

ANNUAL REPORT

2014/2015



KEY FIGURES

635.4

SALES (million euro)

62.6

REBITDA (million euro)

221.8

EQUITY (million euro)

2,289

EMPLOYEES

13

FACTORIES

5

COUNTRIES

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ANNUAL REPORT

2014/2015

OUR MISSION

Make lives healthier by
helping people enjoy fruit &
vegetables at any moment
of the day in an easy, fast
and pleasurable way.

PREFACE

Business combination results in a new chapter as global player in fruit and vegetables

Marleen Vaesen, CEO Greenyard Foods



2014-2015 was a successful year for Greenyard Foods, during which we advanced further in the direction we have taken.

On 19 June, the shareholders unanimously decided to combine the three companies into one combined company. As of today Pinguin, Noliko, Univeg and Peatinvest navigate all under the banner of the listed Greenyard Foods. Greenyard Foods employs over 8,150 employees in 27 countries worldwide. Together we realize sales of almost 4 billion euro and are thus a unique number 1 worldwide in fruit and vegetables.

The mission of Greenyard Foods is:

“make lives healthier by helping people enjoy fruit & vegetables at any moment of the day in an easy, fast and pleasurable way”.

We will realize this by consumer-oriented thinking as reliable partners for our retailers and growers. We will only realise this mission by working on this together every day. Each company separately has a wonderful track record of last years, thanks to the enthusiasm, know how and passion of all employees. We are confident that we can create together even more opportunities for our future growth.

In 2014/2015, Greenyard Foods raised its sales to 635.4 million euro and realised a substantial increase in REBITDA to 62.6 million euro.

This result was achieved through an improvement in the operational and commercial results, thanks to a continued focus on operational



excellence and customer management. The success factors contributing to this result were the improvement processes and the efficiency-enhancing investments made in both divisions, as well as the further international integration in the frozen division.

In 2014/2015 Greenyard Foods worked further on the four strategic priorities that were set in recent years:

Growth through focus on consumer and customer

We want to achieve growth by doing an even better job of responding to the needs of consumers and customers in the different markets in which we operate. Our specialists keep their finger on the pulse of the latest developments in flavours and techniques. Our assortment evolves constantly in a dynamic response to the demand relating to convenience, diversity and sustainability.

Besides that we strive for a long-term relationship with our customers. We continuously optimise and update our portfolio of products where necessary, and we deliver innovative solutions to our retailers as well.

Improving operational efficiency

We are continuing to optimise our processes in order to operate more efficiently. We focus our investments on efficiency improvements and we better align the different sites and countries. The efficiency improvements more than offset the cost inflation this year.

Improving cash flow

Despite our efforts, the working capital remains at a high level. This primarily reflects an increase in the stocks. In addition, we worked on simplifying the company structure, with the number of companies being reduced from 28 to 18. This improves administrative efficiency as well as the cost structure.

Further increasing the organisation's efficiency

Finally, we are continuing to invest in our people in order to make our organisation even more efficient. We always strive for a result-oriented policy in order to all achieve the same objectives together.

The good result of 2014/2015 could only be achieved thanks to our people and their unflagging daily efforts for the company. I thus wish to cordially thank all colleagues and employees for their enthusiasm and motivation to deliver results day after day. They always make the difference. It is solely due to them that investments are actually translated into financial results.

We are now facing a new chapter for the company and we are confident that we have laid the foundation for further profitable growth in the coming years.

Marleen Vaesen,

CEO Greenyard Foods

“

We want to achieve growth
by doing an even better
job of responding to the
needs of consumers and
customers.



Plea for an integrated offer that can win over the consumer

Letter from Chairman of the Board of Directors Hein Deprez on the business combination of Univeg and Peatinvest with Greenyard Foods, creating a global player in the vegetables and fruit sector.

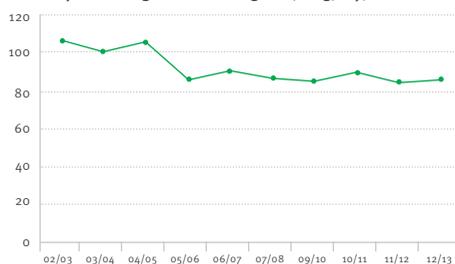
Dear shareholder, dear reader,

Eating enough fruit and vegetables is the obvious path to a healthy lifestyle: this is a truth that no one really questions. In stark contrast to this generally-accepted belief, however, we find in all branches of our sector that the consumption of vegetables and fruit is not increasing but actually declining. Confronted with the concerns of day-to-day life – work and family, to mention just the two most important – many people shy away from the job of preparing vegetables themselves. Others would like to try it, but find that the vegetables they buy don't always live up to their expectations.



Some go for fresh, thinking that this would be healthier, and reject the more convenient solution of prepared frozen vegetables. That the preparation of these fresh vegetables takes up a great deal of time or the portions don't appear to be ideal then leads to disappointment. Others do opt for frozen, but don't understand why this easier solution costs less than fresh vegetables. They conclude from this that fresh must nevertheless be healthier, and thus cast doubt on their initial choice. Still others buy expensive strawberries of foreign origin outside of season - and are disappointed with the flavour. During the strawberry season, when massive amounts of better-quality domestic strawberries are offered at much lower price, this conflicting determination once again generates doubts.

Consumption of vegetables in Belgium (in kg/cap)



What it often all boils down to is that consumers – as proven by the figures – in the choice between fresh, frozen or canned products more often than is good for them go for the fourth option: simply omitting vegetables altogether, or trying to get their dose of healthy nutrition elsewhere. That leads to the situation where an adult in Belgium today eats an average of 310 grams of fruit and vegetables per day¹, while the active food triangle recommends a daily minimum quantity as of 550 grams².

