fresh retail bond

On 5 July 2013 Greenyard NV (formerly Pinguin NV) issued a retail bond with a nominal amount of € 150,0m and a gross coupon of 5,0% and maturing in July 2019.

On 19 October 2015, the Court of Appeal in Ghent has homologated the decisions of the second Bondholders Meeting which was held on 24 July 2015. An approval was received on the change of activities of Greenyard NV and the 'ring-fencing' of the Greenyard retail bond as a result of the business combination on 19 June 2015.

This retail bond includes following financial covenants that are tested on an annual basis at year-end and are published on the website of the Company using a conformity certificate. As the retail bond is ring-fenced, the financial covenants are only relevant to Long Fresh:

- EBITDA relative to interest payments (≥ 3,00 as at 31 March 2017)
- debt relative to statement of financial position total (≤ 0,65 as at 31 March 2017)

There were no covenant breaches at 31 March 2017, nor at 31 March 2016.

A 'guarantor cover requirement' must be satisfied for the retail bond on a semi-annual basis. This requirement implies that total assets of Greenyard together with the Guarantors under the retail bond need to cover at least 75% of total assets of the Long Fresh segment. This guarantor cover is also included in the conformity certificate.

7.3.5. Securities

In December 2016, the Group successfully refinanced its bank facilities and entered into the Facilities Agreement, comprising a term loan in an aggregate amount of € 150,0m and a revolving credit facility in an aggregate amount of € 225,0m. These facilities are secured through different types of asset pledges. In general, main assets mostly including shares, cash balances, property, plant & equipment, inventories, trade and other receivables of the Group subsidiaries, located in Belgium, the Netherlands, Poland, UK, Spain and Germany, are pledged or secured through mortgages. On a consolidated basis, meaning excluding intercompany positions, total pledged assets amount to € 709,6m at 31 March 2017 of which € 154,0m relating to property, plant & equipment, € 455,8m to inventories and receivables, and € 99,8m to cash and cash equivalents.

7.3.6. Bank and corporate guarantees

As of 31 March 2017 the Group has outstanding bank guarantees in an amount of € 14,8m and outstanding corporate guarantees in an amount of € 54,7m. Main beneficiaries are tax authorities, landlords, tenants, lenders and suppliers. Of these amounts, bank guarantees in an amount of € 2,6m are not in the ordinary course of business.

7.4. Related parties

Transactions between Greenyard NV and its subsidiaries have been eliminated in the consolidation and are therefore not included in this note. Transactions with joint ventures and associates are included.

For an overview of the application of articles 523 and 524 of the Company Code, we refer to the chapter *Corporate Governance* in the report of the Board of Directors.

The Fruit Farm Group

The Fruit Farm Group, acting on behalf of its subsidiaries, entered into a fruit sales, marketing and distribution agreement with Greenyard Fresh Holding BE NV (formerly FieldLink NV) from December 2014 to December 2019, acting on behalf of its affiliated companies. Under this agreement, The Fruit Farm Group has appointed Fresh as its strategic partner to handle, distribute and market fruit on a free consignment basis with a floor price mechanism. The goods are transported by The Fruit Farm Group's subsidiaries to the port of destination on a CIF basis whereby expenses, custom duties and risks are borne by The Fruit Farm Group's subsidiaries. Fresh will make pre-season advances available to The Fruit Farm Group's subsidiaries. The advances are deducted from the final sales price realised by Fresh, net of expenses, prior to payment to The Fruit Farm Group's subsidiaries. In the event that at the end of a season there is a balance due to Fresh, The Fruit Farm Group's subsidiary and Fresh will agree on payment terms.

The Fruit Farm Group is ultimately owned by the preference shareholder of the Group.

Orchards Invest Services

Orchards Invest Services, acting on behalf of its subsidiaries, entered into a fruit sales, marketing and distribution agreement with Greenyard Fresh Holding BE NV (formerly FieldLink NV) from January 2012 to June 2017, acting on behalf of its affiliated companies. Under this agreement, Orchards Invest Services has appointed Fresh as its strategic partner to handle, distribute and market fruit on a free consignment basis with a floor price mechanism. The goods are transported by Orchards Invest Services' subsidiaries to the port of destination on a CIF basis whereby expenses, custom duties and risks are borne by the Orchards Invest Services' subsidiaries. Fresh will make pre-season advances available to the Orchards Invest Services' subsidiaries. The advances are deducted from the final sales price realised by Fresh, net of expenses, prior to payment to Orchards Invest Services. In the event that at the end of a season there is a balance due to Fresh, Orchards Invest Services and Fresh will agree on payment terms.

Orchards Invest Services is ultimately owned by the preference shareholder of the Group.

