

Resultaten eerste halfjaar 2017/18 (1 april 2017 – 30 september 2017)

16 november 2017

Lucas Bols rapporteert omzetstijging van 24%; EBIT-groei van 21% *Succesvolle integratie Passoã*

Highlights eerste halfjaar 2017/18

- Omzet € 48,8 miljoen, een stijging van 23,8% ten opzichte van het jaar ervoor (+0,5% autonoom), dankzij Passoã dat conform verwachting goed presteert
- Omzetstijging van de wereldwijde merken van 34,8% en een autonome groei van 1,6% in H1 2017/18, terwijl de omzet van de regionale merken met 2,2% daalde
- Goede omzetgroei in de opkomende markten (+9,8%), Noord-Amerika groeide 4,8%; West-Europa rapporteerde een omzetgroei van 50,8% dankzij Passoã, alsmede een autonome groei van 4,0%
- Omzetsdaling Azië-Pacific van 3,3% door een fasering van leveringen (*shipments*) naar Azië, waarbij de verkopen in de markt (*depletions*) groei lieten zien
- Stijging overall brutomarge met 190 basispunten naar 62,2% dankzij Passoã en groei van de brutomarge van de overige wereldwijde merken
- EBIT-resultaat is met 21,4% gestegen naar € 13,8 miljoen, als gevolg van de toevoeging van Passoã
- Nettowinst, exclusief eenmalige bate in H1 2016/17, steeg met 23,5% naar € 8,7 miljoen (gerapporteerde nettowinst +12,4%)
- Interim-dividend vastgesteld op € 0,35 per aandeel in contanten (+12,9% t.o.v. het jaar ervoor)

Huib van Doorne, CEO Lucas Bols: *“In de eerste helft van het boekjaar 2017/18 is de integratie van Passoã een van onze belangrijkste aandachtspunten geweest. We raken steeds bekender met Passoã en het merk is inmiddels volledig opgenomen in onze commerciële plannen. De integratie binnen Lucas Bols USA laat de eerste resultaten zien. De toevoeging van Passoã was de belangrijkste reden voor de sterke groei van de omzet en brutomarge van de wereldwijde merken. Ook exclusief Passoã stegen de omzet en brutomarge van de wereldwijde merken. We verwachten aanhoudende omzetgroei van onze wereldwijde merken in West-Europa, de opkomende markten en de VS. De omzet in Azië-Pacific zal naar verwachting geleidelijk weer toenemen. Het EBIT-resultaat groeide sterk na de volledige consolidatie van Passoã. We bieden een interim-dividend van € 0,35 per aandeel aan.”*

Kerncijfers

(in € miljoen tenzij anders aangegeven, voor het halfjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom ¹
Omzet	48,8	39,4	23,8%	0,5%
Brutowinst	30,4	23,8	27,7%	-0,2%
Brutomarge	62,2%	60,3%	190 bps	-40 bps
EBIT ²	13,8	11,3	21,4%	
Nettowinst	8,7	7,8	12,4%	
Vrije operationele kasstroom ³	6,7	7,8	-13,3%	
Winst per aandeel (in €)	0,70	0,62	12,4%	
Interim-dividend per aandeel (in €)	0,35	0,31	12,9%	

¹ tegen constante wisselkoersen, exclusief eenmalige posten en Passoã

² EBIT wordt gedefinieerd als bedrijfsresultaat plus aandeel in de winst van joint ventures

³ Vrije operationele kasstroom wordt gedefinieerd als netto-kasstroom uit bedrijfsactiviteiten minus kapitaalinvesteringen

Financiële gang van zaken

Omzet

De omzet van Lucas Bols over het eerste halfjaar eindigend op 30 september 2017 (H1 2017/18) bedroeg € 48,8 miljoen, een stijging van 23,8% ten opzichte van € 39,4 miljoen in dezelfde periode van het voorgaande boekjaar. Passoã heeft € 9,6 miljoen aan de omzet bijgedragen. Valuta-effecten hadden een beperkte negatieve invloed op de omzet van € 0,2 miljoen. Dit was vooral toe te schrijven aan de zwakkere Amerikaanse dollar.

Ons wereldwijde merkensegment liet een omzetverbetering van 34,8% zien, voornamelijk als gevolg van de consolidatie van Passoã. De wereldwijde merken groeiden autonoom met 1,6%. De omzet van de regionale merken daalde met 2,2% ten opzichte van het voorgaande jaar (zowel gerapporteerd als autonoom). Kijkend naar de afzonderlijke regio's behaalde West-Europa een zeer sterke groei van 50,8%. Exclusief Passoã liet West-Europa een solide groei van 4,0% zien. De opkomende markten presteerden goed met een sterke omzetgroei van 9,8% en Noord-Amerika zette de groeitrend door (+4,8%), vooral door de VS. Azië-Pacific liet een daling van 3,3% zien als gevolg van de fasering van leveringen naar Azië, maar de onderliggende verkopen in de markt groeiden.

Brutowinst

De brutowinst over de eerste helft van het boekjaar 2017/18 steeg met 27,7% naar € 30,4 miljoen ten opzichte van het jaar ervoor (H1 2016/17: € 23,8 miljoen). De gerapporteerde brutomarge bedroeg 62,2%, 190 basispunten hoger dan in de eerste helft van 2016/17 (60,3%). Deze toename is voornamelijk het gevolg van zowel de hogere brutomarge van het merk Passoã als een autonome groei van de brutomarge van de wereldwijde merken. De totale autonome brutomarge daalde licht (-40 basispunten) als gevolg van een lagere brutomarge van de portefeuille van regionale merken door een veranderde mix van leveringen.

EBIT

Het EBIT-resultaat over de eerste helft van het boekjaar 2017/18 steeg met 21,4% naar € 13,8 miljoen (H1 2016/17: € 11,3 miljoen), geheel dankzij Passoã. Er waren geen valuta-effecten op het EBIT-resultaat in de eerste helft van het boekjaar 2017/18. Lucas Bols bleef verder investeren in Advertising & Promotion (A&P) ter ondersteuning van de groei van de wereldwijde merken, de commerciële organisatie en de extra kosten in verband met Passoã. Als gevolg van de toevoeging van Passoã daalden de totale overheadkosten (als percentage van de omzet) van 16,3% naar 15,3%. Over het eerste halfjaar van 2016/17 rapporteerde Lucas Bols een eenmalige bate van € 0,7 miljoen in verband met de overname van Distilleerderij Cooymans door Avandis. Exclusief deze eenmalige bate steeg de EBIT-marge met 120 basispunten van 27,0% vorig jaar naar 28,2% in de eerste helft van het boekjaar 2017/18.