¹ Based on the sum of production + import - export dated 2012 from the Freshfel Consumption Monitor 2014, taking into account the estimate of the FAO that 35% is lost from the food chain (based on EU28 Eurostat gross supply), and on estimates of the Greenyard Foods management.

² The active food triangle (as of age 6) specifically recommends: 300 g of vegetables and 2 to 3 pieces (or 250 to 375 g) of fruit per day (3). This means a total of 550 to 675 g of fruit and vegetables. Source : How much fruit and vegetables should we eat? 10-04-2014, NICE Nutrition Information Center



Joining forces

What everyone in our sector - grower, processor, distributor and retailer - urgently needs to understand is that this phenomenon constitutes a threat for us all. But also that, if we join our forces, we have everything we need in order to convince consumers that fruit and vegetables really are available in one or another form that will meet all their expectations.

Those who have little time and opt for frozen peas, who love the taste of fresh domestic strawberries or tomatoes, who like to eat salsify but don't look forward to the cumbersome cleaning work involved, or who want to buy their carrots pre-sliced and blanched... For everyone there are today solutions that require little effort, are delicious and contribute to a healthy lifestyle. And moreover, thanks to a reasonable use of the right substrates, the environment isn't unnecessarily burdened and we create jobs right in our own region.

Bringing this range of solutions for all these divergent needs as a single whole to the consumer: that is the vision of the future behind the integration of Univeg and Peatinvest with Greenyard Foods.

Synergies between divisions, each of which continues to work and optimise for itself

Like the different divisions that earlier already formed part of Greenyard Foods, namely Penguin and Noliko, in practice the new components Univeg and Peatinvest will also continue to work autonomously as they have done in recent years. Always striving for further optimisation and efficiency wherever possible.

In addition, the integration of all these components in the expanded Greenyard Foods also entails a search for synergies. But it is important for me that these synergies not remain limited to the more obvious aspects that are often adduced in such mergers, such as limiting overlapping overhead costs, for example. I am convinced that this operation above all serves a higher purpose :

“ more people who consume more fruit and vegetables without experiencing disadvantages or frustrations, fewer people who opt to eliminate fruit and vegetables from their daily meals because they find one or another aspect of them too difficult or too confusing.



“

We wish to create value for the entire channel and for everyone involved. The new structure works only as a collaborative model.

The three companies which in the meantime have merged under the name Greenyard Foods are ideally placed to, without mutual competition, do what is necessary in order to transform this shared ideal into a reality. Because the mutual competition that is characteristic for the vegetables and fruit sector ultimately doesn't do anyone any good. Fresh producers assert that frozen is less healthy, frozen processors emphasise how time-consuming fresh preparations are... While the truth is that everyone wants his vegetables in the way that works best for him. And above all, that these 50% of the consumers who eat little or no vegetables today constitute an enormous opportunity to turn around the market trend, from stagnation today to growth tomorrow - including in the Western world, which remains our primary market.

With the three companies together we are today large enough, and we have the right offer, to tell a positive and coherent story that will convince both our direct partners (distributors and retailers, but also growers and institutional food services) and our employees and shareholders as well as the end consumer. In doing so, we will create enormous added value, and ultimately everyone will benefit.

THE THREE PARTNERS

Peatinvest

Peatinvest and its subsidiaries have been involved in the horticultural sector for 30 years and employ 400 staff. The Peatinvest Group has 9 production sites in 4 countries and supplies growers throughout the world with a wide range of substrates for growing plants, fruit and vegetables marketed under the Peltracom brand for the professional market and Agrofino for the hobby market.

Greenyard Foods

Greenyard Foods NV is active predominantly in the processing and commercialization of fruit and vegetables and ready-to-eat food, both frozen and canned. The Group employs 2,289 staff and has 13 production sites in

5 different countries (Belgium, France, United Kingdom, Poland and Hungary) and subsidiaries and sales offices on five continents.

Univeg

Univeg is a worldwide supplier of fresh produce, active in the fields of fruit & vegetables, flowers & plants, convenience products, transport & logistics. Univeg has operations worldwide and serves a global customer base. Univeg currently employs 5,500 staff (after carve-out of The Fruit Farm Group) across operations in 27 countries, on five continents.



Daily recommended quantity fruit and vegetables

Eating an adequate amount of fruit and vegetables contributes to good health and can help prevent chronic disorders such as cardiovascular diseases and certain cancers. The World Health Organisation (WHO) thus recommends eating daily 300 grams of vegetables and 250 grams of fruit, i.e. a total of 550 grams. Yet the number of fruits and vegetables that we consume lies far below this recommended daily quantity. Belgians, for example, eat an average of only 310 grams per day¹. And the figures for Europe as a whole aren't any better: in fact, Europeans eat only 174 grams of vegetables and 136 grams of fruit per person per day. That's around 45% less than the recommended daily quantity. Governments are therefore busily taking steps to boost fruit and vegetable consumption. More information and better communication about healthy nutrition play a crucial role in this effort.

¹ Based on the sum of production + import - export dated 2012 from the Freshfel Consumption Monitor 2014, taking into account the estimate of the FAO that 35% is lost from the food chain (based on EU28 Eurostat gross supply), and on estimates of the Greenyard Foods management.

TWO TIMES HALF A CENTURY OF HISTORY

50 years of Pinguin

1965

The origin of the frozen division Pinguin goes back to 1965, when the little company Weduwe M. Dejonghe & Zonen, which above all dealt in carrots, came into contact with a Dutch contractor that froze spinach. The brothers André, Georges and Frans Dejonghe were immediately won over by the idea of freezing all kinds of vegetables in their own region. With the construction of a small factory in Westrozebeke they quickly became pioneers in the frozen vegetable industry in Flanders.



1995

The 3 Dejonghe cousins take the step to the foreign market via 'Légum'land Surgelés', a joint venture of Pinguin, French farmers and the English Fisher Frozen Foods.

