Q4 and full year 2016 results

Healthier food
Healthier people
Healthier planet

Sustaining strong profitable growth

2016: Another successful year in the transformation into a Champion of Healthy & Sustainable Food in Europe.

Q4 2016 highlights

- Revenue growth of 9.6%
- Autonomous growth in own brands 6.6%
- EBITE of €6.2 million, in-line with prior year despite significantly higher marketing investments
- Successful acquisition of Biogran in Spain, a dynamic organic growth market
- Restructuring in Germany started in order to drive sustainable performance improvement

Full year 2016 highlights

- Revenue growth of 9.0% to €570.0 million
- Autonomous growth in own brands 8.5%
- EBITE up 18.7% to €41.2 million
- EBITE as % of Revenue up 60 bps versus last year to 7.2%, despite moderately increased marketing investments
- Four acquisitions successfully completed

Consolidated key figures Q4/FY 2016

In € million, unless stated otherwise	Q4 2016	Q4 2015	% change	FY 2016	FY 2015	% change
Revenue	**146.8**	**133.9**	**9.6%**	**570.0**	**523.0**	**9.0%**
Autonomous revenue development of own brands[1]	6.6%			8.5%		
Normalised operating result (EBITE)	**6.2**	**6.1**	**1.6%**	**41.2**	**34.7**	**18.7%**
EBITE as % of Revenue	4.2%	4.6%		7.2%	6.6%	
Operating result (EBIT)	**1.3**	**6.5**	**(80.0)%**	**34.3**	**34.6**	**(0.9)%**
Net financing costs	(0.3)	(0.3)		(1.8)	(2.3)	
Income tax expense	(0.5)	4.3		(9.7)	(4.5)	
Profit after income tax from continuing operations	**0.5**	**10.5**	**(95.2)%**	**22.8**	**27.8**	**(18.0)%**
Profit from discontinued operations, net of income tax	–	4.6		–	9.5	
Profit for the period	**0.5**	**15.1**	**(96.7)%**	**22.8**	**37.3**	**(38.9)%**
Net debt/(cash)	83.5	(17.5)				

[1]Including adjustments for currency effects and acquisitions/divestments.

CEO statement

Christophe Barnouin (CEO) commented: "In 2016, we continued to make good progress on the transformation to a focused, fast growing, sustainable and profitable business. Our own brands performed ahead of a healthy market and grew 8.5%. Given that we reduced our Private Label and Distribution business, total autonomous growth was 6.0%, in-line with our long term guidance range of 5-7%. Our operating margin went up; EBITE as % of Revenue increased 60 bps to 7.2%.

In the fourth quarter we have taken further measures to restructure our German business in order to create a base for sustainable profitable growth.

We have landed four strategically important acquisitions in 2016. These will provide us with a further strengthened platform for profitable growth across core categories and geographies for the future. The market for healthy & sustainable, especially organic food continues to reflect the trend in consumer behaviour. Our strategy execution is on track and we are playing a leading role in helping consumers across Europe to change to Healthier Food for Healthier People and Planet.

Market review

Overall, the European market for healthy and sustainable food continues to grow significantly albeit at different rates between countries and channels. The French and Spanish markets have grown at double digit rates, while Germany was held back by more moderate growth of the Health Food Store Channel. All in all, the European Organic market grew at the upper end of our guidance range of 5-7% and is now approximately €30 billion in size.

Brand review

Q4 performance

In the fourth quarter, our own brands recorded autonomous growth of 6.6%. A number of our brands such as Bjorg, Clipper, Whole Earth, Isola Bio and Destination grew at strong double digit levels. In Germany our brands Allos and Tartex didn't perform in-line with expectations. Private label and Distribution business combined declined by 9.3% in the quarter. Marketing investments into our own brands were significantly up versus last year.

Full year 2016 performance

In 2016, our own brands grew 8.5% while our Private label and Distribution business declined by 2.9%.

Bjorg had another very strong year and grew at double digit levels. Growth was broad based across categories and driven by innovation, promotion and brand support. The brand has embraced the trend to meat replacement with a new veggie range, and has continued to extend its leadership of the organic market in France. Highest growth was in Breakfast Cereals, Veggie Meals and Dairy Alternatives.

Bonneterre has grown at double-digit levels on the basis of further penetration of the Health Food Store Channel in France. Innovation, extended distribution and TV support contributed and made the brand the overall leader in its channel.

Whole Earth achieved outstanding growth in the year as its engaging brand positioning and strong innovation further strengthened its leadership in a strong Peanut Butter market in the UK. **Kallø** grew at mid-single-digit levels.