Ontwikkelingen wereldwijde merken en regionale merken

Wereldwijde merken

Onze portefeuille van wereldwijde merken omvat Bols Likeuren, Bols Genever, Bols Vodka, Damrak Gin, Passoã en de Italiaanse likeuren Galliano en Vaccari Sambuca.

(in € miljoen tenzij anders aangegeven, voor het halfjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	37,4	27,7	34,8%	1,6%
Brutowinst	24,9	17,7	40,6%	3,1%
% van de totale omzet	66,6%	63,8%	280 bps	100 bps
EBIT	16,4	11,8	38,9%	+0,8%
% van de totale omzet	44,0%	42,7%	130 bps	-50 bps

* tegen constante wisselkoersen, exclusief eenmalige posten en Passoã

De omzet van de wereldwijde merken steeg naar € 37,4 miljoen in de eerste helft van het boekjaar 2017/18, een stijging van bijna 35% ten opzichte van € 27,7 miljoen in dezelfde periode van 2016/17. Deze groei kan voornamelijk worden toegeschreven aan de toevoeging van het merk Passoã. De wereldwijde merken groeiden autonoom met 1,6%. Valuta-effecten hadden een beperkte negatieve invloed van € 0,2 miljoen op de omzet.

Het merk Passoã presteerde goed, conform verwachting. Passoã levert aanhoudend sterke prestaties in het Verenigd Koninkrijk en heeft in Amerika listings verkregen in vijf additionele staten. In het segment White spirits zetten Bols Genever en Damrak Gin de positieve groeitrend voort. De Bols Likeurenrange liet lage enkelcijferige groei zien. Na een sterk herstel in 2016/17 presteerden de Italiaanse likeuren in lijn met vorig jaar.

De omzet van de wereldwijde merken in West-Europa steeg substantieel, vooral als gevolg van de toevoeging van Passoã. De bijdrage van Passoã was het meest opvallend in de Franse markt, die inmiddels is uitgegroeid tot een van de grootste markten van Lucas Bols in West-Europa. Ook exclusief Passoã liet West-Europa een goede groei zien. Dit kan worden toegeschreven aan een herstel in België na de aanzienlijke accijnsverhoging in november 2015, alsmede een sterk halfjaar in Nederland, Duitsland en het Verenigd Koninkrijk.

In Azië-Pacific werd een lichte omzetsdaling gerapporteerd na het herstel van het afgelopen boekjaar. De bijdrage van Passoã in deze regio werd tenietgedaan door een lagere omzet uit Japan en China door de fasering van leveringen tussen de eerste helft en de tweede helft van het boekjaar 2017/18. De verkopen in de markt in de regio Azië en in Australië/Nieuw-Zeeland laten groei zien.

In Noord-Amerika bleef de Amerikaanse markt op het ingezette groeipad, al werd deze groei ietwat gehinderd door de invloed van het orkaanseizoen. Bols Likeuren bleef marktaandeel winnen op de Amerikaanse markt, vooral door de geleidelijke uitbreiding op de retailmarkt. In Canada daalde de omzet door zware prijsconcurrentie met betrekking tot Bols Vodka.

In de opkomende markten bleef Oost-Europa (voornamelijk Rusland en Poland) sterk groeien. De nieuwe markten in deze regio, waaronder de Kaukasus, lieten ook goede groei zien. In Centraal-Amerika daalde de omzet na een doelbewuste vermindering van het aantal leveringen aan sommige klanten, net als vorig jaar, alsmede door de negatieve invloed van orkanen in het Caribisch gebied.

De brutowinst van de wereldwijde merken groeide met 40,6% aanzienlijk naar € 24,9 miljoen in het eerste halfjaar van 2017/18 (H1 2016/17: € 17,7 miljoen). De brutomarge steeg met 280 basispunten, met name als gevolg van Passoã. De brutomarge steeg ook autonoom, met 100 basispunten door gunstige veranderingen in de regionale mix en prijsverhogingen in verschillende Amerikaanse staten. Het EBIT-resultaat nam toe met 38,9%, van € 11,8 miljoen tot € 16,4 miljoen in de eerste helft van het boekjaar 2017/18, waardoor de EBIT-marge op 44,0% uitkwam (H1 2016/17: 42,7%).

Regionale merken

Onze portefeuille van regionale merken omvat de portefeuille Hollandse Jeneveren Vieux – die een leidende positie hebben op de Nederlandse markt – en de merken Pisang Ambon en Coebergh, naast een breder assortiment producten die in één werelddeel of één specifiek land worden verkocht, zoals het merk Henkes in Afrika of Regnier Crème de Cassis in Japan.

(in € miljoen tenzij anders aangegeven, voor het halfjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	11,5	11,7	-2,2%	-2,2%
Brutowinst	5,5	6,1	-9,8%	-9,7%
% van de totale omzet	48,0%	52,1%	-410 bps	-410 bps
EBIT	4,8	5,9	-18,8%	-11,4%
% van de totale omzet	42,0%	50,6%	-860 bps	-430 bps

* tegen constante wisselkoersen, exclusief eenmalige posten en Passoã

De omzet van de regionale merken bedroeg € 11,5 miljoen over de eerste helft van het boekjaar 2017/18, een daling van € 0,2 miljoen ten opzichte van € 11,7 miljoen over het eerste halfjaar van 2016/17. Deze daling was voornamelijk het gevolg van de fasering van leveringen in Japan. De retailmarkten in België herstelden zich van het effect van de accijnsverhogingen in deze markt. De daling op de Nederlandse markt zwakt af en we hebben ons sterke marktaandeel in dit segment weten te behouden. In West-Afrika hield de positieve trend in de omzetgroei aan. Valuta-effecten hadden nagenoeg geen invloed op de omzet.