1968

A cute little penguin becomes the company's logo, the idea being to associate frozen products with the penguin's natural habitat in the chilly Antarctic.



1986

Opening of an additional production site in Langemark.



1992

The founders pass the torch to their children Koen, Jan and Herwig Dejonghe.



50 years of Noliko

1965

The first canned products of Noliko – Noord-Oost Limburgse Konserven – rolled off the conveyor belt in 1965. Local farmers, who had traditionally brought their vegetables to the Marie Thumas factory in Mechelen, decided to start up a production unit themselves that was closer to home. The choice for the location in Bree wasn't taken casually. A soil study by a forestry engineer had demonstrated that the groundwater was of exceptionally good quality there and abundantly present at a shallow depth. Together with the enormous possibilities for expansion, an excellent combination for delivering high-quality products over the long term.

1997

Scana-Noliko is co-founder of B.N.D. Internationale Telersvereniging, the first growers association for industrial vegetables in Belgium.

1996

The integration of Rena Konserven broadens the product line with leafy vegetables and fruit preserves in jars.

1980

Noliko merges with the Swiss Scana.



1989

Scana-Noliko regroupes with the relocation of the production lines from Diest, Molenstede and Hulsthout to the renovated plant complex in Bree.



2002

The acquisition of Fisher Frozen Foods in King's Lynn is the starting shot for **Pinguin Foods UK**. The French Légum'land Surgelés is renamed Pinguin Aquitaine.

2009

The group highlights its **ambitions** with the new name **PinguinLutosa Food Group**. It now has eight production sites in Europe (Belgium, France, United Kingdom) and sales offices throughout the world.

1999

Pinguin continues to grow and becomes the first company from the sector to be listed on the **stock exchange**.

**2013**

Greenyard Foods

The sale of potato division Lutosa immediately signifies the birth of Greenyard Foods. The new, fresh-sounding name highlights the group's international character while referring to the natural origin of the fruit and vegetables that are processed by the independent operating divisions 'frozen' (Pinguin) and 'canned' (Noliko).

2000

The family **structure** is abandoned in order to further professionalise the shareholdership

2011

Scana-Noliko joins the PinguinLutosa Food Group, as does D'Aucy Frozen Foods (France, Hungary, Poland).

2005-2008

The company takes a step towards further growth with the **expansion** of the production capacity and the storage spaces in Bree. Thanks to the substantial enlargement of the water treatment installation, Noliko also becomes a pioneer in terms of state-of-the-art environmental protection systems and sustainability

**2010**

Acquisition of the Bonduelle factory in Rijkevorsel, specialised in processing apples and cherries and acidic foods (including pearl onions).



GREENYARD
FOODS 

MOST IMPORTANT EVENTS OF 2014/15

Efficiency and synergies

In 2014, the Greenyard Foods group continued its quest for increased efficiency and a simplified group structure. This evolution will also remain one of the most important focus points for 2015 and the years to come.



2014

JULY

One of the strategic pillars of Greenyard Foods is the acquisition of property. Greenyard Foods NV therefore acquires the real-estate company of the **King's Lynn production site in the United Kingdom**. Through this transaction Greenyard Foods now owns all its production facilities outright. The 150 million EUR bond loan that was issued in July 2013 was used for this acquisition.



DECEMBER

The group continues to evolve on the management level. Chief Operations Officer Herwig Dejonghe leaves the group and also resigns from his director's mandate in Greenyard Foods NV, but will continue to work as a consultant.

Greenyard Foods finalises the **sale of the Hungarian site** in Bekescsaba to UFM, as earlier agreed.

2015

NOVEMBER

Greenyard Foods sells the **German production site in Manschnow** to the KTG Agrar Group. This sale will increase efficiency within the frozen division.

Greenyard Foods makes simplification of the group structure a priority. Within this context Noliko Real Estate NV takes over **De Binnenakkers NV**.

JANUARY

At the beginning of 2015 Greenyard Foods NV opens a **brand-new production line in Comines (France)**. This 8 million EUR investment is important for the future growth of the Group.

Greenyard Foods **sells its participating interest of 52% in Pinguin Aquitaine SAS in Ychoux (France)**.





MARCH

The Board of Directors of Greenyard Foods NV decides to make **further investments in Poland**. The Polish frozen processing and packaging capacities of Lipno and Elk are centralised on the Lipno site, where major investments are planned. The storage capacity in Elk is maintained. The reorganisation will contribute to efficiency improvements within the frozen division.

Pinguin Langemark NV merges with Dreefvelden NV via an operation that is equivalent to a 'merger by acquisition'. Also this operation is designed to simplify the group structure.

FEBRUARY

Greenyard Foods decides to partially refinance the **subordinated loan** issued by Gimv.

The dissolution of the company Noliko Holding NV begins, which will contribute to **further simplifying the group structure**.



“

During 2015 important steps were taken in the simplification of the group structure.

VALERIE VANHOUTTE, CFO

MAY

The agreement for partial demerger and contribution in kind has been signed with respect to the business combination between Greenyard Foods, Univeg and Peatinvest. This aims to create a global leader in fruit and vegetables that offers the complete line of fresh products, frozen products and canned goods. This business combination will achieve combined sales of nearly 4 billion euro.



JUNE

On 19 June 2015 Greenyard Foods held an Extraordinary Shareholders Meeting where all present and represented shareholders, who jointly own more than 75 % of Greenyard Foods' outstanding share capital, have approved unanimously the business combination between Greenyard Foods, Univeg & Peatinvest. By this historic combination, a global leader in fruit and vegetables has been created. The listed company Greenyard Foods (Euronext Brussels: GRYFO) remains the parent company of the newly formed group.

OUR GROUP

Shared expertise

Our production sites are established in the most fertile areas of Europe, close to where the harvesting is done. Greenyard Foods' thirteen factories share everything from best practices to harvest calendars, and so together they form a close network of joint agronomic know-how.