Clipper had a very strong year and grew at double-digit levels overall and performed especially well across continental Europe and Export markets. The brand is gathering further momentum across a number of countries on the basis of its strong product and brand mix and successful activation and extended distribution.

Isola Bio continues to grow at high single digit rates, both in its home country Italy as well as in an increasing number of international markets.

Allos and **Tartex** declined in Germany as our innovation failed to produce the expected results. We did, however, manage to achieve new listings in the German drugstore channel (Grocery) for our Cupper and Tartex brands which provide a good future platform for growth. Plans to fix in-market performance, re-balance our channel mix and to reduce our cost base are in place.

Operations and Sustainability review

We have made progress in making our operations more effective and achieved good results in input cost development, inventory and waste management and key processes. We are starting to leverage our manufacturing sites in the UK and Italy for various brands and countries.

74% of our revenues are now from organic products, 96% vegetarian and we have almost completely switched to renewable electricity at year end.

Guidance FY 2017

- Total reported growth is expected to be low double digit, with continued strong growth of own brands and the effect of 2016 acquisitions being partly offset by lower private label and distribution brand sales
- We expect EBITE % of revenue to be above 8% for the full year
- Net financing costs around €2.0-2.5 million
- Tax rate around 30%
- Capital expenditures €13-15 million
- Depreciation and amortisation €8-9 million

Financial review

In € million	Q4 2016	Q4 2015	FY 2016	FY 2015
Revenue	146.8	**133.9**	570.0	523.0
EBITE - Branded	7.8	8.2	44.8	38.3
EBITE - Non-allocated	(1.6)	(2.1)	(3.6)	(3.6)
EBITE	6.2	6.1	41.2	34.7
Exceptional items	(4.9)	0.4	(6.9)	(0.1)
EBIT	1.3	6.5	34.3	34.6

Financial review Q4 2016

Revenue increased 9.6% to €146.8 million. Autonomous revenue growth amounted to 3.1%. The acquisitions of Piramide, Ineobio, Mrs Crimble's and Biogran contributed 9.6% to revenue and the depreciation of the British pound contributed (3.3)%.

EBITE increased by €0.1 million to €6.2 million, as a result of increased gross profit, following higher sales volumes, and the inclusion of the acquisitions of Piramide, Ineobio, Mrs Crimble's and Biogran. The increase was partly offset by higher marketing expenses, mainly relating to activities in France and the UK.

Exceptional items of €(4.9) million mainly include restructuring costs of €(4.5) million relating to Germany to streamline the operations and to drive a sustainable profit improvement..

Net financing costs were €(0.3) million (2015: €(0.3) million). Income tax expenses amounted to €(0.5) million (Q4 2015: income tax gain of €4.3 million due to the recognition of a deferred tax asset relating to previously unrecognised income tax losses in the Netherlands and Italy).

In Q4, the net result amounted to €0.5 million (2015: €15.1 million). Net result from continuing operations was €0.5 million (Q4 2015: €10.5 million). In Q4 2015, net income from discontinued operations (net of income tax) amounted to €4.6 million, mainly as a result of the recognition of an additional result on the divestment of ABC of €3.2 million, and a release from the provision for uncertain tax positions of €1.4 million.

The net debt position increased to €83.5 million at year end 2016 (30 September 2016: €35.3 million).

Financial review full year 2016

In 2016, revenue amounted to €570.0 million, an increase of 9.0% compared to last year. Autonomous growth was €32.7 million, or 6.0%. The acquisitions of Piramide, Ineobio, Mrs Crimble's and Biogran in 2016 added 4.9% and a weakening of the British pound exchange rate impacted revenue (2.2)% negatively.

Gross contribution margin increased from 41.0% to 41.1% in 2016, despite the weakening of the British pound exchange rate.

Personnel expenses increased by €10.2 million to €(91.7) million (2015: €(81.5) million). Excluding Piramide, Ineobio, Mrs Crimble's and Biogran, personnel expenses increased by 7.4% or €6.0 million; this increase is mainly the result of higher severance payments and termination benefits of €4.4 million, and higher share-based payment expenses of €0.6 million. The severance payments and termination benefits in 2016 mainly relate to restructuring plans at our German manufacturing plants Allos and Allos Schwarzwald in order to drive sustainable profit improvement.

Other operating expenses, excluding Piramide, Ineobio, Mrs Crimble's and Biogran, were up 6.8% to €(97.6) million, partly due to increased advertising and promotion expenses and higher advisory fees (including acquisition costs).

