Pressemitteilung

Lochem, 17. August 2017

FromFarmers: Halbjahreszahlen 2017 ForFarmers

Die (Kern-)Aktivität von **Coöperatie FromFarmers U.A.** besteht in der Verwaltung ihrer Beteiligung an der ForFarmers N.V., deren (Groß-)Aktionärin sie ist.

FromFarmers gibt bekannt, dass ForFarmers heute die Halbjahreszahlen 2017 veröffentlicht hat. Die vollständige Pressemitteilung von ForFarmers (in englischer Sprache) wurde der vorliegenden Mitteilung beigefügt.

Diese Pressemitteilung enthält Informationen, die als Insiderinformationen im Sinne von Artikel 7 Absatz 1 der EU-Marktmissbrauchsverordnung gelten.

Hinweis für die Redaktion:

Nähere Informationen
Coöperatie FromFarmers ist eine Genossenschaft mit gut 4.500 Mitgliedern und hat ihren Sitz am Kwinkweerd 12 in Lochem (NL). Ihre Hauptaktivität bildet die Verwaltung ihrer Mehrheitsbeteiligung an der ForFarmers N.V.
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Press Release

Lochem, 17 August 2017

Solid first half-year 2017 underpinned by recovery agricultural sector

Highlights first half-year 2017*:

- Volume Total Feed: +3.6% to 4.7 million tonnes, on growth in the Netherlands and Germany/Belgium and a decrease in the United Kingdom; first signs of recovery UK agricultural sector visible, short term forecast still uncertain
- Net revenue: +3.7% to €1,110.6 million
- Gross profit: +0.4% to €207.3 million including negative currency translation impact (3.2%)
- Operating expenses: -4.0% to €169.1 million, including currency translation effect (-3.4%), net release provision bad debts and extension depreciation term plant, property and equipment; 1H 2016 included expenses listing and reorganisation charges United Kingdom
- **Underlying EBITDA****: +11.7% to €51.7 million and at **constant currencies: +14.8%**
- Profit attributable to the owners: +21.6% to €30.4 million
- Basic earnings per share: +22.0% to €0.288, impacted positively by the share buy-back programme

(*) Results first six months of 2017 are compared to the first six months of 2016

(**) Operating result excluding depreciation, amortisation and incidental items

Consolidated key figures

In millions of euro (unless indicated otherwise)	For the six months ended 30 June 2017	2016	Total change in %	Currency	Acquisition[5]	Like-for-like[6]
Total Feed volume (x 1.000 ton)	4,725	4,562	3.6%		2.6%	1.0%
Compound feed	3,330	3,135	6.2%		4.8%	1.4%
Revenue	1,110.6	1,070.5	3.7%	-3.0%	3.5%	3.2%
Gross profit	207.3	206.5	0.4%	-3.2%	0.8%	2.8%
Operating expenses	-169.1	-176.1	-4.0%	-3.4%	-0.1%	-0.5%
EBITDA[1]	51.5	46.0	12.0%	-2.9%	4.3%	10.6%
Underlying EBITDA[2]	**51.7**	**46.3**	**11.7%**	**-3.1%**	**4.3%**	**10.5%**
Operating profit	38.7	32.8	18.0%	-2.5%	5.2%	15.3%
Profit attributable to owners of the Company	30.4	25.0	21.6%			
Net cash from operating activities	36.7	36.8	-0.3%			
Underlying EBITDA / Gross profit	24.9%	22.4%				
ROACE[3]	23.6%	21.1%				
Basic earnings per share (x €1)	0.288	0.236	22.0%			

	30 June 2017	**31 December 2016**
Equity	407.8	429.0
Solvency[4]	52.2%	55.3%

(1) EBITDA is operating profit before depreciation and amortization.
(2) Underlying means excluding incidental items.
(3) ROACE means EBITDA divided by 12-month average capital employed; see Note 27 of the financial statements 2016.
(4) Solvency ratio is equity divided by total assets.
(5) Relates to the net impact of acquisitions/divestments
(6) Like for like is the change excluding acquisitions and divestments and currency impact.
General remark: percentages are presented based on the rounded amounts in million euro. Additions may lead to slight differences due to roundings.

Yoram Knoop, CEO ForFarmers on solid results first half-year 2017:

'The first half-year results show that our Total Feed approach is gaining more and more momentum. In our innovative Total Feed solutions we are combining (feed) products, advice and tools. Products and advice are aligned with one another to lead to a better return on the farm.

Our customers are currently in better financial shape than a year ago, when milk and pig prices were under pressure. Farmers, especially in the Netherlands and Germany/Belgium, are buying more high quality feeds again to increase their production. There is large uncertainty in the United Kingdom about the consequences of Brexit for the agricultural sector. Farmers are therefore more hesitant in, among others, growing the size of their herds, which were reduced last year. In spite of this, the market in the United Kingdom appears to be recovering slowly.

In the first half-year 2017, we have realised positive results on all pillars of the Horizon 2020 strategy. Like-for-like gross profit improved due to our focus on volume growth and enhancement of the product mix in combination with further formulation optimisation (use of ingredients in feed). Vleuten-Steijn, which was acquired in October 2016, is meeting our expectations. Our position in the Dutch swine sector has strengthened due to this acquisition and their specific knowledge is beneficial to the whole group. The strong growth of EBITDA is the result of both operational improvements and One ForFarmers cost saving projects. The percentage of overdue receivables has further decreased due to our efforts and to improved market circumstances. In addition, we have further reduced working capital. The supply chain optimisation project, to improve the processes of sourcing to production and logistics, in the United Kingdom is on target.

We expect that growth of the result in the second half-year, in terms of percentage, will however be lower than the solid increase in the first half-year of 2017. Reasons are, among others, the fact that Vleuten-Steijn (acquired in the fourth quarter of 2016) will have one quarter less impact, that we expect the volume impact of the phosphate measures which were introduced in the Netherlands as of 1 March 2017 to be higher and that our recovery in the United Kingdom is taking longer than expected. The Fipronil case in the poultry sector can lead to large consequences for individual layer farmers in the Netherlands but also in Belgium. We expect that our volume sales to this sector will be impacted, but that this will be limited on group level. Nevertheless, we are on course with the previously delivered guidance for the medium term of an on average annual increase of underlying EBITDA in the mid single digits at constant currencies, barring other unforeseen circumstances.
In addition, we confirm that we will fully (€60 million) use the received authorisation for the share buy-back programme given the increased trading volume in our share'.

Review of ForFarmers consolidated results first half year 2017

(compared to the first six months of 2016)

Total **volume of Total Feed** increased by 3.6% to 4.7 million tonnes. Like-for-like growth was 1.0%. In the Netherlands like-for-like volume growth (Total Feed) was 1.1% and in the cluster Germany/Belgium 5.2%. In the United Kingdom cluster volume (like-for-like) decreased by 1.8%. The net volume increase through acquisitions/divestments was 2.6%. Vleuten-Steijn (swine sector) was acquired in the Netherlands in October 2016. In the United Kingdom a dealer was acquired (May 2017) with which ForFarmers was already doing business and the non-core activities Leafield (June 2016) and Wheyfeed transport (September 2016) were sold.

The increase in *compound feed* volume was 6.2%. Vleuten-Steijn contributed 4.8% to this growth and like-for-like volume growth amounted to 1.4%. Volume growth in the Netherlands and Germany/Belgium was higher than the volume decrease in the United Kingdom. As of mid 2016 the financial situation for farmers in Europe has significantly improved due to enhanced milk and swine prices. This partly explains the reason for a larger volume growth in compound feed than in Total Feed. As well as higher value-added product groups compound feed and specialties, Total Feed also comprises co-products (dry, moist and liquid) plus seeds and roughage.