UNITED KINGDOM

1 King's Lynn

Processing of frozen vegetables such as peas, beans, carrots, ... and pre-cooked frozen rice.

2 Boston

Processing of frozen vegetables such as peas, broccoli, cauliflower, Brussels sprouts ...

BELGIUM

3 Rijkevorsel

Processing of fruit in tins and jars, such as apples, cherries ...

4 Bree

Processing of fruit and vegetables in tins and jars and a full range of convenience products (soups, sauces, pastas and other meals).

5 Langemark

Development and production of fresh-frozen vegetable products and ready to use meals.

6 Westrozebeke

Processing of a full range of locally grown vegetables, such as peas, beans, spinach, carrots, cauliflower, leeks, Brussels sprouts, celery, ...

HUNGARY

7 Baja

Processing of locally grown vegetables, such as corn, peas, spinach, carrots, beans ...

POLAND

8 Adamow

Processing of locally grown fruit and vegetables, including red fruit, rhubarb, pumpkin, peppers ...

9 Dabrowa

Processing of frozen vegetables, such as beans, leeks, broccoli, onions, cauliflower ...

10 Elk

Logistic and storage activities.

11 Lipno

Processing of fresh frozen fruit and vegetables, such as onions, broccoli, cauliflower, tomatoes, red fruit ...

FRANCE

12 Comines

Processing of a full range of locally grown vegetables, such as peas, beans, spinach, cauliflower, carrots, leeks ...

13 Moréac

Processing of frozen vegetables and ready-to use meals. Product specialties include all kinds of locally grown vegetables, such as beans, spinach, peas, cauliflower, courgettes ... and a very diverse range of vegetable products and ready-to use meals.



Valerie Vanhoutte

Dominiek Stinckens

Marleen Vaesen

Hans Luts



DIVISIONS

Greenyard Foods' frozen division



The Penguin frozen division is specialised in processing and marketing frozen vegetables and fruit, as well as producing a wide range of deep-frozen vegetable dishes and ready-to-use meals. Penguin supplies frozen products to various segments in the food industry, such as Retail, Food Service and Food Industry. This is done under both private labels and the Penguin brand.

HANS LUTS,
MANAGING DIRECTOR
FROZEN DIVISION

The frozen division's success is based on a long-term vision that focuses resolutely on quality and sustainable agriculture. The quality is guaranteed by the best seeds and agricultural land, the most highly-motivated farmers, high-tech installations and a strictly-monitored production process from the farmer all the way to the consumer. Moreover, sustainability and respect for man and the environment are central throughout the production, packaging and transport of the products.

This vision is translated into a policy that was also logically and consistently pursued over the past financial year, resulting in both better operational and financial figures.

Innovation and product development

The quality specialists of the frozen division are constantly working together very closely with the customers, thus building up a good relationship between producer and customer. Each step in the production process is precisely studied and evaluated via independent audits. The continuous attention for our customers and consumers ensures excellent customer satisfaction results, and once again resulted in a number of awards over the past financial year as well. Such recognitions demonstrate that the commitments are being met and the company is steadily succeeding in fulfilling the new expectations posed by the market.





Sustainability and green energy

The frozen division is constantly looking for new ways to reduce its environmental footprint. In the past the division has already made great efforts by installing solar panels and building its own water treatment stations at several locations. Recently it was decided to make a major investment for a new water treatment installation at the production site in King's Lynn.

In addition there are initiatives - together with other producers of frozen products - to jointly organise the transport to more distant destinations, since guaranteeing a higher level of freight capacity utilisation generates major improvements with respect to CO₂ emissions.



Human capital

Once again during the past year the frozen division invested in education and training in order to improve the knowledge of the employees in all areas of our activities. Both locally and at the group level the division had several employees take training in new technologies, improved processes as well as in a number of "soft" skills, such as leadership.

With regard to internal communication and collaboration, emphasis was placed on knowledge transfer amongst our own specialists, within their specialised area but also across different departments.



Investments in the frozen division

The purchase of the production facilities in King's Lynn formed the capstone of the investments to acquire our own production units; all sites are now fully owned by the group. Additional investments within these companies and locations were made in line with the established strategic objectives on quality, sustainability and efficiency improvements.

Over the past financial year an extensive study was conducted within the division on the footprint of the companies and locations. From the results of this analysis it appears that the frozen group can further optimise by grouping activities within its own sites.

There was 8 million euro invested in Comines. These investments ensured that this site is now technologically capable of processing the increased volume into end product in an effective and high-quality manner. This entire project was closely supervised by the internal teams and was completed within the established budget and deadline. From the results of the first production months in Comines it appears that the intended results of this investment are being attained.

In order to further optimise the industrial production facilities, a next important step will be taken in Poland. Significant investments will be made in order to concentrate the production in Poland at three locations. This was decided in March by the Board of Directors, so this project can be rolled out in the coming months. The storage space of the Elk site will function as a major storage capacity for the Polish activities.

Pinguin in figures



414.1

sales (million euro)



33.6

REBITDA (million euro)



1,597

employees



11

factories



80

sales markets



5

countries (export)



5

continents



VEGETABLES IN THE SPOTLIGHT

Broccoli, the super vegetable

Given that consumers are attaching increasing importance to a healthy diet, so-called ‘superfoods’ are becoming more popular than ever. It’s no accident that broccoli is invariably found on the list of superfoods, since the vegetable contains several nutrients that can help prevent cancer.

In any event, Greenyard Foods’ frozen division is doing everything possible to offer top-quality broccoli with optimal nutritional value to the consumer. The entire process, from sowing through planting to harvesting, takes place according to a carefully defined programme and is subject to strict quality control.

After the harvest, the broccoli is processed as fresh as possible and frozen within 24 hours, so that this super vegetable retains all of its qualities.