The operating result of Branded decreased by €0.6 million to €37.9 million (2015: €38.5 million). EBITE amounted to €44.8 million versus €38.3 million last year. Exceptional items totalled €(6.9) million (2015: €0.2 million), mainly including (1) restructuring costs of €(6.6) million relating to Germany, to streamline the German operations and to downsize the Allos plant, and (2) integration costs of €(0.3) million in respect of Mrs Crimble's in the UK.

In 2016, non-allocated costs amounted to €(3.6) million, compared to €(3.9) million in 2015. Excluding non-recurring items, non-allocated costs amounted to €(3.6) million (2015: €(3.6) million).

Net financing costs were €(1.8) million (2015: €(2.3) million). Interest expenses amounted to €(0.4) million (2015: €(0.4) million). Other financial income and expenses decreased to €(1.4) million (2015: €(1.9) million) mainly as a result of a lower net foreign exchange loss of €(0.7) million (2015: €(1.0) million).

Income tax expense increased to €(9.7) million (2015: €(4.5) million) mainly as a result of (1) a decrease in the total amount of (previously unrecognised) income tax losses recognised in the Netherlands, Italy and France of €(4.3) million, (2) unrecognised income tax losses in 2016 of €(2.4) million related to the restructuring programs in Germany, partly offset by (3) the reversal of the write down of a deferred tax asset related to tax carry forward losses in 2015. The effective tax rate of 30% (2015: 14%) deviates from the weighted average statutory income tax rate of 32%, mainly as a result of aforementioned reasons.

The result from discontinued operations, net of income tax of €9.5 million in 2015 includes:
- The operating result of ABC for the three-month period ending 31 March 2015 of €(1.5) million;
- An after tax gain recognised on the divestment of ABC and Bio-Distrifrais-Chantenat of €11.0 million.

In 2016, net profit amounts to €22.8 million (2015: €37.3 million). The decrease in net profit compared to 2015 of €14.5 million is mainly the result of the fact that in 2015 a net income from discontinued operations (net of income tax) was realised of €9.5 million and an increase of the income tax expense of €5.2 million.

Full year earnings per share decreased from €0.49 in 2015 to €0.30 in 2016. The average number of shares outstanding amounted to 75.6 million (2015: 75.6 million).

Average capital employed increased to €218 million (2015: €176 million), yielding a 16% return (2015: 20%).

Working capital and cash flow

At year end 2016, working capital increased to €47 million, being 8.2% of revenue (2015: €43 million, representing 8.2% of revenue), mainly caused by the acquisitions in 2016.

The cash inflow following changes in working capital amounted to €3.5 million (2015: outflow of €6.2 million). Cash inflows from lower other receivables and prepayments and higher trade payables were only partly offset by increased inventories. The decrease in other receivables and prepayments is partly the result of cash received from escrow relating to the divestment of ABC (€4.1 million).

In 2016, cash generated from operations increased to €51.2 million (2015: €39.2 million), mainly as a result of higher cash generated from operations before changes in working capital and provisions (€5.4 million) and working capital improvements (€9.7 million), partly offset by higher payments from provisions (€(3.2) million). Interest paid amounted to €(0.8) million (2015: €(0.9) million), while income tax paid increased to €(12.4) million (2015: €(12.0) million).

Operating cash flow from continuing operations therefore amounted to €38.0 million (2015: €26.3 million). The operating cash flow from discontinued operations amounted to €(3.4) million in 2015.

Acquisitions, net of cash acquired amounted to €(114.3) million in 2016, including the acquisition of the Piramide tea business (€(7.8) million), Ineobio (€(23.3) million), Mrs Crimble's (€(16.8) million), and Biogran (€(66.4) million). In 2015, Abafoods was acquired for the amount of €(43.0) million, net of cash acquired.

The surplus of cash at year end 2015 of €17.5 million changed into a net debt position of €83.5 million at year end 2016.

Dividend policy and proposal 2016

The Executive Board decided on a new dividend policy. The previous dividend policy aimed at paying out a dividend of between 35-45% of the consolidated net result, excluding major non-recurring effects.