Total **revenue** increased by €40.1 million (3.7%) to €1,110.6 million. The like-for-like increase was 3.2%. Net growth through acquisitions/divestments was 3.5%. The devaluation of the Pound sterling led to a negative translation effect impact of €31.6 million (3.0%). On average, prices of raw materials increased slightly during the first half-year in comparison to the first half-year of 2016. It is customary to pass on changes in raw material prices to customers.

Gross profit increased by 0.4% to €207.3 million. There was a like-for-like improvement of 2.8% and a net contribution from acquisitions/divestments of 0.8%. Operational gross profit improvement was largely off-set by a negative currency translation effect (3.2%) from the weaker Pound sterling to euro. In the Netherlands and Germany/Belgium, the growth in Total Feed volume and improved product mix led to enhanced gross profit. In the United Kingdom less volume was sold and customers continued to choose lower-value feed with lower margins. There is still large uncertainty about the consequences of Brexit. British farmers are therefore, for now, reticent to invest in an increase of their herds or an expansion of their businesses.

Total **operating expenses** decreased by €7.0 million (–4.0%). The translation effect of the devaluation of the Pound sterling was €6.0 million (-3.4%). Acquisitions/divestments accounted for lower costs by (net) €0.1 million (-0.1%). The like-for-like decrease of operating expenses was €0.9 million (-0.5%). In the Netherlands and Germany/Belgium operating expenses grew in line with volume growth. Operating expenses incurred in the United Kingdom decreased in local currency. This is the result of the reorganisation that was initiated last year. The financial situation of customers has improved in all clusters and this has led to a (net) release of €1.1 million from the allowance for bad debts. In the comparison with operating expenses in the first half-year of 2016, one-off costs (€1.5 million) with respect to the listing on Euronext Amsterdam in 2016 and the reorganisation charges (€1.6 million) for the United Kingdom need to be taken into consideration.

Depreciation decreased by €0.5 million to €12.7 million despite the higher investments. This includes €1.1 million which is attributable to an extension of the depreciation term (as of 1 January 2017) of property, plant and equipment (particularly plants and machinery) after the periodic assessment of the expected economic life of these assets. In addition, the devaluation of the Pound sterling had an impact.

In millions of euro	For the six months ended 30 June 2017	2016	Δ	Δ%
EBITDA	**51.5**	**46.0**	**5.5**	**12.0%**
Gain on sale of investments and assets held for sale	-0.1	-1.3	1.2	
Restructuring cost / Impairment non-current assets	0.4	1.6	-1.2	
Underlying EBITDA[1]	**51.7**	**46.3**	**5.4**	**11.7%**
FX effect	1.4	-	1.4	
Underlying EBITDA, at constant currencies[1]	53.1	46.3	6.8	14.8%
Operating profit (EBIT)	38.7	32.8	5.9	18.0%

(1) 'Underlying EBITDA' is EBITDA excluding incidental items.
General remark: percentages are presented based on the rounded amounts in million euro. Additions may lead to slight differences due to roundings.

EBITDA increased by 12.0% to €51.5 million. Excluding the negative currency translation effect of the Pound sterling (2.9%), the growth in EBITDA was 14.9%. Like-for-like growth was 10.6%. The net contribution of acquisitions/divestments was 4.3%. One-off restructuring costs (€0.4 million) are the result of a project to centralise back-office activities. The €1.6 million in 2016 was for the reorganisation in the United Kingdom.

Underlying EBITDA at constant currencies increased by 14.8% to €53.1 million.

The number of employees on 30 June 2017, presented in full time equivalents (FTEs), was nearly equal to that as on 31 December 2016 (2,275 compared to 2,273 respectively). The number of employees in the Netherlands and Germany/Belgium increased. There was a slight decline in the number of employees in the United Kingdom following the reorganisation that was initiated last year.

The **profit attributable to the owners of the Company** increased by 21.6% to €30.4 million. Net finance expenses were lower. Interest charges on the pension liability in the United Kingdom were lower following an additional payment to the closed pension fund in January 2017. The contribution of the German joint venture HaBeMa increased by 24.5%. In 2016, the contribution of the warehouse activities of HaBeMa was significantly lower due to lower trade volumes as a result of decreasing raw material prices. The effective tax rate over the first half-year 2017 was 24.2% (1H 2016: 23.3%). The effective tax rate increased in 2017 because the tax rules in the Netherlands on innovation subsidies were changed. Furthermore, the relative share of results from the United Kingdom was lower, which resulted in an increase of the overal tax burden.
Basic earnings per share increased by 22.0%, also partly underpinned (0.4%) by the share buy-back programme./p>

Capital structure and solvency

Group Equity has decreased over the first six months of 2017 by €21.2 million to €407.8 million (compared to position as at 31 December 2016). The difference can largely be explained as follows: the 2017 half-year result (€30.6 million) has been added to Group Equity. The dividend distribution(€25.7 million) and a net amount of €23.6 million relating to the share buy-back programme (as announced on 2 May 2017) are subtracted. In addition, the negative currency translation effect (€1.8 million) on the asset value of the subsidiary in the United Kingdom is accounted for directly in group equity (other comprehensive income).
Solvency declined from 55.3% as at year end 2016 to 52.2% as at 30 June 2017.

Available cash and cash equivalents minus the bank loans and borrowings amounted to a balance of €81.2 million (as at year-end 2016: €107.3 million). The net decrease of the positive balance is, among other things, attributable to the share buy-back programme. In the first half-year of 2017 an amount of €20.0 million was paid for this. Furthermore, an additional payment (€11.7 million) into the closed pension fund in the United Kingdom was made.

Net working capital decreased from €119.9 million (end of 2016) to €111.1 million at the end of the first half-year of 2017. Liabilities increased more than receivables. This was, among other things, attributable to changes in payment terms as agreed with some suppliers. There was also a liability on 30 June 2017 of €3.4 million as a result of the share buy-back programme. Moreover, continuous attention on accounts receivable management and the improvement in the financial situation of our customers contributed to an improvement in working capital. This is also visible in the development of the percentage of overdue receivables: 15.2% compared to 18.6% as at year end 2016.

Capital investments made in property, plant and equipment more than doubled to €20.8 million. This is largely explained by the investment of £10 million in the construction of a new factory in Exeter and an investment of £4 million in a new central office in Bury St Edmunds (both in the United Kingdom). In the Netherlands, investments have been made in, among other things, renovations of bulk silos. The new factory in Exeter is expected to be completed in the fourth quarter of this year. This is slightly later than initially announced and is due to a delay in the construction caused by a sub-contractor. Production on site is not affected by this delay.