DIVISIONS

Greenyard Foods' canning division



DOMINIEK STINCKENS,
MANAGING DIRECTOR
CANNING DIVISION

The canning division processes vegetables and fruit fresh from the field into preserved foods in cans, jars and flexible packagings. The convenience activities include convenience food such as soups, sauces and pasta dishes. This makes Noliko the specialist in preserving nutritional value, 'the best of nature'. Classic methods such as appertisation and pasteurisation are combined with a broad range of packaging forms. The products are usually distributed to the consumer via retailers, often as an own brand or as an A brand. Noliko also supplies finished products to the catering market and institutional food services, as well as high-quality semi-finished products to other food companies.

Innovation & product development

Noliko's products are divided into two segments: firstly, fruit and vegetables in jars and cans and secondly, the convenience segment with sauces, pastas and soups. This segment includes hundreds of types of dips, cooking sauces and exotic sauces, Italian pasta specialties and soups. The varied portfolio is one of the major strengths of the canning division and is a result of extensive product development work.

The product developers launch a new recipe nearly every week. The innovations naturally also entail new forms of packaging, such as foil packaging. This very extensive differentiation and the continuous response to the demands of customers produces good results. The canning division is remaining true to this growth strategy and will continue to follow the chosen path of continuous innovation.





Growing on the Green Yard

The 'Growing on the Green Yard' growth strategy (2014-2019) focuses on profitable growth with fair, honest margins for all parties and continuous innovation in consultation with customers. A number of spin-off projects were defined and started up as a result of this new strategy. The three pillars - customer intimacy, product leadership and operational excellence - guide this growth. Parameters such as performance, quality and innovation are important goals and ultimately lead to even higher customer service.

Working capital

An important subject within the financial management of a company is the management of working capital and the corresponding cash flow, which is not entirely self-evident given that working capital runs through the entire company.

The canning division is no exception to this. On the contrary, along with the normal accounts receivable and accounts payable, stocks constitute an especially important element within the sector. After all, the result of a production of around 10 weeks has to be delivered over a period of 13 months. If stocks are too low, it leads to losses of opportunity or dissatisfied customers, which hurts profitability. Excessively high stocks are the precursor of inefficiencies, with the same result.

The ratio of the working capital to sales is regarded as one of the most important KPIs. After a steady decrease in recent years and with the current product portfolio, 36% may be regarded as optimal. Maintaining this ratio is an essential part of the canning division's long-term plan.



Human capital

The canning division attaches great importance to its relationship with various stakeholders, from local residents to growers, shareholders and naturally the existing and future employees. Investing in human capital constitutes an essential part of the policy, since well-motivated employees not only make much better use of their own skills, but also more often assume a pioneering role.

The division invests firstly in position-related training and education, and in the human potential that is already on hand. Newcomers and young potentials are deployed in both small-scale and large-scale projects. In this way these employees at the same time get a chance to become familiar with the company from different perspectives and to prove themselves.

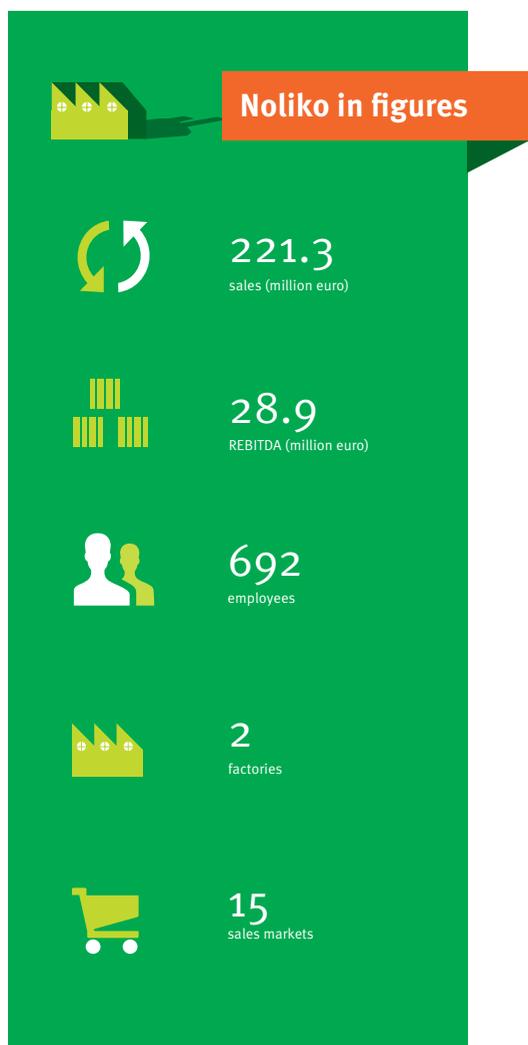
Noliko strives as much as possible to fill vacancies with its own employees, because opportunities for promotion motivate the individual and lift the knowledge existing within the company to a higher level.

In order to stimulate the necessary intake of top-quality employees, an employer branding campaign was conducted in 2014 in which the employees could submit their own testimonials for the Noliko website and media. Amongst other things, a recruitment campaign via stickers on De Lijn buses prompted a massive and positive response. Once again it was demonstrated that our own employees are the company's best ambassadors.



Sustainability and green energy

Green energy, sustainable agriculture and health have always been important for Greenyard Foods' canning division. The division continuously studies the possibilities for managing its own energy production. This is done not solely for environmental or financial reasons, but also in order to make the organisation less dependent on others and thus help ensure its continuity.



The most striking achievement in this area is the high-quality cogeneration station that was built a number of years ago at the water treatment installation, and the locally produced biogas that is continuously converted into useful heat and green electricity. This complex application required constant attention and adaptations, but in the meantime already covers more than ten percent of the total electricity requirements.

The solar park also continued to perform well over the past financial year: at a peak consumption of 302 kW, the photovoltaic installation also delivers over ten percent of the electrical power for the Bree site.