De brutomarge daalde autonoom met 410 basispunten, vooral door significant lagere verkopen van concentraten in zuidelijk Afrika als gevolg van lokale regelgeving. Het EBIT-resultaat van de regionale merken was autonoom, exclusief de eenmalige bate in de eerste helft van 2016/17, 11,4% lager. Deze daling is volledig toe te schrijven aan de lagere brutomarge.

Financieringskosten

De financieringskosten stegen naar € 1,8 miljoen (H1 2016/17: € 1,3 miljoen) als gevolg van de Passoã-transactie.

Belasting

De effectieve belastingdruk bedroeg circa 27% in de eerste helft van het boekjaar 2017/18, iets hoger dan het nominale belastingpercentage in Nederland, omdat de winst van Passoã in Frankrijk tegen een hoger belastingpercentage wordt belast. De positieve invloed van het R&D-belastingvoordeel was 1%. In de eerste helft van 2016/17 was de gerapporteerde effectieve belastingdruk 23%, terwijl de effectieve belastingdruk exclusief de impact van de eenmalige bate in de eerste helft van het boekjaar 2016/17 25% was.

Winst over de verslagperiode

De nettowinst is in de eerste helft van het boekjaar met 12,4% gestegen ten opzichte van dezelfde periode van het voorgaande boekjaar en bedroeg € 8,7 miljoen (H1 2016/17: € 7,8 miljoen). Exclusief de eenmalige bate die in de eerste helft van 2016/17 werd gerealiseerd, steeg de nettowinst over deze periode met 23,5% ten opzichte van vorig jaar. De nettowinst per aandeel bedroeg € 0,70 over de eerste helft van het boekjaar 2017/18 (H1 2016/17: € 0,62).

Kasstroom

De vrije operationele kasstroom bedroeg € 6,7 miljoen in de eerste helft van het boekjaar 2017/18 (H1 2016/17: € 7,8 miljoen), vooral als gevolg van hoger werkkapitaal en belastingbetalingen voortvloeiende uit de integratie van Passoã. De uitkering aan aandeelhouders van een slotdividend van € 3,2 miljoen is opgenomen in de kasstroom uit financieringsactiviteiten in de eerste helft van het boekjaar 2017/18 (H1 2016/17: € 2,9 miljoen).

Financiële positie

Eigen vermogen

Het eigen vermogen steeg met € 6,1 miljoen naar € 176,1 miljoen, voornamelijk als gevolg van de gerapporteerde nettowinst van € 8,7 miljoen en de uitkering van het slotdividend van € 3,2 miljoen.

Nettoschuld

De nettoschuld, in overeenstemming met de financieringsovereenkomsten (exclusief de invloed van Passoã), daalde licht naar € 50,2 miljoen per 30 september 2017 (31 maart 2017: € 50,7 miljoen). De verhouding nettoschuld/EBITDA bedroeg 2,9 per 30 september 2017 (2,8 per 31 maart 2017). Als onderdeel van de Passoã-transactie heeft de onderneming een veronderstelde schuld van € 67,6 miljoen opgenomen met betrekking tot de uitoefening van de call-/putoptie.

Dividend

In lijn met het dividendbeleid om ten minste 50% van de nettowinst als dividend uit te keren, is het interim-dividend voor 2017/18 vastgesteld op € 0,35 per aandeel in contanten (interim-dividend 2016/17: € 0,31), hetgeen een uitkeringspercentage van 50% van de nettowinst vertegenwoordigt. Het dividend wordt 28 november 2017 betaalbaar gesteld.

Outlook

De onderliggende marktdynamiek binnen de wereldwijde cocktailmarkt blijft gezond. Vooruitkijkend verwachten we aanhoudende omzetgroei van de wereldwijde merken in West-Europa, de opkomende markten en de VS. De omzet in Azië-Pacific zal naar verwachting geleidelijk weer toenemen in de tweede helft van 2017/18. De nasleep van het orkaanseizoen in het Caribisch gebied zal naar verwachting een impact hebben van 1% op de omzetgroei van de wereldwijde merken voor het volledige jaar.

Binnen de regionale merken verwachten we dat de huidige trends in omzet en marges zullen doorzetten in de tweede helft van 2017/18. Voor de middellange termijn handhaven we onze verwachting voor stabilisatie van de regionale merken op EBIT-niveau.

Als gevolg van ons hedging-beleid zal het valuta-effect op EBIT-niveau voor het gehele boekjaar 2017/18 naar verwachting beperkt zijn.

De onderneming zal ook in de tweede helft van het jaar profiteren van de consolidatie van de Passoã resultaten voor de volledige 12 maanden van het boekjaar 2017/18.

Voor meer informatie:

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Over Lucas Bols

Lucas Bols is het oudste gedistilleerd merk ter wereld en een van Nederlands oudste nog actieve bedrijven. In de afgelopen meer dan 440 jaar is Lucas Bols meester geworden in de kunst van het distilleren, mixen en blenden van likeuren, jenever, gin en vodka. Het portfolio van Lucas Bols bestaat uit meer dan 20 premium en superpremium merken die gebruikt worden als basis voor cocktails in cocktailbars over de hele wereld. De producten van Lucas Bols worden verkocht in meer dan 110 landen wereldwijd. Sinds 4 februari 2015 is Lucas Bols genoteerd aan Euronext Amsterdam (BOLS).

Lucas Bols is wereldwijd (met uitzondering van de VS) de nummer één likeuren range en de grootste speler ter wereld in het jeneversegment. Veel van haar producten hebben leidende posities in de verschillende markten. Daarnaast is Lucas Bols een leidende speler in de bartending community. Via de House of Bols Cocktail & Genever Experience en de grootste bartendersopleiding van Europa, de Bols Bartending Academy, biedt Lucas Bols inspiratie en training voor zowel bartenders als consumenten.