Results per cluster

	For the six months ended 30 June 2017				
In thousands of euro	The Netherlands	Germany/ Belgium	United Kingdom	Group / eliminations	Consolidated
Total Feed volume (in tons)	2,222,209	1,027,308	1,475,064	-	4,724,581
Revenue	**560,022**	**267,836**	**315,651**	**-32,903**	**1,110,606**
Gross profit	**110,212**	**36,139**	**60,754**	**208**	**207,313**
Other operating income	180	169	152	-	501
Operating expenses	-76,068	-31,577	-55,403	-6,037	-169,085
Operating profit	**34,324**	**4,731**	**5,503**	**-5,829**	**38,729**
Gain on sale of investments and assets held for sale	-115	-	-	-	-115
Restructuring cost / Impairment non-current assets	-	384	-	-	384
Incidental items	**-115**	**384**	**-**	**-**	**269**
Underlying operating profit	**34,209**	**5,115**	**5,503**	**-5,829**	**38,998**
Depreciation and amortisation	3,708	1,868	5,544	1,604	12,724
Underlying EBITDA	**37,917**	**6,983**	**11,047**	**-4,225**	**51,722**
Underlying EBITDA / Gross profit	34.4%	19.3%	18.2%		24.9%
ROACE[1]	**46.2%**	**13.1%**	**12.7%**	**-3.0%**	**23.6%**

(1) ROACE means EBITDA divided by the 12-month average capital employed; see Note 27 of the financial statements 2016

In thousands of euro	The Netherlands	Germany/ Belgium	United Kingdom	Group / eliminations	Consolidated
	For the six months ended 30 June 2016				
Total Feed volume (in tons)	2,050,530	976,705	1,535,023	-	4,562,258
Segment revenue	**501,623**	**261,436**	**339,066**	**-31,627**	**1,070,498**
Gross profit	**98,409**	**34,490**	**73,391**	**160**	**206,450**
Other operating income	1,392	541	466	3	2,402
Operating expenses[1]	-70,893	-30,242	-65,482	-9,443	-176,060
Operating profit	**28,908**	**4,789**	**8,375**	**-9,280**	**32,792**
Gain on sale of investments and assets held for sale	-910	-	-374	-	-1,284
Restructuring cost / Impairment non-current assets	-	-	1,573	-	1,573
Incidental items	**-910**	**-**	**1,199**	**-**	**289**
Underlying operating profit	**27,998**	**4,789**	**9,574**	**-9,280**	**33,081**
Depreciation and amortisation	4,240	1,940	5,654	1,358	13,192
Underlying EBITDA	**32,238**	**6,729**	**15,228**	**-7,922**	**46,273**
Underlying EBITDA / Gross profit	32.8%	19.5%	20.7%		22.4%
ROACE[2]	**44.2%**	**11.1%**	**15.1%**	**-3.8%**	**21.1%**

(1) Operating expenses in 2016 have been adjusted for comparison reasons due to refining of the overhead allocation at cluster level
(2) ROACE means EBITDA divided by the 12-month average capital employed; see Note 27 of the financial statements 2016

Price and market developments in the sectors

The financial situation of dairy farmers has improved throughout Europe. Compared to the situation in mid 2016, the milk price in the countries in which ForFarmers is active has increased by an average of approximately 20%. This is the result of an undiminished international demand for dairy products, combined with a decreasing supply in 2016. Farmers, specifically in the United Kingdom, reduced the size of their herds and consequentially their milk production. They did this because of the then very low milk prices. Herd sizes have not yet recovered to the previous level.

As of the second half of 2016 the swine prices increased to the current level, much higher than the long term average. This is predominantly due to strong demand from China for swine products.

The poultry sector has suffered from an outbreak of bird flu. Poultry farmers have had to give significant attention to protective measures. In spite of this the sector has again shown growth with, generally, reasonable returns for farmers. On the Continent the prices for eggs (layer sector) were higher in the first half year than in the comparative period in 2016. There was some price pressure in the United Kingdom.

The Netherlands

In thousands of euro	For the six months ended 30 June 2017	2016
Total Feed volume (in tons)	2,222,209	2,050,530
Revenue	**560,022**	**501,623**
Gross profit	**110,212**	**98,409**
Other operating income	180	1,392
Operating expenses[1]	-76,068	-70,893
Operating profit	**34,324**	**28,908**
Gain on sale of investments and assets held for sale	-115	-910 [2]
Restructuring cost / Impairment non-current assets	-	-
Incidental items	**-115**	**-910**
Underlying operating profit	**34,209**	**27,998**
Depreciation and amortisation	3,708	4,240
Underlying EBITDA	**37,917**	**32,238**
Underlying EBITDA / Gross profit	34.4%	32.8%
ROACE[3]	**46.2%**	**44.2%**

(1) Operating expenses in 2016 have been adjusted for comparison reasons due to refining of the overhead allocation at cluster level
(2) Mainly relates to the sale of land in Oss
(3) ROACE means EBITDA divided by the 12-month average capital employed; see Note 27 of the financial statements 2016

Market and sector developments

On 1 March 2017, phosphate measures were imposed on dairy farmers. By the end of 2017, the sector needs to comply with the phosphate ceiling as determined by the EU. The reduction in the number of animals has already started as has the sector-wide reduction in the amount of phosphate/tonne compound feed. The expectation is that the required phosphate reduction will be met.

Results

Total Feed volume grew by 8.4% to 2.2 million tonnes. The majority (7.3%) of this growth was attributable to the acquisition of Vleuten-Steijn. Like-for-like, volume increased by 1.1%. As a result of the high milk price, farmers are currently particularly focusing on increasing milk production per cow. Excluding the contribution of Vleuten-Steijn, there was a slight volume decrease in the swine sector. In the poultry sector, more volume was sold both to broiler and to layer farmers. Reudink, fully focused on ecological farmers, again showed volume growth of over 20%.

Gross profit increased by 12.0%. Besides volume growth (both like-for-like and through acquisitions), a better product mix led to this improvement. More high quality feeds (production increasing feeds) were sold in the ruminant sector and by Reudink. Gross profit also increased at Pavo, our horse feed company. In addition, a further improvement of formulation (optimal use of ingredients in feed) contributed to the enhanced gross profit.

Operating expenses grew by 7.3%. Personnel costs were higher (both like-for-like and through acquisitions) due to, among others, a slightly higher number of employees and higher pension liabilities. Production costs per tonne increased somewhat due to higher energy and diesel prices and maintenance costs. Depreciation decreased as a result of the extension of the depreciation term of property, plant and equipment (particularly plants and machinery) after the periodic assessment of the expected economic life of these assets. The overhead cost allocation to the Netherlands was €0.7 million more than in the comparative period last year.

Underlying EBITDA grew by 17.6%. This is the result of enhanced gross profit (12.0%), both like-for-like and due to the acquisition, and the increase (7.3%) in operating expenses . The ratio underlying EBITDA/gross profit increased from 32.8% to 34.4%.

Germany / Belgium

In thousands of euro	For the six months ended 30 June 2017	2016
Total Feed volume (in tons)	1,027,308	976,705
Revenue	**267,836**	**261,436**
Gross profit	**36,139**	**34,490**
Other operating income	169	541
Operating expenses	-31,577	-30,242
Operating profit	**4,731**	**4,789**
Gain on sale of investments and assets held for sale	-	-
Restructuring cost / Impairment non-current assets	384	-
Incidental items	**384**	**-**
Underlying operating profit	**5,115**	**4,789**
Depreciation and amortisation	1,868	1,940
Underlying EBITDA	**6,983**	**6,729**
Underlying EBITDA / Gross profit	19.3%	19.5%
ROACE[1]	**13.1%**	**11.1%**

(1) ROACE means EBITDA divided by the 12-month average capital employed; see Note 27 of the financial statements 2016

Market and sector developments

More stringent rules with respect to the environment are influencing possibilities to build or expand businesses particularly for swine farmers in Germany. This poses challenges for specifically larger swine farmers and leads to higher costs. The stricter expansion rules in Germany also apply to poultry farmers.

There is an increasing interest in Belgium in diminishing medication in feed.