Related parties	31 March 2017 €'000	31 March 2016 €'000
The Fruit Farm Group		
Purchase of products, services and other goods	47.411	44.773
Sales of services and other goods	3.771	3.106
Interest and similar revenue	-	413
Trade receivable incl advances	2.225	6.913
Trade payables	1.303	596
Other receivables (current account/loans)	-	13.352
Orchards Invest Services		
Purchase of products, services and other goods	8.982	4.249
Sales of services and other goods	174	674
Interest and similar revenue	-	322
Trade receivable incl advances	65	8.150
Trade payables	19	369
Other receivables (current account/loans)	-	7.910
De Weide Blik		
Purchase of products, services and other goods	-	1.939
Sales of services and other goods	-	416
Sales of associates	-	5.058
Trade receivable incl advances	5	429
Trade payables	-	29
Other receivables (current account/loans)	-	135
Joint ventures		
Purchase of products, services and other goods	17.015	13.901
Sales of services and other goods	716	907
Interest and similar revenue	67	66
Trade receivable incl advances	125	1.588
Trade payables	2.036	2.966

The remuneration of the Board of Directors and Leadership team can be summarised as follows:

Related parties: remunerations	31 March 2017 €'000	31 March 2016 €'000
Board of Directors	916	819
Leadership team	3.849	3.084

The above-mentioned remunerations all have a short-term character.

The Board of Directors' remuneration includes the cost of the Executive Chairman.

The Leadership team includes the CEO and the members of the Leadership Team (see chapter *Corporate Governance statement* in the report of the Board of Directors).

The disclosures relating to the Belgian Corporate Governance Code are included in the chapter *Corporate Governance statement* in the report of the Board of Directors.

7.5. Events after balance sheet date

The Group announced on 14 June 2017 the acquisition of Mykogen Polska S.A., a leading manufacturer of top quality mushroom substrate. The transaction is conditional upon the receipt of all necessary regulatory and third party approvals, and other customary conditions.

On 20 June 2017, Gimv announced that they no longer detain shares in the Company, which increases the free float.

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

7.6. Fees group auditor

During AY 16/17, additional services for a total amount of € 0,4m were provided by the statutory auditor and persons working under cooperative arrangements with him. These services mainly consist of supplementary audit and tax services.

The audit fees charged to the Group for the accounting year ending 31 March 2017 amounted to € 1,5m.

All additional fees were presented in advance to the Audit Committee for approval. The Group's Audit Committee gave a positive decision on this extension.

STATEMENT OF RESPONSIBLE PERSONS

Declaration regarding the information given in this financial report for the 12 months period ended 31 March 2017.

Sint-Katelijne-Waver, 5 July 2017

The undersigned, in the name and on behalf of Greenyard 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 NV, including its consolidated subsidiaries;
- The financial report for the 12 months period ended 31 March 2017 contains a true and fair statement of the important events, the results and the position of Greenyard NV, including its consolidated subsidiaries, as well as a comment on the principal risks and uncertainties confronting the Group.

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

Mavac BVBA, represented by Mrs Marleen Vaesen, CEO

PDN BVBA, represented by Mr Karl Peeters, CFO

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

Statutory auditor's report to the shareholders' meeting of Greenyard NV on the consolidated financial statements for the year ended 31 March 2017

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 2017, 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 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 1 990 673 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 885 (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) as adopted in Belgium. 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 Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Gateway building, Luchthaven Nationaal 1 J, B-1930 Zaventem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

Unqualified opinion

In our opinion, the consolidated financial statements of Greenyard NV give a true and fair view of the group's net equity and financial position as of 31 March 2017, 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.

Gent, 17 July 2017

The statutory auditor

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

Mario Dekeyser

Charlotte Vanrobaeys

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

The statutory financial statements of the parent company, Greenyard NV, are presented below in a condensed form. The statutory auditor issued an unqualified report on the financial statements of Greenyard NV. In accordance with Belgian company law, the directors' report and financial statements of the parent company, Greenyard 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.greenyard.group and on request from:

Greenyard NV
Strijbroek 10
BE – 2860 Sint-Katelijne-Waver
Belgium
www.greenyard.group