Financiële kalender

7 juni 2018	Publicatie jaarcijfers 2017/18
6 september 2018	Algemene Vergadering van Aandeelhouders

Interim-dividend

21 november 2017	Notering ex dividend
22 november 2017	Registratie datum
28 november 2017	Betaalbaarstelling interim-dividend

Bijlagen

1. Segmentinformatie
2. Informatie wereldwijde en regionale merken
3. Interim condensed consolidated report H1 2017/18 (Engels)

Informatie wereldwijde en regionale merken

Wereldwijde merken

(in € miljoen tenzij anders aangegeven, voor het boekjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	37,4	27,7	34,8%	1,6%
Brutowinst	24,9	17,7	40,6%	3,1%
% van de omzet	66,6%	63,8%	280bps	100bps
D&A uitgaven	-8,5	-6,2	37,9%	7,4%
% van de omzet	22,7%	22,2%	50 bps	130 bps
EBIT	16,4	11,8	38,9%	0,8%
% van de omzet	44,0%	42,7%	130bps	-50bps

Regionale merken

(in € miljoen tenzij anders aangegeven, voor het boekjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	11,5	11,7	-2,2%	-2,2%
Brutowinst	5,5	6,1	-9,8%	-9,7%
% van de omzet	48,0%	52,1%	-410 bps	-410 bps
D&A uitgaven	-0,9	-0,9	-2,4%	-2,2%
% van de omzet	7,4%	7,5%	-10 bps	0 bps
EBIT	4,8	5,9	-18,8%	-11,4%
% van de omzet	42,0%	50,6%	-860 bps	-430 bps

Totaal

(in € miljoen tenzij anders aangegeven, voor het boekjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	48,8	39,4	23,8%	0,5%
Brutowinst	30,4	23,8	27,7%	-0,2%
% van de omzet	62,2%	60,3%	190 bps	-40 bps
D&A uitgaven (gealloceerd)	-9,3	-7,0	32,8%	6,2%
% van de omzet	19,1%	17,8%	130 bps	100 bps
D&A uitgaven (niet gealloceerd)	-7,5	-6,4	16,5%	
% van de omzet	15,3%	16,3%	-100 bps	
EBIT	13,8	11,3	21,4%	
% van de omzet	28,2%	28,8%	-60 bps	

* tegen constante wisselkoersen, exclusief eenmalige posten en Passoã

Segment information

West-Europa

(in € miljoen tenzij anders aangegeven, voor het boekjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	26,0	17,3	50,8%	4,0%
% van de geconsolideerde omzet	53,3%	43,8%		
Brutowinst	15,5	9,1	69,2%	6,8%
% van de geconsolideerde brutowinst	50,9%	38,4%		
Brutomarge (brutowinst als % van de omzet)	59,4%	53,0%	650 bps	140 bps

Azië-Pacific

(in € miljoen tenzij anders aangegeven, voor het boekjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	8,3	8,6	-3,3%	-14,4%
% van de geconsolideerde omzet	17,0%	21,8%		
Brutowinst	6,1	6,3	-3,2%	-15,6%
% van de geconsolideerde brutowinst	20,2%	26,7%		
Brutomarge (brutowinst als % van de omzet)	73,8%	73,8%	0 bps	-100 bps

Noord-Amerika

(in € miljoen tenzij anders aangegeven, voor het boekjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	8,7	8,3	4,8%	4,6%
% van de geconsolideerde omzet	17,8%	21,1%		
Brutowinst	5,1	4,7	8,2%	7,6%
% van de geconsolideerde brutowinst	16,8%	19,9%		
Brutomarge (brutowinst als % van de omzet)	58,7%	56,9%	180 bps	160 bps

Opkomende markten

(in € miljoen tenzij anders aangegeven, voor het boekjaar eindigend op)	30 september 2017	30 september 2016	% mutatie gerapporteerd	% mutatie autonoom*
Omzet	5,8	5,3	9,8%	6,8%
% van de geconsolideerde omzet	11,8%	13,4%		
Brutowinst	3,7	3,6	2,0%	-1,2%
% van de geconsolideerde brutowinst	12,0%	15,1%		
Brutomarge (brutowinst als % van de omzet)	63,2%	68,0%	-480 bps	-510 bps

* tegen constante wisselkoersen, exclusief eenmalige posten en Passoã



**Interim condensed consolidated financial information
for the six months period ended 30 September 2017**

Interim condensed consolidated statement of profit or loss

for the six months period ended 30 September 2017 and 2016

Amounts in EUR '000 for the six months period ended 30 September	Note	2017	2016
Revenue	4	48.825	39.431
Cost of sales		(18.451)	(15.639)
Gross profit		30.374	23.792
Distribution and administrative expenses	6	(16.814)	(13.446)
Operating profit		13.560	10.346
Share of profit of joint ventures, net of tax	7	213	996
Finance income		9	8
Finance costs		(1.770)	(1.266)
Net finance costs	8	(1.761)	(1.258)
Profit before tax		12.012	10.084
Income tax expense	10	(3.275)	(2.308)
Profit/(loss)		8.737	7.776
Result attributable to the owners of the Company		8.737	7.776
Weighted average number of shares	9	12.477.298	12.477.298
Earnings per share			
Basic earnings per share (EUR)		0,70	0,62
Diluted earnings per share (EUR)		0,70	0,62

The notes on page 9 to 22 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of other comprehensive income

for the six months period ended 30 September 2017 and 2016

Amounts in EUR '000 for the six months period ended 30 September	Note	2017	2016
Result for the period		8.737	7.776
<u>Items that will never be reclassified to profit or loss</u>			
Remeasurement of defined benefit liability		88	(73)
<u>Items that are or may be reclassified to profit or loss</u>			
Foreign operations - foreign currency translation differences		(75)	13
Equity-accounted investees - share of other comprehensive income		(136)	10
Net change in hedging reserve		877	(598)
Related tax		(219)	149
		446	(425)
Other comprehensive income for the period, net of tax		534	(498)
Total comprehensive income for the period, net of tax		9.271	7.278
Total comprehensive income attributable to the owners of the Company		<u>9.271</u>	<u>7.278</u>