The new dividend policy of the Company aims at creating value in the long term. The objective of the dividend policy is to maintain a healthy financial structure and to retain sufficient earnings in order to execute Wessanen's four pillar strategy. Wessanen aims at paying out a dividend that is stable or growing over time. Before deciding to pay out dividend, Wessanen will assess whether more value could be created by (i) investing profit in the execution of Wessanen's strategy (such as investments in R&D, capital expenditures or acquisitions), (ii) improving Wessanen's financial position (debt repayment), or (iii) improving the position of its shareholders (share repurchasing). Accordingly, it may be decided not to pay dividend or to pay a lower dividend in any year in the future.

In line with the new dividend policy, it is proposed to the Annual General Meeting of Shareholders to pay a dividend of 12 eurocent per share. The dividend will be paid wholly in cash.

Time table: Annual Report, AGM and dividend 2016	
Wednesday 22 February	Publication Annual Report 2016 and Agenda AGM (online)
Wednesday 15 March	Record date
Wednesday 12 April	Annual General Meeting of Shareholders
Tuesday 18 April	Ex-dividend date
Wednesday 19 April	Dividend record date
Friday 21 April	Payment date dividend

Important dates 2017

12-04-2017 AGM (14h00 CET)
21-04-2017 Publication Q1 2017 trading update
25-07-2017 Publication Q2 2017 interim results
24-10-2017 Publication Q3 2017 trading update

Analyst & investor meeting

At 10h00 CET, an analyst & investor meeting will be hosted by Christophe Barnouin (CEO) and Ronald Merckx (CFO) at the Wessanen office in Amsterdam. The meeting can be followed via a live audio webcast at www.wessanen.com. Those unable to attend can participate using the following telephone number: +31(0)20 531 5863.
The press release and presentation are available for download at www.wessanen.com.

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Company profile

Wessanen is a leading company in the European market for healthy and sustainable food. In 2016, our revenue was €570 million and we employed on average 993 people. Our mission is Healthier Food, Healthier People, Healthier Planet and we focus on organic, vegetarian, fair trade and nutritionally beneficial products.

Our family of companies is committed to driving positive change in food in Europe. Our core brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, El Granero, Gayelord Hauser, Isola Bio, Kallø, Mrs Crimble's, Tartex, Whole Earth and Zonnatura.

Note on forward-looking statements

This press release includes forward looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Wessanen's ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

Condensed consolidated income statement

In € millions, unless stated otherwise

Q4 2016 (unaudited)	Q4 2015 (unaudited)		2016 (audited)	2015 Restated[1] (audited)
		Continuing operations		
146.8	133.9	**Revenue**	**570.0**	523.0
		Raw materials and supplies	**(335.6)**	(308.6)
		Personnel expenses	**(91.7)**	(81.5)
		Depreciation, amortisation and impairments	**(7.8)**	(8.7)
		Other operating expenses	**(100.6)**	(89.6)
(145.5)	(127.4)	**Operating expenses**	**(535.7)**	(488.4)
1.3	6.5	**Operating result**	**34.3**	34.6
(0.3)	(0.3)	Net financing costs	**(1.8)**	(2.3)
1.0	6.2	**Profit before income tax**	**32.5**	32.3
(0.5)	4.3	Income tax expense	**(9.7)**	(4.5)
0.5	10.5	**Profit after income tax from continuing operations**	**22.8**	27.8
		Discontinued operations		
-	4.6	Profit/(loss) from discontinued operations, net of income tax	**-**	9.5
0.5	15.1	**Profit for the period**	**22.8**	37.3
0.5	15.1	**Attributable to equity holders of Wessanen**	**22.8**	37.3
		Earnings per share attributable to equity holders of Wessanen (in €)		
0.01	0.20	Basic	**0.30**	0.49
0.01	0.20	Diluted	**0.30**	0.49
		Earnings per share from continuing operations (in €)		
0.01	0.14	Basic	**0.30**	0.37
0.01	0.14	Diluted	**0.30**	0.37
		Earnings per share from discontinued operations (in €)		
-	0.06	Basic	**-**	0.12
-	0.06	Diluted	**-**	0.12
		Average number of shares (in thousands)		
75,564	75,469	Basic	**75,594**	75,582
76,086	76,050	Diluted	**76,116**	76,163
1.0707	1.0982	Average USD exchange rate (USD per €)	**1.1032**	1.1046
0.8738	0.7193	Average GBP exchange rate (GBP per €)	**0.8227**	0.7242

[1] 2015: 'Personnel expenses' and 'Other operating expenses' have been restated for a reclassification of other personnel related expenses in the amount of €(9.4) million from 'Other operating expenses' to 'Personnel expenses'.