ASSETS	Codes	31 March 2017 €'000	31 March 2016 €'000
FIXED ASSETS	20/28	334.411	309.929
Formation expenses	**20**	**1.638**	**3.575**
Intangible assets	**21**	**50**	**15.398**
Tangible assets	**22/27**	**7.354**	**28.223**
Land and buildings	22	6.806	7.110
Plant, machinery and equipment	23	-	20.012
Furniture and vehicles	24	-	178
Leasing and other similar rights	25	-	-
Other tangible assets	26	-	11
Assets under construction and advance payments	27	548	913
Financial assets	**28**	**325.369**	**262.732**
Affiliated enterprises	280/1	325.369	262.708
Participating interests	280	325.369	262.708
Amounts receivable	281	-	-
Other enterprises linked by participating interests	282/3	-	-
Participating interests	282	-	-
Amounts receivable	283	-	-
Other financial assets	284/8	-	24
Shares	284	-	-
Amounts receivable and cash guarantees	285/8	-	24
CURRENT ASSETS	29/58	423.433	422.903
Amounts receivable after more than one year	**29**	**373.708**	**311.070**
Trade receivables	290	-	-
Other amounts receivable	291	373.708	311.070
Stocks and contracts in progress	**3**	**-**	**34.228**
Stocks	30/36	-	34.228
Raw materials and consumables	30/31	-	1.398
Work in progress	32	-	-
Finished goods	33	-	32.830
Goods purchased for resale	34	-	-
Immovable property acquired or constructed for resale	35	-	-
Advance payments	36	-	-
Contracts in progress	37	-	-
Amounts receivable within one year	**40/41**	**32.358**	**65.535**
Trade receivables	40	10.143	34.988
Other amounts receivable	41	22.214	30.547
Investments	**50/53**	**-**	**-**
Own shares	50	-	-
Other investments and deposits	51/53	-	-
Cash at bank and in hand	**54/58**	**1.496**	**11.268**
Deferred charges and accrued income	**490/1**	**15.872**	**802**
TOTAL ASSETS	20/58	757.844	732.831

LIABILITIES	Codes	31 March 2017 €'000	31 March 2016 €'000
CAPITAL AND RESERVES	10/15	458.279	363.683
Capital	**10**	**293.852**	**293.852**
Issued capital	100	293.852	293.852
Uncalled capital	101	-	-
Share premium account	**11**	**-**	**-**
Revaluation surplus	**12**	**-**	**-**
Reserves	**13**	**32.637**	**11.028**
Legal reserve	130	9.474	4.300
Reserves not available for distribution	131	16.460	25
In respect of own shares held	1310	16.436	-
Other	1311	25	25
Untaxed reserves	132	1.477	1.477
Reserves available for distribution	133	5.226	5.226
Profit carried forward	**140**	**131.790**	**58.797**
Loss carried forward (-)	141	-	-
Investment grants	**15**	**-**	**6**
PROVISIONS AND DEFERRED TAXATION	16	-	219
Provisions and deferred taxation	**16**	**-**	**219**
Provisions for liabilities and charges	160/5	-	218
Pensions and similar obligations	160	-	31
Taxation	161	-	-
Major repairs and maintenance	162	-	-
Other liabilities and charges	163/5	-	188
Deferred taxation	168	-	1
CREDITORS	17/49	299.566	368.929
Amounts payable after more than one year	**17**	**150.000**	**207.251**
Financial debts	170/4	150.000	207.251
Subordinated loans	170	-	-
Unsubordinated debentures	171	150.000	150.000
Leasing and other similar obligations	172	-	-
Credit institutions	173	-	-
Other loans	174	-	57.251
Trade debts	175	-	-
Suppliers	1750	-	-
Bills of exchange payable	1751	-	-
Advances received on contracts in progress	176	-	-
Other amounts payable	178/9	-	-
Amounts payable within one year	**42/48**	**142.987**	**146.709**
Current portion of amounts payable after more than one year	42	-	-
Financial debts	43	27.897	72.635
Credit institutions	430/8	10.000	72.635
Other loans	439	17.897	-
Trade debts	44	5.598	38.753
Suppliers	440/4	5.598	38.753
Bills of exchange payable	441	-	-
Advances received on contracts in progress	46	-	-
Taxes, remuneration and social security	45	433	3.487
Taxes	450/3	265	171
Remuneration and social security	454/9	168	3.316
Other payables	47/48	109.059	31.834
Accrued charges and deferred income	**492/3**	**6.579**	**14.969**
TOTAL LIABILITIES	10/49	757.844	732.831