The notes on page 9 to 22 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of changes in equity

for the six months period ended 30 September 2017 and 2016

Amounts in EUR '000	Note	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Other legal reserves	Retained earnings	Result for the period	Total equity
Balance as at 1 April 2017		1,248	130,070	-	40	(650)	1,650	24,468	14,009	170,835
Transfer result prior period		-	-	-	-	-	-	14,009	(14,009)	-
Total comprehensive income										
Profit (loss) for the period		-	-	-	-	-	-	-	8,737	8,737
Other comprehensive income		-	-	-	(212)	658	-	88	-	534
Total comprehensive income		-	-	-	(212)	658	-	88	8,737	9,271
Dividend paid		-	-	-	-	-	-	(3,244)	-	(3,244)
Purchase own shares (ESPP)		-	-	1	-	-	-	-	-	1
Own shares delivered (ESPP)		-	-	(1)	-	-	-	-	-	(1)
Transfer to legal reserves and retained earnings		-	-	-	-	-	2,681	121	(2,801)	-
Balance as at 30 September 2017		<u>1,248</u>	<u>130,070</u>	<u>0</u>	<u>(172)</u>	<u>8</u>	<u>4,331</u>	<u>35,443</u>	<u>5,935</u>	<u>176,863</u>

Note: Transfer to legal reserves and retained earnings comprises the transfer of undistributed profits from the jointly owned entity to Other legal reserves and the transfer of distributed profits from joint ventures to Retained earnings

Amounts in EUR '000	Note	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Other legal reserves	Retained earnings	Result for the period	Total equity
Balance as at 1 April 2016		1,248	130,070	-	(68)	(1,114)	377	19,578	11,714	161,805
Transfer result prior period		-	-	-	-	-	-	11,714	(11,714)	-
Total comprehensive income										
Profit (loss) for the period		-	-	-	-	-	-	-	7,776	7,776
Other comprehensive income		-	-	-	23	(448)	-	(73)	-	(498)
Total comprehensive income		-	-	-	23	(448)	-	(73)	7,776	7,278
Dividend paid		-	-	-	-	-	-	(2,870)	-	(2,870)
Purchase own shares (ESPP)		-	-	13	-	-	-	-	-	13
Own shares delivered (ESPP)		-	-	(13)	-	-	-	-	-	(13)
Transfer to legal reserves		-	-	-	-	-	131	(131)	-	-
Balance as at 30 September 2016		<u>1,248</u>	<u>130,070</u>	<u>0</u>	<u>(45)</u>	<u>(1,562)</u>	<u>508</u>	<u>28,219</u>	<u>7,776</u>	<u>166,213</u>

The notes on page 9 to 22 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of financial position

as at 30 September 2017 and 31 March 2017

Amounts in EUR '000 as at	Note	30 September 2017	31 March 2017
Assets			
Property, plant and equipment	11	1.935	1.912
Intangible assets	12	306.495	306.495
Investments in joint ventures	7	7.371	7.840
Other investments		599	599
Non-current assets		316.400	316.846
Inventories		6.879	7.951
Trade and other receivables		23.090	21.065
Other investments, including derivatives		718	316
Cash and cash equivalents		9.043	8.359
Current assets		39.729	37.691
Total assets		<u>356.130</u>	<u>354.537</u>

The notes on page 9 to 22 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of financial position (continued)

Amounts in EUR '000 as at	Note	30 September 2017	31 March 2017
Equity			
Share capital		1.248	1.248
Share premium		130.070	130.070
Treasury shares		-	-
Translation Reserve		(172)	40
Hedging Reserve		8	(650)
Other legal reserves		4.331	1.650
Retained earnings		35.443	24.468
Result for the period		5.935	14.009
Total equity		176.863	170.835
Liabilities			
Loans and borrowings	13	45.295	48.704
Other non-current financial liabilities		68.050	67.605
Employee benefits		232	216
Deferred tax liabilities		48.415	46.456
Total non-current liabilities		161.993	162.981
Loans and borrowings	13	5.412	4.000
Trade and other payables		10.644	15.784
Tax payables		934	565
Derivative financial instruments		285	371
Total current liabilities		17.274	20.720
Total liabilities		179.267	183.702
Total equity and liabilities		356.130	354.537

The notes on page 9 to 22 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of cash flows

for the six months period ended 30 September 2017 and 2016

Amounts in EUR '000 for the six months period ended 30 September	Note	2017	2016
Cash flows from operating activities			
Result for the period		8.737	7.776
Adjustments for:			
• Depreciation		220	258
• Net finance costs	8	1.761	1.258
• Share of profit joint ventures		(213)	(996)
• Income tax expense		3.275	2.308
• Provision for employee benefits		37	43
		13.817	10.647
Change in:			
• Inventories		1.073	884
• Trade and other receivables		(2.161)	(4.031)
• Trade and other payables		(5.150)	250
Net changes in working capital	14	(6.238)	(2.896)
Dividends from joint ventures		550	300
Interest received		9	9
Income tax paid		(1.151)	(72)
Income tax received		-	-
Net cash from operating activities		6.987	7.987

The notes on page 9 to 22 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of cash flows (continued)

Amounts in EUR '000 for the six months period ended 30 September	Note	2017	2016
Cash flows from investing activities			
Acquisition of/additions to joint ventures	7	-	(914)
Acquisition of property, plant and equipment	11	(244)	(209)
Acquisition of intangible assets		-	(1.250)
Loans issued and other investments	7	-	(248)
Repayment on loans issued		281	-
Net cash from (used in) investing activities		37	(2.620)
Cash flows from financing activities			
Repayment of borrowings		(3.516)	(2.415)
Cash dividends paid to shareholders		(3.244)	(2.870)
Interest paid		(914)	(1.078)
Net cash from (used in) financing activities		(7.674)	(6.362)
Net increase (decrease) in cash and cash equivalents		(650)	(995)
Cash and cash equivalents at 1 April		8.359	3.341
Effect of exchange rate fluctuations		(78)	(155)
Net cash and cash equivalents at 30 September		<u>7.631</u>	<u>2.191</u>
Cash and cash equivalents (asset)		9.043	2.306
Less: bank overdrafts included in current loans and borrowings		(1.412)	(115)
Net cash and cash equivalents at 30 September		<u>7.631</u>	<u>2.191</u>

The notes on page 9 to 22 are an integral part of this interim condensed consolidated financial information

Notes to the interim condensed consolidated financial statements for the six months period ended 30 September 2017 and 2016

1. Reporting entity

Lucas Bols N.V. (the 'Company') is domiciled in the Netherlands. The address of the Company's registered office is Paulus Potterstraat 14, Amsterdam. The interim condensed consolidated financial statements of the Company as at and for the six months ended 30 September 2017 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in jointly controlled entities.

