

## Greenyard gives first estimate of financial impact of recent recall

Sint-Katelijne-Waver, Belgium, 17 July 2018 – Greenyard (Euronext Brussels: GREEN)

The past two weeks, Greenyard reported on the recall of frozen products that were produced by its Hungarian production facility in Baja between 13 August 2016 and 20 June 2018, and on the ongoing investigations into an outbreak of *Listeria monocytogenes* between 2015 and 2018. The recall was initiated following a decision taken by the Hungarian Food Safety Agency of 29 June 2018 in the framework of an investigation by the European Food Safety Authority (EFSA) regarding said outbreak.

Greenyard can at this stage report the following on the current status of the recall and will update the market as soon as further information becomes available to it:

- The process of recalling the relevant products from our customers and consumers is ongoing, with products being returned and destroyed.
- We have closed our plant in Hungary and have been conducting an in-depth review of the plant and with a view to identifying the root cause of the contamination in full cooperation with the respective authorities and in dialogue with the customers. We believe to be making good progress in finding the root cause and are awaiting further test outcomes.
- We will not restart production in our Hungarian facility until we are fully satisfied with the results of these tests, for which we are working in continuous cooperation and consultation with the local authorities, and following the European guidelines. We take all possible steps to ensure that the contamination is resolved in full.
- In cooperation with our customers, we are sourcing alternative supplies to ensure that they experience the least possible inconvenience caused.
- We are in ongoing and constructive conversations with all our stakeholders, including our customers, our bankers, our suppliers and our growers to inform them appropriately.

Although it is not possible at this point in time to give an accurate assessment of the aggregate potential financial impact of the outbreak and recall for Greenyard, we can already report the following initial estimates in respect of the recall that is currently ongoing and we will update the market regularly:

- After insurance, Greenyard estimates that the financial impact of the recall amounts to c. € 30,0m (including estimated costs for the product, transport, handling, storage, destruction, subcontracting, lower cost absorption of the factory and loss of margin).
- We estimate c. one third of that amount to have a balance sheet impact (impairment) and c. two third to have a cash impact.
- At this point, more than 80% of the recall amount is expected to constitute non-recurring items. Recurring items are such as cost absorption of the factory and loss of margin.

Greenyard is insured for its general and product liability with an international well-known insurer. We have no view yet on potential claims for physical damages or product damages.

We are taking all possible actions to address any other potential direct and indirect impact on Greenyard and its stakeholders.

We are in close communication with our customers to make sure that they experience the least possible inconvenience caused by this recall initiative.

Greenyard understands that questions have been raised and we underline that we take the matter very serious. We have taken all necessary measures to preserve food safety and we are committed to inform the market as the matter evolves and more information becomes available.

### **Financial Calendar**

- Q1 trading update August 29, 2018 (after market)
- AGM September 21, 2018
- H1 results November 20, 2018 (after market)
- Capital Markets Day November 21, 2018

### **For additional information, please contact:**

#### **Investors & Financial Press**

Carl Peeters, COO  
+32 15 32 42 69  
[Carl.peeters@greenyard.group](mailto:Carl.peeters@greenyard.group)

Dennis Duinslaeger, IR  
+32 15 32 42 49  
[Dennis.duinslaeger@greenyard.group](mailto:Dennis.duinslaeger@greenyard.group)

#### **Media & Trade Press**

Nancy Goovaerts, Corporate Communications  
+32 15 32 42 96  
[Nancy.goovaerts@greenyard.group](mailto:Nancy.goovaerts@greenyard.group)

#### **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 10,000 employees operating in 27 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 more than 4 billion euro per annum.

[www.greenyard.group](http://www.greenyard.group)