Results

Total Feed volume grew by 5.2% to 1.0 million tonnes in the Germany/Belgium cluster.
More volume was sold in all sectors. This applies both to the volume that ForFarmers sells directly to farmers and to the volume that was sold by dealers which were contracted last year. A number of tenders were won in the swine sector. Significantly more volume was sold in the poultry sector.

Gross profit increased by 4.8% to €36.1 million. This is due to higher volumes and a better product mix. In addition, a further improved formulation (optimal use of ingredients in feed) contributed to the improvement in gross profit.

Operating expenses rose by 4.4%. Personnel costs grew due to, among other things, the reinforcement of the organisation with additional sales staff. Volume-related costs grew due to increasing energy and diesel prices and lower EEC subsidies on energy. Overhead cost allocation was higher by €0.5 million. The one-off restructuring cost are the result of a project to centralise back office activities.

Underlying EBITDA increased by 3.8%. This is due to improved gross profit (4.8%) and the growth in operating expenses (4.4%). The ratio underlying EBITDA/gross profit declined slightly from 19.5% to 19.3%.

United Kingdom

In thousands of euro	For the six months ended 30 June 2017	2016
Total Feed volume (in tons)	1,475,064	1,535,023
Revenue	**315,651**	**339,066**
Gross profit	**60,754**	**73,391**
Other operating income	152	466
Operating expenses	-55,403	-65,482
Operating profit	**5,503**	**8,375**
Gain on sale of investments and assets held for sale	-	-374
Restructuring cost / Impairment non-current assets	-	1,573
Incidental items	**-**	**1,199**
Underlying operating profit	**5,503**	**9,574**
Depreciation and amortisation	5,544	5,654
Underlying EBITDA	**11,047**	**15,228**
Underlying EBITDA / Gross profit	18.2%	20.7%
ROACE(1)	**12.7%**	**15.1%**

(1) ROACE means EBITDA divided by the 12-month average capital employed; see Note 27 of the financial statements 2016

Market and sector developments

There is great uncertainty about the consequences of Brexit for the agricultural sector in the United Kingdom. This is why ruminant and swine farmers are reticent to, among others, recover their herd sizes, which were reduced last year. In spite of this, the British market appears to be recovering slowly.

Results

Total Feed volume decreased in the United Kingdom by 3.9% to 1.5 million tonnes. In 2016, the non-core activities Wheyfeed transport and Leafield were sold and in May 2017 a small dealer was acquired with which ForFarmers already did business. The like-for-like decrease amounted to 1.8%. Feed volumes in the ruminant and the swine sector decreased on the back of lower animal numbers. In the poultry sector more volume was sold.

Gross profit decreased by 17.2%. The negative currency translation effect was 9.1%. In addition, lower volumes, a divestment effect and a larger share of volume of 'customer XL' contracts in the swine sector impacted gross profit negatively. The competition in the swine sector increased due to customers consolidating into fewer hands, buying bigger volumes on longer contracts. In the dairy sector, the recently launched new product range, based on the Dutch Feed2Milk concept, was positively received by customers and contributed to the margin recovery which has set in.

Operating expenses decreased by 15.4%. The negative currency translation effect was 9.0%. In the first half-year of 2016, an incidental expense was taken of €1.6 million (2.4%) for the previously announced reorganisation. Besides a like-for-like decrease in costs, there was also a divestment effect. Personnel costs decreased as a result of this reorganisation. Indexation of salaries did not take place. There were also lower volume related costs. Fewer vehicles were deployed and more owned vehicles were used. Accordingly, there were less rent and lease costs. Depreciation increased partly due to this change. Overhead costs allocated to the cluster were €1.1 million higher.

Underlying EBITDA decreased by 27.5%. The negative currency translation effect was 9.5%. The decrease is attributable to diminished gross profit (-17.2%) and lower operating expenses (-15.4%). The ratio underlying EBITDA/gross profit declined from 20.7% to 18.2%.

Projects relating to the optimisation of the supply chain are steadily progressing. Plans are being drawn up by location to improve service levels and lower costs. Furthermore, investment plans are being made by location. At the end of May 2017, the new central office in Bury St Edmunds was opened. The completion of the new factory in Exeter is expected to take place in the fourth quarter of this year.

Central and support expenses

	For the six months ended 30 June	
In thousands of euro	**2017**	**2016**
Gross profit	**208**	**160**
Other operating income	-	3
Operating expenses	-6,037	-9,443
Operating profit	**-5,829**	**-9,280**
Gain on sale of investments and assets held for sale	-	-
Restructuring cost / Impairment non-current assets	-	-
Incidental items	**-**	**-**
Underlying operating profit	**-5,829**	**-9,280**
Depreciation and amortisation	1,604	1,358
Underlying EBITDA	**-4,225**	**-7,922**
ROACE[1]	**-3.0%**	**-3.8%**

(1) ROACE means EBITDA divided by the 12-month average capital employed; see Note 27 of the financial statements 2016

Excluding the effect of the additional allocation of overhead costs (€2.3 million) to the operational clusters, central and support expenses decreased by €1.1 million. The one-off costs (€1.5 million) related to the stock listing in 2016 need to be taken into consideration in the year on year comparison with the first half of 2016. Recruitment costs were higher in line with the continuous focus on further strengthening the organisation.

Sustainability

ForFarmers has formulated five sustainability objectives. These are aimed at reducing phosphate pollution and green house gas emissions (carbon footprint), minimising the use of land, water and energy, and improving feed safety. In addition, safe and good working conditions should lead to fewer LTIs (Lost Time Incidents). Progress is being made in realising nearly all objectives.

The dairy sector needs to contribute to reducing phosphate pollution and green house gas emissions. This is currently particularly relevant in the Netherlands. ForFarmers supports farmers in implementing sustainable business practices. Melk€fficient, the tool that enables farmers to do scenario planning, has accordingly been expanded with a carbon footprint calculation. By using this tool, the dairy farmer can calculate the effect of business measures on feed profit, phosphate efficiency and now also on the carbon footprint.

A lot of interest remains in the use of non-GMO (non genetically modified) feed, particularly in Germany. In addition, there is an increasing market desire to use soy that is produced in Europe. This creates a dilemma for the industry. European soy is not by nature more sustainable than soy that is produced in, for instance, South America. That is why ForFarmers is pro-actively working on possibilities to replace soy with other protein sources. Soy-free rations are, however, more expensive for the farmer and therefore ultimately also for the consumer. Moreover, they can lead to greater phosphate pollution. ForFarmers works with its partners to provide solutions that take into account the various interests.

There is an increasing interest in all sectors for reducing medication in feed. ForFarmers takes an active role in the AMR (Anti Microbial Resistance) discussion. In the United Kingdom special meetings were organised by ForFarmers during which alternatives were presented, in which the health of animals remains key.

Subsequent events

No noteworthy subsequent events have taken place after the balance sheet date. The progress with respect to the share buy-back programme, which was initiated on 2 May 2017, is published weekly.

Outlook

In the second half of 2017, geopolitical developments will also influence the markets in which ForFarmers is active. Raw material prices and developments on the currency markets are difficult to predict. Milk and swine prices are at a historically high level. Swine prices have however started to decline at the end of the second quarter in 2017. Chinese pig meat production is increasing and there is more international competition for European exports. Whether European exports of pig meat to China will remain at the current level is therefore not likely. Demand for pig meat in Europe is slowly dropping. Consumers have an increasing preference for poultry. This is a positive development for the poultry sector.