Lucas Bols N.V. is primarily involved in managing the product development, bottling, distribution, sales and marketing of the brands Bols, Galliano, Vaccari, Pisang Ambon, Bokma, Hartevelt, Coebergh, Passoã and a large group of Dutch jenevers and liqueurs.

2. Basis of preparation

(a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed by the EU. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 March 2017.

The interim condensed consolidated financial statements were authorised for issue by the Management Board and Supervisory Board on 15 November 2017.

(b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on each reporting date on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value;
- interests in the joint venture are accounted for using the equity method;
- the net defined benefit liability is recognised as the present value of the defined benefit obligation, less the fair value of plan assets.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. IAS 39 Financial Instruments is applied by the Group. Fair values have been determined for measurement and/or disclosure purposes based on the valuation techniques as outlined below.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 12 – financial instruments.

(c) Functional and presentation currency

The interim condensed consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand, except when otherwise indicated.

(d) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2017.

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2017, except for the adoption of new standards and interpretations effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued, but is not yet effective.

The following standards and amendments became effective as of 1 January 2017:

- Amendments to IAS 7 Statement of Cash Flows: Disclosure initiative
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognized Losses
- Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 from Annual Improvements Cycle 2014-2016

Not all of these standards and amendments impact the Group's interim condensed consolidated financial statements. Although these new standards and amendments apply for the first time in 2017, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of the new standard or amendment applicable to the Group are described below:

Amendments to IAS 7 Statement of Cash Flows: Disclosure initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its condensed interim consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 March 2018.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Annual Improvements Cycle - 2014-2016: Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. The Group has adopted the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no interests in other entities that are in the scope of the amendments.

New standards, amendments to standards and interpretations effective for annual periods beginning after 1 January 2018

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have consequently not been applied in preparing these interim condensed consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to early adopt these standards:

IFRS 9 Financial instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The new standard contains revised rules for the classification and measurement of financial assets and liabilities, impairments of financial assets, and hedge accounting. IFRS 9 defines three instead of four measurement categories for capitalized financial instruments, with classification to be based partly on the company's business model and partly on the characteristics of the contractual cash flows from the respective financial asset.

The new impairment model is based on the principle of accounting for an expected loss from the date of first-time recognition of a financial asset, before a loss event occurs.

IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model aims to provide a better link between an entity's risk management strategy, the rationale for hedging and the impact of hedging on the financial statements. The Company will use the exemption in IFRS 9 to use IAS 39 for hedge accounting.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted (endorsed by the European Union in November 2016).

Based on the assessment performed, the Group does not expect this new standard to have a significant impact on our consolidated financial statements.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

The new standard provides a single, principles-based five-step model to be applied to all contracts with customers. Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. It also provides more guidance on the measurement of revenue contracts which have discounts, rebates, payments to suppliers and consignment stock. Furthermore, it provides new guidance on whether revenue should be recognized at a point in time or over time.

The Group has completed an initial assessment of the potential impact of the adoption of IFRS 15 on its consolidated financial statements. IFRS 15 is expected to primarily trigger the re-classification of certain advertising and promotional expenses as reduction of revenue. Overall, we currently do not expect any effects on the presentation of the Group’s financial position or results of operations as a whole, or on earnings per share.

The Group plans to adopt IFRS 15 in its consolidated financial statements for the year ending 31 March 2019 and intends to apply the full retrospective transition approach.

IFRS 16 Leases

IFRS 16 replaces existing guidance on lessee accounting for leases. It requires lessees to bring most leases on balance sheet in a single lease accounting model, recognizing a right of use asset and a lease liability.

The Company is in the process of assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16. So far, the most significant impact identified is that the Company will recognize assets and liabilities for its operating leases of real estate. In this respect, the Company identified EUR 2,0 million of off-balance operating lease obligations (undiscounted) per September 30, 2017. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of use assets and interest expense on lease liabilities.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted (not yet endorsed by the European Union).

4. Operating segments

The Group sells products which can be divided in two reportable segments. This segmentation is also the structure in which the brands are managed within the Group, as they require different marketing and sales strategies. Within the Group separate financial information is available internally and used by the main operational decision-makers for resource allocation.

Brand information

The Group identifies global and regional brands:

(I) Global brands

The global brands represent the Group's brands which in general are sold on more than one continent, on which the Group achieves a relatively high margin and which have an on-premise character. The main global brands consist of the Bols Liqueur range, Italian Liqueurs (Galliano and Vaccari), the white spirits portfolio (Bols Vodka, Bols Genever and Damrak Gin) and Passoã.

(II) Regional brands

The regional brands represent the Group's brands which in general are sold on one continent and predominantly have an off-premise character.

The main regional brands are the Group's jenever/vieux portfolio, Pisang Ambon, Coebergh, the Strike brands, Regnier and La Fleurette.

The Group's management reviews internal management reports of each segment. Information regarding the results of each reportable segment is set out on the next page.

Allocation to the brand segments takes place on specific brand contribution level. Items managed on a group basis (i.e. overheads, finance and tax items) are not allocated to the segments. Only direct brand allocated assets and liabilities are allocated to the brand segments, all other assets and liabilities are managed on a group basis and not allocated to the segments.