INCOME STATEMENT	Codes	AY 16/17 €'000	AY 15/16 €'000
Operating income	**70/76A**	**158.521**	**174.755**
Turnover	70	114.898	161.296
Increase (+) ; Decrease (-) in stocks of finished goods, work and contracts in progress	71	9.149	-1.826
Own construction capitalised	72	-	-
Other operating income	74	8.845	15.257
Non-recurring operating profit	76A	25.629	28
Operating charges	**60/66A**	**128.166**	**171.720**
Raw materials. consumables and goods for resale	60	82.735	106.378
Purchases	600/8	84.745	106.728
Increase (-) ; Decrease (+) in stocks	609	-2.010	-350
Services and other goods	61	20.554	36.422
Remuneration, social security costs and pensions	62	11.447	18.045
Depreciation of and other amounts written off formation expenses. intangible and tangible assets	630	4.132	6.231
Increase (+) ; Decrease (-) in amounts written off stocks. contracts in progress and trade debtors	631/4	52	-100
Increase (+) ; Decrease (-) in provisions for liabilities and charges	635/7	-164	28
Other operating charges	640/8	9.409	4.717
Operating charges capitalised as reorganisation	649	-	-
Non-recurring operating charges	66A	-	-
Operating profit/loss (-)	**9901**	**30.356**	**3.035**
Financial income	**75/76B**	**95.152**	**35.663**
Recurring financial income	75	39.199	35.663
Income from financial assets	750	16.500	1
Income from current assets	751	17.845	12.169
Other financial income	752/9	4.854	23.493
Non-recurring financial income	76B	55.953	-
Financial charges	**65/66B**	**22.025**	**21.657**
Recurring financial charges	65	13.286	21.657
Interest and other debts charges	650	12.642	14.356
Increase (+) ; Decrease (-) in amounts written off current assets other than stocks, contracts in progress and trade receivables	651	-	3
Other financial charges	652/9	644	7.298
Non-recurring financial charges	66B	8.739	-
Profit/loss (-) for the period before taxes	**9903**	**103.482**	**17.040**
Transfer from deferred taxation	**780**	**1**	**1**
Transfer to deferred taxation	**680**	**-**	**-**
Income taxes	**67/77**	**7**	**5**
Income taxes	670/3	7	5
Adjustment of income taxes and write-back of tax provisions	77	-	-
Profit/loss (-) of the period	**9904**	**103.476**	**17.036**
Transfer from untaxed reserves	**789**	**-**	**-**
Transfer to untaxed reserves	**689**	**-**	**-**
Profit/loss (-) for the period available for appropriation	**9905**	**103.476**	**17.036**

APPROPRIATION ACCOUNT	Codes	AY 16/17 €'000	AY 15/16 €'000
Profit/loss (-) to be appropriated	**9906**	**162.274**	**68.524**
Profit/loss (-) for the period available for appropriation	(9905)	103.476	17.036
Profit/loss (-) brought forward	14P	58.797	51.488
Transfers from capital and reserves	**791/2**	**-**	**-**
From capital and share premium account	791	-	-
From reserves	792	-	-
Transfers to capital and reserves	**691/2**	**21.609**	**852**
To capital and share premium account	691	-	-
To legal reserve	6920	5.174	852
To other reserves	6921	16.436	-
Profit/loss (-) to be carried forward	**(14)**	**131.790**	**58.797**
Shareholders' contribution in respect of losses	**794**	**-**	**-**
Distribution of profit	**694/7**	**8.875**	**8.875**
Dividends	694	8.875	8.875
Directors' emoluments	695	-	-
Employees	696	-	-
Other allocations	697	-	-

FINANCIAL DEFINITIONS

EBIT	Operating result
EPS	Earnings per share
IRS	Interest rate swap
LFL	Like-for-like
Liquidity	Current assets (including assets classified as held or sale)/current liabilities (including liabilities related to assets classified as held for sale).
Net financial debt (NFD)	Interest-bearing debt (at nominal value) less derivatives, bank deposits, cash and cash equivalents, except for Fresh and Horticulture for which derivatives are not included in net financial debt.
Non-recurring items	Non-recurring items mean any items that, in the opinion of management of the Company, must be disclosed (either on the face of the consolidated income statement of the Group or separately in the notes to the financial statements) by virtue of their size or incidence and including but not limited to certain restructuring activities, impairments, gains or losses on disposal of investments and IFRS 3 acquisition accounting and the effect of the accelerated repayment of certain financial indebtedness.
REBITDA	EBIT corrected for depreciation, amortisation and impairments excluding non-recurring items and EBIT corrected for depreciation, amortisation and impairments from minor divested operations.
Working capital	Working capital is the sum of the inventories, trade and other receivables (non-current and current) and trade and other payables (current). In this respect trade and other receivables are corrected for long-term (financing) receivables and accrued interest income and trade and other payables exclude accrued interest expenses.
AY 16/17	Accounting year ended 31 March 2017
AY 15/16	Accounting year ended 31 March 2016

About Greenyard

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

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

With more than 9,000 employees operating in 25 countries worldwide, Greenyard identifies its people and key customer and supplier relationships as the key assets which enable it to deliver goods and services worth € 4,25 billion per annum.

www.greenyard.group

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

for a healthier future