We expect that the growth (as presented in percentages) of the result in the second half-year will be lower than the solid increase in the first half-year. This is attributable to various factors. The contribution of Vleuten-Steijn (acquired in October 2016) will have one quarter less impact than in the first half-year. It is probable that the impact of the phosphate measures, as introduced in the Netherlands as of 1 March 2017, on the volume development in the dairy sector will be bigger than in the first half-year when the impact was still limited. However, it is likely that the previously pronounced expectation of a volume decrease in the dairy sector (for ForFarmers in the Netherlands) of approximately 5% for the full year will be lower, as farmers increase their production volume with fewer cows and will consequently need more compound feed per cow.
Recently, the Fipronil case surfaced in the Netherlands: a poultry service company that treated barns against red mite used a substance which is prohibited in the food chain. This has infected eggs. The Dutch Food and Consumer Product Safety Authority has taken measures, which can have a large impact on the individual poultry farmer.

At present we expect that our volume in this sector will be impacted, but that the impact on group level will be marginal.

The uncertainty of farmers in the United Kingdom with respect to the consequences of Brexit is the reason that particularly cattle farmers generally are not yet focusing on optimisation of feed production. They continue to buy lower-value feed with lower margins. In addition, the recovery of cattle and swine herd sizes is taking longer than expected. This affects volume development. Particularly in the swine sector our profitability needs to be further improved over time to achieve sound returns. Our first focus, however, is on enhancing our service reliability. The expectation for the mid term remains that especially the swine sector will take the opportunity to improve self sufficiency rates.

A negative currency translation effect of the Pound sterling to euro is also expected in the second half-year.

Given the expected short and mid term developments, ForFarmers reiterates the previous pronounced guidance for the medium term of an on average annual increase of the underlying EBITDA at constant currencies in the mid single digits, barring other unforeseen circumstances.
In addition, we confirm that we will fully (€60 million) use the received authorisation for the share buy-back programme given the increased trading volume in our share.

Statement of the Executive Board

Pursuant to section 5:25d, paragraph 2(c), of the Dutch Financial Supervision Act (Wet op het financieel toezicht (Wft)), the Executive Board states that to the best of its knowledge the 2017 Interim financial statements, which comprise the Company and its subsidiaries (jointly 'the Group' or 'ForFarmers') and the Group's interest in its joint venture, give a true and fair view of the condensed consolidated statement of financial position, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the notes to the condensed consolidated financial statements.

This press release contains inside information within the meaning of Article 7 (1) of the EU Market Abuse Regulation.

Lochem, 16 August 2017

Executive Board ForFarmers N.V.
Yoram Knoop, CEO
Arnout Traas, CFO
Jan Potijk, COO

Conference calls and audio webcasts

For the Press:
Messrs Yoram Knoop (CEO), Arnout Traas (CFO) and Jan Potijk (COO) will present the ForFarmers 2017 half-year results today from **09.30 – 10.30 am.** This can be followed via an audio webcast (in Dutch). To listen to the live audio webcast, you can log on via the corporate website www.forfarmersgroup.eu. You can also download the presentation slides via the corporate website. The audio webcast will be available on the website afterwards.

For analysts:
Messrs Yoram Knoop (CEO), Arnout Traas (CFO) and Jan Potijk (COO) will present the ForFarmers 2017 half-year results today from **10.00 – 11.00 am** in a conference call (in English). For access to the live audio webcast of the conference call, you can log in via the corporate website www.forfarmersgroup.eu. You can also download the presentation slides via the corporate website. The audio webcast will remain available on the website.

Note to the editor / For additional information:
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Company profile

ForFarmers N.V. ('ForFarmers', Lochem, the Netherlands) is an internationally operating feed company that offers total feed solutions for conventional and organic livestock farming. ForFarmers gives its very best **"For the Future of Farming"**: for the continuity of farming and for a financially secure sector that will continue to serve society for generations to come in a sustainable way. By working side-by-side with farmers, ForFarmers delivers real benefits: better returns, healthier livestock and greater efficiency. This is achieved by offering tailored and Total Feed solutions and a targeted approach with specialist and expert support.

With sales of approximately 9.3 million tons of feed annually, ForFarmers is market leader in Europe. ForFarmers has 2,273 employees and production facilities in the Netherlands, Belgium, Germany and the United Kingdom. In 2016, turnover amounted to €2.1 billion.

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Notifications and disclaimer

REPORTING STANDARDS

PUBLICATION 2017 HALF YEAR REPORT
The 2017 half-year report (incl. interim financial statements) will be available from 17 August 2017 on the ForFarmers website (www.forfarmersgroup.eu).

REPORTING STANDARDS
The results in this press release are derived from the ForFarmers 2017 half-year financial statements, which have not been audited by the external auditor, and have been drawn up in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS).

SUPERVISION
In view of the fact that shares are freely tradable on EURONEXT Amsterdam, ForFarmers operates under the supervision of the Financial Markets Authority (AFM) and the company acts in accordance with the prevailing regulations for share-issuing companies.

Important dates

09-11-2017	Q3 2017 Trading Update
13-03-2018	Publication annual results 2017
26-04-2018	Annual General Meeting of Shareholders
03-05-2018	Q1 2018 Trading update
16-08-2018	Publication first half-year 2018 results

FORWARD-LOOKING STATEMENTS

This document contains inside information within the meaning of Article 7 (1) of the EU Market Abuse Regulation. This document contains forward-looking statements, including those relating to ForFarmers legal obligations in terms of capital and liquidity positions in certain specified scenarios. In addition, forward-looking statements, without limitation, may include such phrases as “intends to”, "expects“, “takes into account”, "is aimed at“, ''plans to”, "estimated" and words with a similar meaning. These statements pertain to or may affect matters in the future, such as ForFarmers future financial results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties, which may mean that there could be material differences between actual results and performance and expected future results or performances that are implicitly or explicitly included in the forward-looking statements. Factors that may result in variations on the current expectations or may contribute to the same include but are not limited to: developments in legislation, technology, jurisprudence and regulations, share price fluctuations, legal procedures, investigations by regulatory bodies, the competitive landscape and general economic conditions. These and other factors, risks and uncertainties that may affect any forward-looking statements or the actual results of ForFarmers, are discussed in the last published annual report. The forward-looking statements in this document are only statements as of the date of this document and ForFarmers accepts no obligation or responsibility with respect to any changes made to the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless ForFarmers is legally obliged to do so.

INTERIM FINANCIAL STATEMENTS 2017

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of financial position

In thousands of euro (before profit appropriation)	Note	30 June 2017	31 December 2016
Assets			
Property, plant and equipment	13	202,230	194,749
Intangible assets and goodwill	14	99,693	102,181
Investment property		830	830
Trade and other receivables	21	9,447	10,952
Equity-accounted investees	15	21,507	21,653
Deferred tax assets		3,155	3,230
Non-current assets		**336,862**	**333,595**
Inventories	16	65,547	70,024
Biological assets		5,911	5,117
Trade and other receivables	21	220,890	213,736
Current tax assets		4,379	943
Cash and cash equivalents	21	147,730	152,854
Current assets		**444,457**	**442,674**
Total assets		781,319	776,269
Equity			
Share capital	17	1,063	1,063
Share premium	17	143,554	143,554
Treasury share reserve	17 , 18	-26	-1
Translation reserve		-5,152	-3,609
Hedging reserve		18	27
Other reserves and retained earnings		233,902	229,816
Unappropriated result		30,423	53,260
Equity attributable to owners of the Company		**403,782**	**424,110**
Non-controlling interests		**4,054**	**4,880**
Total equity		407,836	428,990
Liabilities			
Loans and borrowings	21	44,683	45,652
Employee benefits	19	52,277	65,328
Provisions		3,511	3,295
Trade and other payables		8,216	7,660
Deferred tax liabilities		12,643	9,875
Non-current liabilities		**121,330**	**131,810**
Bank overdrafts		66,509	45,535
Loans and borrowings	21	82	126
Provisions		1,855	2,050
Trade and other payables	21	181,418	161,326
Current tax liability		2,289	6,432
Current liabilities		**252,153**	**215,469**
Total liabilities		373,483	347,279
Total equity and liabilities		781,319	776,269