Condensed consolidated statement of comprehensive income

In € millions, unless stated otherwise

	2016 (audited)	2015 (audited)
Profit for the period	**22.8**	37.3
Other comprehensive income/(loss)		
Remeasurements of post employment benefit obligations, net of income tax	**(0.5)**	(0.5)
Other comprehensive loss that will not be reclassified to profit or loss	**(0.5)**	(0.5)
Foreign currency translation differences, net of income tax	**(5.2)**	3.8
Effective portion of changes in fair value of cash flow hedges, net of income tax	**(0.1)**	0.1
Other comprehensive income/(loss) that may be reclassified to profit or loss	**(5.3)**	3.9
Total other comprehensive income/(loss)	(5.8)	3.4
Total comprehensive income	**17.0**	40.7
Attributable to equity holders of Wessanen	**17.0**	40.7

Condensed consolidated statement of changes in equity

In € millions, unless stated otherwise

	Issued and paid-up share capital	Share premium	Reserves: Treasury reserve	Reserves: Translation reserve	Reserves: Hedging reserve	Reserves: Other legal reserves	Retained earnings	Total equity
2015								
Balance of beginning of year	76.0	102.9	(0.1)	(14.8)	-	0.7	(10.5)	154.2
Comprehensive income and expense for the period								
Profit/(loss) for the period	-	-	-	-	-	-	37.3	37.3
Foreign currency translation differences [1,2]	-	-	-	3.8	-	-	-	3.8
Remeasurements of post employment benefit obligations [1]	-	-	-	-	-	-	(0.5)	(0.5)
Effective portion of changes in fair value of cash flow hedges [1]	-	-	-	-	0.1	-	-	0.1
Total comprehensive income and expense for the period	-	-	-	3.8	0.1	-	36.8	40.7
Contributions by and distributions to owners								
Shares delivered	-	-	1.1	-	-	-	(1.1)	-
Dividends	-	-	-	-	-	-	(7.5)	(7.5)
Purchase of own shares			(4.5)				-	(4.5)
Share-based payments	-	-	-	-	-	-	0.5	0.5
Transfer to other legal reserves	-	-	-	-	-	(0.7)	0.7	-
Total contributions by and distributions to owners	-	-	(3.4)	-	-	(0.7)	(7.4)	(11.5)
Balance at year end	76.0	102.9	(3.5)	(11.0)	0.1	-	18.9	183.4
2016								
Balance of beginning of year	76.0	102.9	(3.5)	(11.0)	0.1	-	18.9	183.4
Comprehensive income and expense for the period								
Profit/(loss) for the period	-	-	-	-	-	-	22.8	22.8
Foreign currency translation differences [1]	-	-	-	(5.2)	-	-	-	(5.2)
Remeasurements of post employment benefit obligations [1]	-	-	-	-	-	-	(0.5)	(0.5)
Effective portion of changes in fair value of cash flow hedges [1]	-	-	-	-	(0.1)	-	-	(0.1)
Total comprehensive income and expense for the period	-	-	-	(5.2)	(0.1)	-	22.3	17.0
Contributions by and distributions to owners								
Shares delivered	-	-	1.7	-	-	-	(1.7)	-
Dividends	-	-	-	-	-	-	(8.3)	(8.3)
Purchase of own shares			(2.1)				-	(2.1)
Share-based payments	-	-	-	-	-	-	1.2	1.2
Transfer to other legal reserves	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	(0.4)	-	-	-	(8.8)	(9.2)
Balance at year end	76.0	102.9	(3.9)	(16.2)	-	-	32.4	191.2

[1] Net of income tax

[2] Foreign currency translation differences of €3.8 million comprises translation differences in 2015 related to the appreciation of the GBP and US dollar in the amount of €7.8 million and the recycling of the accumulated translation differences following the divestment of ABC in the amount of €(4.0) million.