Alternative possibilities and projects such as deriving energy from wind, biomass and geothermics are constantly being studied. In this context, the division maintains extensive contacts with the various government authorities.

Another positive aspect is that all self-generated sustainable energy until now has been able to be entirely consumed on our own site, and that an increasing share of the waste streams can be delivered to nearby fermentation installations in order to be converted on site into green electricity.



Investments in the canning division

Within the division the last year we invested above all in performance and efficiency improvements in the various departments. A new filling line with increased output was commissioned for canned vegetables, and a new flexible packaging line ('labelling') for products in jars.

In order to optimise the internal transports, an Automatic Guided Vehicle (AGV) system was installed that will be operational as of the 2015 season.

To meet the increased demand for convenience products (sauces), as of July 2015 the new 'pasteur' has been taken in use. The new deep-freeze storage space will also be available as of that time.







SUSTAINABILITY

Respect for nature

The entire Greenyard Foods group annually produces more than 500,000 tons. The company continuously monitors the processing stages and is constantly coming up with new initiatives with a view to sustainably controlling the long and complex chain from cultivation to ready-for-market product.

All of the production sites are making major efforts to reduce the consumption of raw materials, water and energy. Examples of this include the investments in our own water treatment stations, water-saving measures, photovoltaic energy generation and accession to the energiebeleidsovereenkomst (EBO). Greenyard Foods has also invested heavily in the separation of waste streams and the reduction of non-recyclable fractions. Pinguin's English site actually succeeded in cutting its share of non-recycled waste to zero, and this example is now being actively emulated in all other factories. Noliko started up 'ecoteams' in all operational departments and is engaging in training and awareness-raising for the entire production personnel. An absolute necessity in the effort to become and remain "Best in Class" when it comes to sustainability.

Naturally, sustainable agriculture constitutes the basis for all of this. Last year a number of farms were contacted to collaborate on conducting sustainability projects. The selected farmers are testing out a number of new initiatives and receive financial support via a sustainability fund. The results and performances of the reference farms are benchmarked with those of the regular farms. Examples of such projects are the purchase of a bee hotel to improve the pollination for courgettes and the purchase of GPS devices in order to be able to spray with greater precision, which lowers the use of plant protection agents.

The agronomists are also working on various projects at the international level. For example, they are investigating whether the stand density of crops can be measured via satellite and with drones, in order to then adapt the fertilisation and the use of plant protection agents on the studied parcels.



The soil

Everything begins with the land in which one sows, and so the soil is treated with the greatest respect. Greenyard Foods manages all of its parcel data via an extensive database. This makes it possible e.g. to detect disease-sensitive terrains and to reserve the most suitable parcels for certain crops. Soil exhaustion is avoided by practising crop rotation.



Choosing the seeds

Disease resistance, seed coating and yield are important criteria when choosing the seeds. The varieties are attuned to the soil type (clay, sand, etc.), so that the use of plant protection agents can be limited and the yield increases.



Sowing

When sowing, GPS-guided machines are used that limit the consumption of seeds and fossil fuels to a minimum. Moreover, the use of these high-tech machines avoids excessive compaction of the soil, thus keeping the soil life in better equilibrium. The more oxygen in the ground, the fewer harmful fungi and diseases can develop. This reduces the use of plant protection agents.



Soil analysis

The sowing data from the field are transmitted and recorded automatically and in real time, so that fruit and vegetables can be traced all the way from the sowing to the store shelf. In addition the need for nutrients is determined by soil analyses so that the fertilisation can be optimally adapted to the crop and overfertilising is avoided.



Cultivation

During cultivation, the use of plant protection agents is limited as much as possible and the agents are also alternated, so that resistances don't develop.



Harvest

When it comes to harvesting, timing is of vital importance. The right harvesting moment is thus precisely determined to within half a day with the aid of computer and tablet. The harvesters work with the latest technologies: here again, machines with caterpillar tracks prevent the land from being compacted. The spinach picking machine is even equipped with a special vacuum system that, just before picking, sucks insects off the plants.



Transport

In order to reduce the CO₂ emissions caused by transport, Greenyard Foods is continuously looking for ways to optimise logistics. The frozen division strives to move goods with minimum cold loss and it shares transports with other producers so that the trucks always take to the road with a full load. Northern Italian customers currently even get their fresh frozen carrots, spinach or leeks from Belgium delivered by rail, as an alternative to road transport. Full capacity utilisation is monitored as a KPI in the canning division as well. An example of this is the filling of trucks with B2B or service products.

Thus, for Greenyard Foods respect for nature isn't an empty concept. It has firm roots in our history, represents a fine challenge for the present, and shall remain our focus in the future.

The background of the entire page is a close-up photograph of several salsify roots. The roots are dark brown, almost black, with a rough, fibrous texture. They are piled together on a rustic, weathered wooden surface. The lighting is warm and directional, creating strong shadows and highlights that emphasize the texture of both the roots and the wood. One root in the foreground is cut in half, revealing a pale, yellowish-white interior. The overall composition is natural and earthy.

VEGETABLES IN THE SPOTLIGHT

Salsify, the 'forgotten' vegetable

To grow salsify, a good knowledge of the soil and experience in sowing and harvesting techniques are indispensable. Salsifies are grown via a very specific process and only harvested in the winter. They are therefore often called the 'forgotten vegetable'.

In order to be able to harvest the long and slender salsifies, the plants have to stand very close to one another in the field: the salsify seed is thus distributed with special sowing machines. Moreover, at the beginning of the growing season the small plants are very delicate. Herbicides cannot be used, so weeds are removed manually or with specific machines.