Condensed consolidated statement of profit or loss

In thousands of euro	Note	For the six months ended 30 June 2017	2016
Revenue		1,110,606	1,070,498
Cost of raw materials and consumables		-903,293	-864,048
Gross profit	8	**207,313**	**206,450**
Other operating income	9	501	2,402
Operating income		**207,814**	**208,852**
Employee benefit expenses	10 , 18 , 19	-75,410	-76,981
Depreciation and amortisation	13 , 14	-12,724	-13,192
Other operating expenses		-80,951	-85,887
Operating expenses	10	**-169,085**	**-176,060**
Operating profit		**38,729**	**32,792**
Finance income		863	561
Finance costs		-1,666	-2,582
Net finance costs		**-803**	**-2,021**
Share of profit of equity-accounted investees, net of tax		1,849	1,485
Profit before tax		**39,775**	**32,256**
Income tax expense	12	-9,178	-7,180
Profit for the year		30,597	25,076
Profit attributable to:			
Owners of the Company		**30,423**	**25,001**
Non-controlling interests		174	75
Profit for the period		30,597	25,076
Earnings per share in euro *)			
Basic earnings per share		0.288	0.236
Diluted earnings per share		0.288	0.236
Underlying EBITDA	11	**51,722**	**46,273**

**) Earnings per share attributable to ordinary equity holders of the parent, based on weighted average outstanding shares for the six months ended 30 June*

Condensed consolidated statement of comprehensive income

In thousands of euro	Note	For the six months ended 30 June 2017	2016
Profit for the period		**30,597**	**25,076**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liabilities	19	174	-7,266
Equity-accounted investees - share of other comperhensive income		-	15
Related tax		-148	1,553
		26	**-5,698**
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences		-1,761	-7,445
Cash flow hedges - effective portion of changes in fair value		-12	604
Cash flow hedges - reclassified to statement of profit or loss / statement of financial position		-	-139
Related tax		221	967
		-1,552	**-6,013**
Other comprehensive income, net of tax		**-1,526**	**-11,711**
Total comprehensive income		29,071	13,365

Total comprehensive income attributable to:		
Owners of the Company	**28,897**	**13,290**
Non-controlling interests	174	75
Total comprehensive income	29,071	13,365

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2017

In thousands of euro	Note	Attributable to owners of the Company									
		Share Capital	Share premium	Treasury share reserve	Translation reserve	Hedging reserve	Other reserves and retained earnings	Unappropriated result	Total	Non-controlling interest	Total equity
Balance as at 1 January 2017		**1,063**	**143,554**	**-1**	**-3,609**	**27**	**229,816**	**53,260**	**424,110**	**4,880**	**428,990**
Addition from unappropriated result		-	-	-	-	-	53,260	-53,260	-	-	-
Total comprehensive income											
Profit		-	-	-	-	-	-	30,423	30,423	174	30,597
Other comprehensive income		-	-	-	-1,543	-9	26	-	-1,526	-	-1,526
Total comprehensive income		**-**	**-**	**-**	**-1,543**	**-9**	**26**	**30,423**	**28,897**	**174**	**29,071**
Transactions with owners of the Company, recognised directly in equity											
Contributions and distributions											
Dividends	17	-	-	-	-	-	-25,716	-	-25,716	-1,000	-26,716
Purchase of own shares	17	-	-	-25	-	-	-23,545	-	-23,570	-	-23,570
Equity-settled share-based payments		-	-		-	-	61	-	61	-	61
Total transactions with owners of the Company		**-**	**-**	**-25**	**-**	**-**	**-49,200**	**-**	**-49,225**	**-1,000**	**-50,225**
Balance as at 30 June 2017		1,063	143,554	-26	-5,152	18	233,902	30,423	403,782	4,054	407,836

For the six months ended 30 June 2016

In thousands of euro	Note	Attributable to owners of the Company									
		Share Capital	Share premium	Treasury share reserve	Translation reserve	Hedging reserve	Other reserves and retained earnings	Unappropriated result	Total	Non-controlling interest	Total equity
Balance as at 1 January 2016		**106,261**	**38,356**	**-399**	**4,505**	**-**	**203,081**	**50,707**	**402,511**	**4,643**	**407,154**
Addition from unappropriated result		-	-	-	-	-	50,707	-50,707	-	-	-
Total comprehensive income											
Profit		-	-	-	-	-	-	25,001	25,001	75	25,076
Other comprehensive income		-	-	-	-6,362	349	-5,698	-	-11,711	-	-11,711
Total comprehensive income		**-**	**-**	**-**	**-6,362**	**349**	**-5,698**	**25,001**	**13,290**	**75**	**13,365**
Transactions with owners of the Company, recognised directly in equity											
Contributions and distributions											
Dividends		-	-	-	-	-	-24,732	-	-24,732	-	-24,732
Purchase/sale of own shares		-	-	-33	-	-	-1,430	-	-1,463	-	-1,463
Adaptation par value shares	17	-105,198	105,198	427	-	-	-427	-	-	-	-
Equity-settled share-based payments		-	-	-	-	-	2,369	-	2,369	-	2,369
Total transactions with owners of the Company		**-105,198**	**105,198**	**394**	**-**	**-**	**-24,220**	**-**	**-23,826**	**-**	**-23,826**
Balance as at 30 June 2016		1,063	143,554	-5	-1,857	349	223,870	25,001	391,975	4,718	396,693

Condensed consolidated statement of cash flows

In thousands of euro	Note	For the six months ended 30 June 2017	2016
Cash flows from operating activities			
Profit for the year		30,597	25,076
Adjustments for:			
Depreciation	13	9,542	10,358
Amortisation	14	3,182	2,834
Change in fair value of biological assets (unrealised)		137	-24
Net impairment loss on trade receivables	10	-1,148	445
Net finance costs		803	2,021
Share of profit of equity-accounted investees, net of tax		-1,849	-1,485
Gain on sale of property, plant and equipment / investment property		-342	-158
Gain on sale of participating interests		-	-374
Gain on sale of assets held for sale		-	-910
Equity-settled share-based payment expenses		255	231
Income taxes expense		9,178	7,180
		50,355	**45,194**
Changes in:			
Inventories & biological assets		3,324	14,025
Trade and other receivables		-6,189	7,628
Trade and other payables		19,269	-18,213
Provisions and employee benefits		-14,253	-845
Cash generated from operating activities		**52,506**	**47,789**
Interest paid		-1,020	-1,197
Income taxes paid		-14,740	-9,781
Net cash from (used in) operating activities		36,746	36,811
Cash flows from investing activities			
Interest received		863	832
Dividends received from equity-accounted investees		2,426	2,766
Proceeds from sale of property, plant and equipment / investment property		1,128	560
Proceeds from sale of participating interests, net of cash disposed		-	535
Proceeds from sale of assets held for sale		-	5,575
Acquisition of subsidiary, net of cash acquired		-184	-
Acquisition of property, plant and equipment	13	-20,182	-9,997
Acquisition of intangible assets	14	-628	-53
Net cash used in investing activities		-16,577	218
Cash flows from financing activities			
Proceeds from purchase and sale of treasury shares		-20,031	1,471
Proceeds from sale of treasury shares relating to employee participation plan		2,335	2,115
Repurchase of treasury shares relating to participation plan		-3,151	-2,683
Payment of financial lease		-158	-87
Dividend paid	17	-25,716	-24,732
Net cash used in financing activities		-46,721	-23,916
Net increase/decrease in cash and cash equivalents		**-26,552**	**13,113**
Cash and cash equivalents at 1 January*		107,319	86,500
Effect of movements in exchange rates on cash held		454	180
Cash and cash equivalents as at 30 June*		81,221	99,793