Brand Information (continued)

	Global brands		Regional brands		Unallocated		Total	
Amounts in EUR '000 for the six months period ended 30 September	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	37.355	27.697	11.470	11.735	-	-	48.825	39.431
Cost of goods sold	(12.488)	(10.013)	(5.963)	(5.626)	-	-	(18.451)	(15.639)
Gross profit	24.867	17.684	5.507	6.109	-	-	30.374	23.792
A&P and distribution expenses	(8.481)	(6.152)	(854)	(876)	-	-	(9.335)	(7.027)
Personnel and other expenses	-	-	-	-	(7.479)	(6.419)	(7.479)	(6.419)
Total result from operating activities	16.386	11.532	4.653	5.233	(7.479)	(6.419)	13.560	10.346
Share of profits of joint ventures and associates	52	296	161	700	-	-	213	996
EBIT¹	16.438	11.827	4.814	5.933	(7.479)	(6.419)	13.773	11.342
Amounts in EUR '000 as at	30 September 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Intangible assets	214.333	124.031	92.162	92.162	-	-	306.495	216.193
Inventories	6.036	5.134	843	1.007	-	-	6.879	6.140
Other assets	-	-	-	-	42.756	31.150	42.756	31.150
Total segment assets	220.370	129.165	93.005	93.169	42.756	31.150	356.130	253.484
Total segment liabilities	-	-	-	-	(179.267)	(87.270)	(179.267)	(87.270)

¹ EBIT is defined as operating profit plus share of profit of joint ventures

Geographical information

From a geographical perspective, management has identified the following regions on which they manage their business:

Amounts in EUR '000 for the six months period ended 30 September	Revenue by region of destination		Gross profit	
	2017	2016	2017	2016
Western Europe ^{*)}	26.025	17.262	15.471	9.143
Asia Pacific ^{**)}	8.316	8.599	6.141	6.343
North America ^{***)}	8.701	8.303	5.109	4.724
Emerging markets	5.783	5.267	3.653	3.582
Consolidated totals	48.825	39.431	30.374	23.792

^{*)} of which revenue attributed to The Netherlands: 9,027 (H1 2017/18) and 8,301 (H1 2016/17)

^{**) of which revenue attributed to distributor in Japan: 4,514 (H1 2017/18) and 4,192 (H1 2016/17)}

^{***) of which revenue attributed to the USA: 7,570 (H1 2017/18) and 6,829 (H1 2016/17)}

5. Seasonality of operations

The Group's business is to a certain extent affected by seasonality. In full year 2016/17 the Group made 52% of its revenue in the first half year (April - September 2016) as distributors built up their stocks in anticipation of the year-end period. In 2017/2018 there are no major changes in the supply patterns, thus no impact on this year's revenue seasonality.

On the expense side the seasonality is reflected in higher advertising and promotional costs in the second half of the year, which traditionally results in a lower share of operating profit in the second half year.

6. Distribution and administrative expenses

Amounts in EUR '000 for the six months period ended 30 September	2017	2016
Advertising and promotional expenses	(7.011)	(5.389)
Distribution expenses	(2.324)	(1.638)
Personnel expenses	(5.393)	(4.576)
Other administrative expenses	(1.867)	(1.585)
Depreciation and amortisation	(220)	(258)
	(16.814)	(13.446)

7. Joint ventures

The movement in investments in joint ventures is related to actuarial result through OCI, dividend received, as well as the half year result of Maxxium Nederland BV.

8. Net finance costs

Finance costs increased as a result of the accrued interest related to the Passoã call/put option.

Amounts in EUR '000 for the six months period ended 30 September	2017	2016
Interest income	9	8
Finance income	9	8
Interest expenses on loans and borrowings	(867)	(1.027)
Interest expense on liability related to the Passoã call/put option	(569)	0
Other finance costs	(334)	(239)
Finance costs	(1.770)	(1.266)
Net finance costs recognised in profit or loss	(1.761)	(1.258)

9. Earnings per share

Total weighted average number of shares has not changed compared to the number in the consolidated financial statements as at and for the year ended 31 March 2017.

10. Tax expense

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 September 2017 was 27.3% (six months ended 30 September 2016: 22.9%). The percentage of the effective tax rate for the six months ended 30 September 2017 versus the official tax rate in the Netherlands of 25% was caused predominantly by the effect of Passoa profits against a higher tax rate (see table).

Reconciliation of effective tax rate

For the six months period ended 30 September	2017		2016	
	%	EUR 1,000	%	EUR 1,000
Profit before tax		12.012		10.084
Tax using the Company's domestic tax rate	25,0	(3.003)	25,0	(2.521)
Effect of tax rates in foreign jurisdictions	3,6	(434)	0,4	(36)
Non-deductible expenses	0,1	(9)	0,0	0
Effect of share of profits of equity-accounted investees	(0,4)	53	(2,5)	249
R&D tax incentive	(1,0)	118	0,0	0
	27,3	(3.275)	22,9	(2.308)

Deferred tax liabilities

The deferred tax liabilities (EUR 48,410 thousand) as at 30 September 2017 is a netted amount (EUR 46,456 thousand as at 31 March 2017). It is the net balance of deferred tax assets of EUR 6,422 thousand (EUR 8,031 thousand as at 31 March 2017) and deferred tax liabilities of EUR 54,833 thousand (EUR 54,486 thousand as at 31 March 2017).

11. Property, plant and equipment

During the six months ended 30 September 2017, the Group acquired assets with a cost of EUR 244 thousand (the six months ended 30 September 2016: EUR 209 thousand).

12. Intangible assets

Each year the Company carries out a formal impairment test at the end of its financial year. For the six month period ended 30 September 2017 no impairment test has been performed as the operations during the six month period ended 30 September 2017 are in line with assumptions as used in last year's impairment test which is performed at 31 March 2017. Management has not identified any indicators at 30 September 2017, nor at 30 September 2016 for carrying out an additional impairment test as no triggering event was in place.

13. Loans and borrowings

In addition to the share capital raised the Group has drawn EUR 14,0 million term loans and EUR 35,9 million revolving credit facilities under the existing bank facilities. For bank covenants, the leverage ratio is 2.9 and the requirement is 3. There is a slight increase in overdraft due to seasonality compared with 31 March 2017.

14. Net working capital

The increase in working capital for the six-month period ended 30 September 2017 and 2016 is caused by seasonality.

15. Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

30 September 2017 Amounts in EUR '000	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Interest rate swaps used for hedging	-	-	-	-	-	-	-	-
Forward exchange contracts used for hedging	718	-	-	718	-	718	-	718
	718	-	-	718	-	718	-	718
Financial assets not measured at fair value								
Loan to joint venture Avandis CV	-	599	-	599	-	599	-	599
Trade and other receivables	-	23.090	-	23.090	-	23.090	-	23.090
Cash and cash equivalents	-	9.043	-	9.043	-	9.043	-	9.043
	-	32.731	-	32.731	-	32.731	-	32.731
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(705)	-	-	(705)	-	(705)	-	(705)
Forward exchange contracts used for hedging	(2)	-	-	(2)	-	(2)	-	(2)
	(708)	-	-	(708)	-	(708)	-	(708)
Financial liabilities not measured at fair value								
Secured bank loans	-	-	(49.295)	(49.295)	-	(49.295)	-	(49.295)
Assumed liability Passoa call/put option	-	-	(67.583)	(67.583)	-	(67.583)	-	(67.583)
Other long term loan	-	-	(44)	(44)	-	(44)	-	(44)
Bank overdrafts	-	-	(1.412)	(1.412)	-	(1.412)	-	(1.412)
Trade and other payables	-	-	(10.644)	(10.644)	-	(10.644)	-	(10.644)
	-	-	(128.977)	(128.977)	-	(128.977)	-	(128.977)

30 September 2016 Amounts in EUR `000	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Interest rate swaps used for hedging	-	-	-	-	-	-	-	-
Forward exchange contracts used for hedging	46	-	-	46	-	46	-	46
	46	-	-	46	-	46	-	46
Financial assets not measured at fair value								
Loan to joint venture Avandis CV	-	599	-	599	-	599	-	599
Other long term loan	-	172	-	172	-	172	-	172
Trade and other receivables	-	19.269	-	19.269	-	19.269	-	19.269
Cash and cash equivalents	-	2.306	-	2.306	-	2.306	-	2.306
	-	22.346	-	22.346	-	21.575	-	21.575
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(1.420)	-	-	(1.420)	-	(1.420)	-	(1.420)
Forward exchange contracts used for hedging	(708)	-	-	(708)	-	(708)	-	(708)
	(2.128)	-	-	(2.128)	-	(2.128)	-	(2.128)
Financial liabilities not measured at fair value								
Secured bank loans	-	-	(51.421)	(51.421)	-	(51.421)	-	(51.421)
Other long term loan	-	-	(75)	(75)	-	(75)	-	(75)
Bank overdrafts	-	-	(115)	(115)	-	(115)	-	(115)
Trade and other payables	-	-	(8.983)	(8.983)	-	(8.983)	-	(8.983)
	-	-	(60.594)	(60.594)	-	(60.594)	-	(60.594)

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values at 30 September 2017 and 30 September 2016, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts and interest rate swaps	<i>Market comparison technique:</i> The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments	Not applicable	Not applicable

Financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs
Financial assets	Discounted cash flows	Not applicable
Financial liabilities	Discounted cash flows	Not applicable

Financial assets include trade and other receivables and cash and cash equivalents. Other financial liabilities include bank loans, other short term financial liabilities, trade and other payables. The book value of the secured bank loans are considered to be the best approximation of the fair value. For all other financial instruments, the fair value is considered to be consistent with the book value.

16. Employee Share Purchase Plan (ESPP)

In 2015 the Group set up an employee share purchase plan. Under this plan, employees are offered the opportunity to buy depositary receipts for shares (investment shares) of the Company from own payment twice a year following publication of the half-year and full-year results, whereas the first time occurred after publication of the full-year 2014/15 results. The employees are entitled to buy shares at a discount of 13.5% of the share price at that time. Each participant may determine at his or her own discretion the amount of money to be invested in investment shares with a yearly maximum of 33.33% of the gross base salary of the participant. Shares issued under the ESPP are bought on the regulated market of Euronext Amsterdam and will be held by a trust foundation. A three-year lock up period is applicable, during which the participants cannot dispose of their investment shares. No other vesting or performance conditions are applicable. The plan qualifies as share based arrangements (equity settled) under IFRS 2. No share based payment costs are recognized in the profit and loss account as the fair value of the share based payment is zero.

17. Commitments and operating leases

Leases as lessee

The Group leases offices under operating lease.

The Group determined that the office leases are an operating lease. The rent paid to the owner is adjusted to market rent at regular intervals, and the Group does not have an interest in the residual value of the office building. As a result, it was determined that substantially all of the risks and rewards of the office buildings are with the owner.

Future minimum lease payments

At 30 September 2017 the future minimum payable lease payments under non-cancellable leases were as follows:

Amounts in EUR '000 for the six months period ended 30 September	2017	2016
Less than 1 year	728	608
Between 1 and 5 years	1.307	1.716
More than 5 years	-	-
	2.035	2.324

For the lessor a guarantee has been issued for an amount of EUR 138 thousand.

18. Related parties

The Group has related party relationships with its shareholders, subsidiaries, Management Board and Supervisory Board and post-employment benefit plans. The financial transactions between the Company and its subsidiaries comprise financing related transactions and operational transactions in the normal course of business and are eliminated in the consolidated financial statements. The related party transactions in the first six-month period ended 30 September 2017 do in substance not deviate from the transactions as reflected in the consolidated financial statements as at and for the year ended 31 March 2017.

Other related party transactions

Amounts in EUR '000	Transaction values for the 6 months period ended 30 September		Balance outstanding as at 30 September	
	2017	2016	2017	2016
Sale of goods and services				
Joint ventures	6.346	6.579	913	875
Purchase of goods and services				
Joint ventures	(9.024)	(10.372)	(355)	(872)
Others				
Joint venture dividends received	550	300	-	-
Joint ventures loan and related interest	-	-	599	599

19. Subsequent events

There were no material events after 30 September 2017.

20. Auditor's review

The interim condensed consolidated financial statements for the period ended 30 September 2017 have not been reviewed by the external auditor.

21. Responsibility statement

The Management Board of Lucas Bols N.V. hereby declares that, to the best of its knowledge, the interim condensed consolidated financial statements as at and for the six months ended 30 September 2017 as prepared in accordance with IAS 34 *Interim Financial Reporting* gives a true and fair view of the assets, liabilities, financial position and the profit or loss of Lucas Bols N.V. and its consolidated companies included in the consolidation as a whole, and that the semi-annual report gives a fair view of the information required in accordance with section 5:25d subsections 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).