Harvesting also requires a specific technique. A salsify can grow to 40 centimetres long. The digger machines therefore have to be able to go very deep into the soil in order to harvest it. And, because the harvesting takes place in the winter, the soil can be very hard, so light sandy soils are ideal for growing salsify. The canning division Noliko in Bree lies in the middle of an optimal cultivation area. In 2015, the canning division will be processing around 45% of all the salsify grown in Belgium and the Netherlands

HUMAN RESOURCES (GMT)

Focus on investing in human capital

A company's power resides in the strength of its employees. In 2014/2015 Greenyard Foods again strove for a top-performance HR policy that continuously invests in the development of its own employees, a better knowledge transfer and effective internal communication. With 2,289 employees, Greenyard Foods wishes to be a company where employees can fully develop their talents.

Frozen division

In the past year Pinguin continued to focus on the initiatives begun earlier in the area of education and training programmes for its employees. This included specific training programmes for new staff members and the further qualification of experienced colleagues by giving them a chance to acquire new skills. Several employees received certificates within their area of specialisation.

Particular attention was also devoted to knowledge transfer amongst our own specialists. For the company, consultation across all levels and business units constitutes an important means for further improving all operational processes.

Closely linked to this, Pinguin conducted an active policy of encouraging the internal promotion of employees as much as possible, just one sign of the esteem in which they are held.

Canning division

Last year, investing in the development and enhancement of the talent of its employees was central at Noliko as well. One of the ways this was expressed was in the large number of formal and informal training courses, adding up to 5,630 and 4,972 hours, respectively. Attention was devoted to job-specific training courses on all levels within the division.

Via a leadership project the talents of both new and experienced managers were tested against seven specific competencies. The new managers then followed an external 6-day training course on these competencies. The consultation moments between the participant and his immediate superior after the first and last training day formed an important element in this course. The teacher was present in each case, which facilitates the transition between the training and the workplace. Each manager then comes into consideration for coaching on the work floor for the competencies that he chooses himself. Over the past year eleven new employees took the 6-day training course and seven the coaching sessions.



After first having communicated externally about employer branding, the focus now shifted to internal communication on this subject. The staff magazine was further developed, employees were encouraged to share their testimonials about Noliko with colleagues, and extra attention was paid to publicising job openings internally.

This new approach has led to our own employees filling open positions to a much greater extent than was the case earlier: they now fill 20% of the open positions. One out of three internal employees who applied for a position received it.

All of these initiatives are oriented towards further encouraging staff members in their professional growth: a genuine win-win situation which makes both parties – the employee and Noliko – better off. The success of the current HR approach is illustrated by the fact that of the 28 employees who last year could have retired with a bridge pension, almost 60% (16 employees) have not yet exercised this right. Unwanted staff turnover remained below 3%.

PRODUCTS

A dynamic product range

Bio

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



Vegetable mixes

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

Vegetables

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





Fruit

Greenyard Foods treats and preserves fruit with the greatest care. The best varieties are selected and harvested when the fruits are at their sweetest.



Aromatic herbs and spices

With its IQF (Individually Quickly Frozen) deep-frozen herbs and spices, Greenyard Foods offers its flavour makers for every dish. A selection from the range: parsley, garlic, shallots and basil.



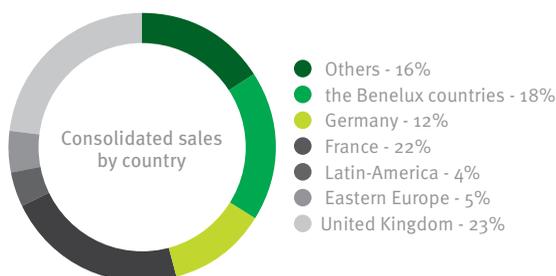
Convenience

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



MARKETS AND SALES NETWORK

Greenyard Foods' markets



Retail

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



Food service

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



Food industry

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

Sales network

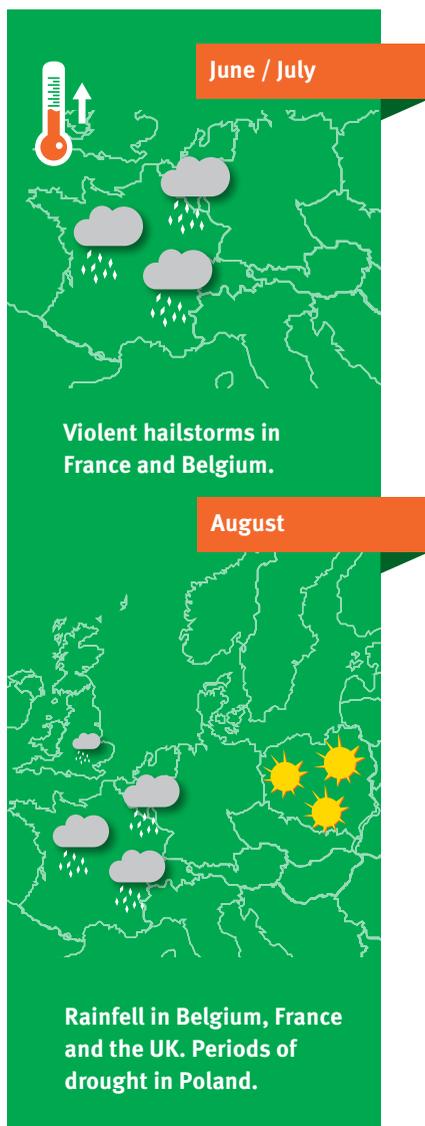
The frozen and canned divisions of Greenyard Foods each have their own sales network. Within the frozen division, sales are driven in local markets by its own international production facilities. Sales in the Brazilian market, which has grown substantially in recent years, are driven from our Brazilian sales office. The remaining export sales are primarily organised from Belgium.

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

HARVESTS

A normal year with spread precipitation

Greenyard Foods is a company that literally lives by the seasons: spring truly is the beginning of the new year, the time when the sowing is done. Fruit and vegetables are then able to grow under the best possible natural conditions in an open field, with sun, water and care. The strategic geographical distribution ensures that Greenyard Foods can deal with any poor harvests in one region by turning to the yield in another region. In this way the organisation meets the demands of its customers year after year.