Condensed consolidated statement of financial position

In € millions, unless stated otherwise

	31 December 2016	31 December 2015
	(audited)	(audited)
Assets		
Property, plant and equipment	51.2	43.8
Intangible assets	203.3	97.5
Other investments	0.6	0.9
Deferred tax assets	8.8	8.3
Total non-current assets	**263.9**	**150.5**
Inventories	68.5	59.0
Income tax receivables	0.4	0.1
Trade receivables	101.0	92.0
Other receivables and prepayments	15.5	16.8
Cash and cash equivalents	9.4	24.7
Total current assets	**194.8**	**192.6**
Total assets	**458.7**	**343.1**
Equity		
Share capital	76.0	76.0
Share premium	102.9	102.9
Reserves	(20.1)	(14.4)
Retained earnings	32.4	18.9
Total equity	**191.2**	**183.4**
Liabilities		
Interest-bearing loans and borrowings	81.2	1.5
Employee benefits	7.7	6.7
Provisions	3.0	3.9
Deferred tax liabilities	10.9	7.0
Total non-current liabilities	**102.8**	**19.1**
Bank overdrafts	8.7	1.5
Interest-bearing loans and borrowings	3.0	4.2
Provisions	12.1	6.7
Income tax payables	2.6	3.3
Trade payables	80.5	67.9
Non-trade payables and accrued expenses	57.8	57.0
Total current liabilities	**164.7**	**140.6**
Total liabilities	**267.5**	**159.7**
Total equity and liabilities	**458.7**	**343.1**
End of period USD exchange rate (USD per Euro)	1.0541	1.0887
End of period GBP exchange rate (GBP per Euro)	0.8562	0.7339

Condensed consolidated statement of cash flows

In € millions, unless stated otherwise

	2016 (audited)	2015 (audited)
Cash flows from operating activities		
Operating result	**34.3**	34.6
Adjustments for:		
Depreciation, amortisation and impairments	7.8	8.7
Provisions created	11.0	5.1
Equity-settled share-based payments	1.2	0.5
Cash generated from operations before changes in working capital and provisions	**54.3**	48.9
Changes in working capital	3.5	(6.2)
Payments from provisions	(6.4)	(3.2)
Changes in employee benefits	(0.2)	(0.3)
Cash generated from operations	**51.2**	39.2
Interest paid	(0.8)	(0.9)
Income tax paid	(12.4)	(12.0)
Operating cash flow from continuing operations	**38.0**	26.3
Operating cash flow from discontinued operations	-	(3.4)
Net cash from operating activities	**38.0**	22.9
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5.2)	(6.5)
Proceeds from sale of property, plant and equipment	0.3	-
Acquisition of intangible assets	(2.1)	(1.6)
(Payments for)/repayments of other investments	0.3	(0.4)
Acquisition of subsidiaries, net of cash acquired	(114.3)	(43.0)
Investing cash flow from continuing operations	**(121.0)**	(51.5)
Investing cash flow from discontinued operations	-	42.2
Net cash flow from investing activities	**(121.0)**	(9.3)
Net cash flow before financing activities	**(83.0)**	13.6
Cash flows from financing activities		
Net proceeds from/(repayments of) interest-bearing loans and borrowings	72.1	(5.5)
Net payments of finance lease liabilities	(0.3)	(0.3)
Cash payments of derivatives	(0.7)	(0.5)
Purchase of own shares	(2.1)	(4.5)
Dividends paid	(8.3)	(7.5)
Financing cash flow from continuing operations	**60.7**	(18.3)
Financing cash flow from discontinued operations	-	-
Net cash from financing activities	**60.7**	(18.3)
Net cash flow	**(22.3)**	(4.7)

Notes to the condensed consolidated financial statements

1. The Company and its operations

Koninklijke Wessanen nv ('Wessanen' or the 'Company') is a public limited company domiciled in the Netherlands. The condensed consolidated financial statements of the Company as at and for the year ended 31 December 2016 comprises the Company and its subsidiaries (together referred to as the 'Group').

The full year 2016 financial figures included in the primary statements in this press release are derived from the financial statements 2016. These financial statements have been authorised for issue. The financial statements have not yet been published by law and still have to be adopted by the Annual General Meeting of Shareholders on 12 April 2017. In accordance with Section 393, Part 9 of Book 2 of the Netherlands Civil Code, Deloitte Accountants B.V. has issued an unqualified auditor's opinion on these financial statements.

The full Annual Report 2016 will be available to download on the website from 22 February 2017.

2. Basis of preparation

2.1 Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the Group as at and for the year ended 31 December 2015.

These condensed consolidated financial statements were approved by the Executive Board and Supervisory Board on 14 February 2017.

2.2 Reclassification

The 2015 'Personnel expenses' and 'Other operating expenses' have been restated for a reclassification of other personnel related expenses in the amount of €(9.4) million from 'Other operating expenses' to 'Personnel expenses'. This reclassification includes car, travel, training and education, and other personnel related expenses.

3. Significant accounting policies

The significant accounting policies applied by the Group in these condensed consolidated financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015 except for the adoption of new standards, amendments to standards and interpretations, which have been adopted as relevant to the Company for the first time in 2016. These standards and interpretations have no material effect on the Company's condensed consolidated financial statements.