**Net of bank overdrafts*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Basis of preparation

1. Reporting entity

ForFarmers N.V. (the 'Company') is a public limited company domiciled in the Netherlands. The Company's registered office is at Kwinkweerd 12, 7241 CW Lochem. The condensed consolidated interim financial statements ('interim financial statements') for the six months ended 30 June 2017 comprise ForFarmers N.V. and its subsidiaries (jointly the 'Group' or 'ForFarmers') and the Group's interest in its joint venture.

ForFarmers N.V. is an international organisation that offers nutritional solutions for both conventional and organic livestock farms. ForFarmers gives its very best **'For the Future of Farming'**: for the continuity of farming and for a financially secure sector.

The interim financial statements were authorised for issuance by the Executive Board and Supervisory Board on 16 August 2017.

The interim financial statements in this report have not been audited.

2. Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2016 ('last annual financial statements'), which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs, hereafter stated as IFRS) and section 2:362 sub 9 of the Netherlands Civil Code.

The interim financial statements do not include all of 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 understand the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies applied in these interim financial statements are the same as those applied in the last annual financial statements. For explanatory notes on the standards issued but not yet effective reference is made to Note 25.

The interim financial statements were prepared in accordance with the going concern principle.

Functional and presentation currency

These interim financial statements are presented in euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The subsidiaries' functional currencies are mainly the euro and Pound sterling. Most of their transactions, and resulting balance occur in their local and functional currency. The following exchange rates have been applied:

Period-end spot rate

31 December 2015:	€1.00 = £0.7340
30 June 2016:	€1.00 = £0.8265
31 December 2016:	€1.00 = £0.8562
30 June 2017:	€1.00 = £0.8793

Average rate for the six months ended

30 June 2016:	€1,00 = £0,7788
30 June 2017:	€1,00 = £0,8606

3. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of uncertainties with respect to estimates were the same as those applied to the last annual financial statements, except for the estimated uncertainties in the depreciation percentages of property, plant and equipment, of which the depreciation period has been revised based on expected remaining useful life (Note 13).

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.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration paid or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised 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 market to 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)

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Performance for the period

4. Operating segments

A. Basis for segmentation

The Group has the following three strategic clusters, which are its operating and reportable segments.

- The Netherlands
- Germany / Belgium
- United Kingdom

The Group's products include, amongst other things, compound feed and blends, feed for young animals and specialities, raw materials and co-products, seeds and fertilisers. Core activities are feed production, logistics and providing Total Feed solutions based on nutritional expertise.

The clusters offer similar products and services and have comparable production processes and methods to distribute products. However, as the clusters are managed separately and are also subject to different currencies (i.e. UK cluster versus the remaining clusters), the operating segments are not aggregated.

This allocation is consistent with the organisation structure and internal management reporting and also represents the geographical regions in which the Group operates. The corporate headquarters of the Group is in Lochem, The Netherlands.

The Group's Executive Committee reviews internal management reports of each cluster on a monthly basis, and its members are jointly considered as the chief operating decision making body.

There are various levels of integration between the segments. This integration also includes transfers of inventories and shared distribution services, respectively. Inter-segment pricing is determined on an arm's length basis.

B. Information of reportable segments

Information related to each reportable segment is set out below. The segment operating result represents the earnings before interest and income tax, and is used to measure performance. Management believes that this measure is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Reportable segments

For the six months ended 30 June 2017

In thousands of euro	The Netherlands	Germany/ Belgium	United Kingdom	Group / eliminations	Consolidated
External revenues	528,219	266,716	315,651	20	1,110,606
Inter-segment revenues	31,803	1,120	-	-32,923	-
Revenue	**560,022**	**267,836**	**315,651**	**-32,903**	**1,110,606**
Gross profit	**110,212**	**36,139**	**60,754**	**208**	**207,313**
Other operating income	180	169	152	-	501
Operating expenses	-76,068	-31,577	-55,403	-6,037	-169,085
Operating profit	**34,324**	**4,731**	**5,503**	**-5,829**	**38,729**
Depreciation, amortisation	3,708	1,868	5,544	1,604	12,724
EBITDA	**38,032**	**6,599**	**11,047**	**-4,225**	**51,453**
Underlying EBITDA	37,917	6,983	11,047	-4,225	51,722
Capital expenditure**	6,934	2,332	10,341	1,203	20,810
At 30 June 2017					
Property, plant and equipment	80,698	35,890	82,371	3,271	202,230
Intangible assets and goodwill	44,208	4,794	45,214	5,477	99,693
Equity-accounted investees	-	21,507	-	-	21,507
Other non-current assets	2,717	8,421	5,098	-2,804	13,432
Non-current assets	**127,623**	**70,612**	**132,683**	**5,944**	**336,862**
Current assets	**169,662**	**146,399**	**102,548**	**25,848**	**444,457**
Total assets	**297,285**	**217,011**	**235,231**	**31,792**	**781,319**
Equity	-154,757	-75,056	-34,421	-143,602	-407,836
Liabilities	-142,528	-141,955	-200,810	111,810	-373,483
Total equity and liabilities	**-297,285**	**-217,011**	**-235,231**	**-31,792**	**-781,319**
Working Capital	27,650	41,647	49,661	- 7,875	111,083

For the six months ended 30 June 2016

In thousands of euro	The Netherlands	Germany/ Belgium	United Kingdom	Group / eliminations	Consolidated
External revenues	469,920	261,436	339,066	76	1,070,498
Inter-segment revenues	31,703	-	-	-31,703	-
Revenue	**501,623**	**261,436**	**339,066**	**-31,627**	**1,070,498**
Gross profit	**98,409**	**34,490**	**73,391**	**160**	**206,450**
Other operating income	1,392	541	466	3	2,402
Operating expenses*	-70,893	-30,242	-65,482	-9,443	-176,060
Operating profit	**28,908**	**4,789**	**8,375**	**-9,280**	**32,792**
Depreciation and amortisation	4,240	1,940	5,654	1,358	13,192
EBITDA	**33,148**	**6,729**	**14,029**	**-7,922**	**45,984**
Underlying EBITDA	32,238	6,729	15,228	-7,922	46,273
Capital expenditure**	3,589	2,061	3,824	859	10,333
At 31 December 2016					
Property, plant and equipment	77,330	35,691	78,551	3,177	194,749
Intangible assets and goodwill	44,780	4,817	46,615	5,969	102,181
Equity-accounted investees	-	21,653	-	-	21,653
Other non-current assets	2,908	10,056	7,361	-5,313	15,012
Non-current assets	**125,018**	**72,217**	**132,527**	**3,833**	**333,595**
Current assets	**187,634**	**144,571**	**105,818**	**4,651**	**442,674**
Total assets	**312,652**	**216,788**	**238,345**	**8,484**	**776,269**
Equity	-147,448	-70,351	-33,373	-177,818	-428,990
Liabilities	-165,204	-146,437	-204,972	169,334	-347,279
Total equity and liabilities	**-312,652**	**-216,788**	**-238,345**	**-8,484**	**-776,269**
Working Capital	35,730	41,822	50,295	- 7,961	119,886

** Operating expenses in 2016 have been adjusted for comparison reasons due to refining of the overhead allocation at cluster level*
*** Relating to Intangible assets and property, plant and equipment*

The reconciliation between the clusters' operating results and the Group's profit before tax is as follows:

	For the six months ended 30 June	
In thousands of euro	**2017**	**2016**
Segment operating profit	**38,729**	**32,792**
Finance income	863	561
Finance costs	-1,666	-2,582
Share of profit of equity-accounted investees, net of tax	1,849	1,485
Profit before tax	**39,775**	**32,256**

The column Group / eliminations represents and includes amounts as result of Group activities and eliminations in the context of the consolidation.