2014/15 will go into the books as a normal harvest year. It began with mild weather; the farmers could sow and bed out under very favourable circumstances. The spring came early and lasted an exceptionally long time, so that the harvests until the end of September produced the desired volumes and quality.

In June and July Belgium and some parts of France were hit by violent hailstorms. Thanks to the distribution of the crops, the group could nevertheless harvest the necessary volumes. As of August the climate in Europe demonstrated sharp differences: while a great deal of rain fell in Belgium, France and the United Kingdom, Poland struggled with periods of drought.

At the places with lots of precipitation there followed a not particularly severe winter, without frost damage. This resulted in a good yield for the autumn crops. Looking at the year as a whole, the harvests were in line with expectations.

The first vegetables for the 2015 season were sowed according to the normal schedule in mid-March. The temperatures from mid-March to mid-April 2015 were below average for that time of the year, but at the start of the season this still has no effect on the growth of the plants.





TECHNOLOGY

Optical sorting

The days when workers manually removed impurities and unsuitable vegetables from the conveyor belt are long behind us. Optical sorting has become an integral part of the contemporary fruit and vegetables production process. Both the frozen division and the canning division have ultramodern sorters that offer the highest possible guarantee for food safety.

It was Marie Thumas, a well-known producer of vegetables in can, who back in the 1970's went looking for a system that could remove impurities from fresh vegetables before canning them. In 1976 a Belgian machine company put the first sorting machine onto the market.

But what constituted a revolution back then would today be incapable of meeting contemporary standards. Where the technology forty years ago could detect sharply contrasting impurities of 20 mm by 20 mm, the current machines find dimensions of scarcely 0.3 mm by 0.3 mm. Greenyard Foods' sorters are equipped with cameras that can even identify impurities invisible to the naked eye. On the one side, an infrared camera examines whether all insects have been removed; on the other, two laser cameras detect whether the product contains chlorophyll, and thus whether it is vegetal in nature (and not a piece of green plastic, for example).

The current technology enables us not only to produce ever more safely, but also to obtain better results in terms of yield. For example, the sorters detect beans that still have a little stem and 'shoot' them out. These beans return to the detoppers and then go through the sorting machine once again. In this way many vegetables are frozen that earlier would have ended up in the waste.

Meanwhile, technology isn't standing still. Engineers are continuing to work on new-generation machines that will enable us to analyse data during the production process itself and on this basis adjust the process in real time.

Colophon

Greenyard Foods Annual Report 2014/2015

Text, concept and design

Cantilis
www.cantilis.be

Printing

Drukkerij Bema-Graphics

Publisher

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Only the Dutch version of this report is the official version. The English version is a translation of the original Dutch version. The consolidated financial statements for the financial year ending as per 31 March 2015 are also available in Dutch on our website www.greenyardfoods.com.



Greenyard Foods - important combined financial figures

	Greenyard Foods	Univeg	Peat-invest	Greenyard Foods Combined 31/03/2015*	remunera-tions of share-holders	GIMV warrants	Greenyard Foods Combined 31/03/2015
Net sales, as reported	635.4	3,310.5	66.3	4,012.2			4,012.2
Net sales continued operations	635.4	3,241.3	66.3	3,943.0			3,943.0
REBITDA	62.6	76.9	8.5	148.0	2.4 ¹		150.4
Net financial debt	235.9	166.5	17.8	420.2		-25.1 ²	395.1
Capex, as reported	31.5	22.4	2.0	55.9			55.9
Capex continued operations	31.5	18.4	2.0	51.9			51.9
FTE's (circa)	2,289.0 ³	5,550.0	330.0	8,169.0			8,169.0
Leverage	3.2X	2.2X	2.1X	2.8X			2.6X

* for reporting purposes

1 – Remunerations for management and shareholders relate to Univeg and Peatinvest and will be stopped in the future

2 – Exercise by Gimv of warrants results in a capital increase of EUR 25.1 million (netto)

3 – Leverage of Greenyard Foods excludes the subordinated Gimv loan of EUR 37.1 million

Greenyard Foods - pro forma balance sheet 31/03/2015*

ASSETS (in million EUR)	FY 14/15	LIABILITIES (in million EUR)	FY 14/15
Tangible fixed assets	357.7	EQUITY	662.8
Intangible fixed assets	159.0	Provisions for pensions and other rights	21.1
Goodwill	604.6	Other provisions	13.6
Financial fixed assets	0.2	Deferred tax liabilities	39.5
Biological assets	19.9	Interest bearing liabilities	449.3
Investments in associates	5.3	Other amounts payable	5.9
Deferred tax assets	20.6	NON-CURRENT LIABILITIES	529.4
Long term receivables	27.4	Interest bearing liabilities	91.2
FIXED ASSETS	1,194.8	Other amounts payable	65.1
Inventories	302.0	Commercial debts	599.7
Receivables	335.1	Advances received	2.3
Cash and cash equivalents	143.6	Tax payable, remuneration	57.1
Biological assets	0.2	CURRENT LIABILITIES	815.4
Financial assets	20.3	TOTAL LIABILITIES	2,007.6
Assets classified as held for sale	11.6		
CURRENT ASSETS	812.8		
TOTAL ASSETS	2,007.6		

* draft balance sheet as prepared on 11 May 2015

Frozen Division

414.1

SALES (million euro)

33.6

REBITDA (million euro)

1,597

EMPLOYEES

80

SALES MARKETS

11

FACTORIES

5

COUNTRIES

5

CONTINENTS

Canning Division

221.3

SALES (million euro)

28.9

REBITDA (million euro)

692

EMPLOYEES

15

SALES MARKETS

2

FACTORIES IN BELGIUM