Other non-current assets include investment property, non-current trade and other receivables and deferred tax assets.

Working capital consists of inventories, biological assets, current trade and other receivables less current liabilities.

The Group is not reliant on any individual major customers.

5. Seasonality of operations

There is no significant seasonal pattern when comparing the first with the second half of a year.

6. Business Combinations

Acquisitions 2017

On 25 May 2017 the Group acquired full control of Wilde Agriculture Ltd. The purchase consideration amounts to €2.0 million of which €0.5 million is a contingent consideration. The provisional fair values of the acquired assets has been determined at €2.1 million, including €0.9 million cash and cash equivalents. The provisional fair values of the assumed liabilities amount to €0.6 million. The related goodwill of €0.5 million is mainly attributable to the anticipated synergy benefits with the integration of Wilde Agriculture Ltd within the United Kingdom cluster. The goodwill has, therefore, been allocated to this cluster. This acquisition does not have a material effect on the Group in the context of the disclosure requirements of IFRS 3 Business Combinations.

Acquisitions 2016

Compared to the annual report 2016, the provisional real values of the identifiable assets and liabilities of VleutenSteijnVoeders B.V. have not changed.

7. Disposals

Disposals 2017

There were no disposals in the six months ended 30 June 2017.

Disposals 2016

As per 30 June 2016 the Group sold its interest in Leafield Feeds Ltd. to SugaRich for €1.3 million, resulting in a gain of €0.4 million that has been recognised as other operating income in the statement of profit or loss. The Leafield bread and biscuit products were mainly sold to business clients. As such, this model varied from the ForFarmers strategy to sell directly to farm and therefore the decision was taken to sell Leafield. The sale was a share transaction for the entity Leafield Feeds Ltd. that comprises the production site in Wakefield, West Yorkshire and 15 employees. Since the transaction was effective as of 30 June 2016, the corresponding assets and liabilities of Leafield Feeds Ltd. were deconsolidated and fully transferred to SugaRich.

8. Gross profit

Gross profit increased slightly compared to the six months ended 30 June 2016. Excluding the negative foreign currency effect (€6.7 million) and net acquisition/divestment effect (€1.6 million) gross profit increased by €5.9 million.

9. Other operating income

Other operating income decreased by €1.9 miljoen . This can, among other things, be explained by that fact that in the other operating income for the six months ended 30 June 2016 an amount of €1.3 million has been recognised for the disposal of Leafield Feeds Ltd. (€0.4 million) and the sale of the land position Oss (€0.9 million) that was previously classified as assets held for sale.

10. Operating expenses

The decrease in total operating expenses amounting to €7.0 million can be explained by a negative foreign currency effect (€6.0 million), net acquisition/divestment effect (€0.1 million). Without these effects the operating expenses decreased by €0.9 million. This takes into account the costs in 2016 for the listing on the stock exchange (€1.5 million) and a (net) release of €1.1 million from the allowances for bad debts in 2017.

For the six months ended 30 June 2017 the operating expenses include an incidental item of €0.4 million, which relates to restructuring costs recognised under employee benefit expenses due to a project to centralise back office activities. For the six months ended 30 June 2016 an amount of €1.6 million was included as incidental item which related to the restructuring in the United Kingdom.

11. Underlying EBITDA

The Executive Committee presented the 'Underlying EBITDA' as a performance measure, as they follow this performance measure on a consolidated level and they believe that this measurement is relevant to understand the Group's financial performance. The definition of Underlying EBITDA is similar to the annual report 2016. Underlying EBITDA is not a performance measurement under IFRS. The Group's definition of underlying EBITDA may not be compared to similarly titled performance measures and disclosures of other entities.

The increase of Underlying EBITDA is mainly due to margin improvement and a decrease of operating expenses.

Income taxes

12. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income (excluding the share of the result participation accounted for based on the equity method, after taxes) of the interim reporting period.

The Group's consolidated effective tax rate for the six months ended 30 June 2017 was 24.2% (six months ended 30 June 2016: 23.3%). The effective tax rate in 2017 has increased due to changes in laws in the Netherlands on taxes for innovation grants. The relative share of the United Kingdom results decreased which causes an increase of the total tax burden.

Assets

13. Property, plant and equipment

Movements on property, plant and equipment during the six months ended 30 June 2017 are specified as follows:

In thousands of euro	Total
Cost	
Balance as at 1 January 2017	418,472
Acquisitions through business combinations	35
Divestments	-
Additions	20,182
Disposals	-1,949
Effect of movements in exchange rates	-3,025
Balance as at 30 June 2017	**433,715**
Accumulated depreciation and impairment losses	
Balance as at 1 January 2017	-223,723
Divestments	-
Depreciation	-9,542
Disposals	1,163
Effect of movements in exchange rates	617
Balance as at 30 June 2017	**-231,485**
Carrying amounts	
At 1 January 2017	194,749
At 30 June 2017	202,230

As of 1 January 2017 the depreciation terms for property, plant and equipment has been revised based on expected remaining useful life. This has generally resulted in an extension of the depreciation terms, whereby depreciation expenses, based on these revised depreciation terms, were €1.1 million lower than previous applied depreciation terms.

14. Intangible assets and goodwill

Movements on intangible assets and goodwill during the six months ended 30 June 2017 are specified as follows:

In thousands of euro	Goodwill	Intangible assets	Total
Cost			
Balance as at 1 January 2017	64,483	67,016	131,499
Acquisitions through business combinations	510	546	1,056
Divestments	-	-	-
Additions	-	628	628
Disposals	-	-50	-50
Effect of movements in exchange rates	-626	-835	-1,461
Balance as at 30 June 2017	**64,367**	**67,305**	**131,672**
Accumulated amortisation and impairment losses			
Balance as at 1 January 2017	-	-29,318	-29,318
Divestments	-	-	-
Amortisation	-	-3,182	-3,182
Disposals	-	50	50
Effect of movements in exchange rates	-	471	471
Balance as at 30 June 2017	**-**	**-31,979**	**-31,979**
Carrying amounts			
At 1 January 2017	64,483	37,698	102,181
At 30 June 2017	64,367	35,326	99,693

Goodwill acquired through business combinations with indefinite lives is allocated to the Netherlands, Germany / Belgium and United Kingdom, which are also operating and reportable segments, for impairment testing. The Group performed its annual impairment test in the third quarter of 2016 for 2016. For the six months ended 30 June 2017 no indicators for potential impairment were identified for goodwill nor for other intangible assets.

15. Equity-accounted investees

The amounts under equity-accounted investees (€21.507 thousand as per 30 June 2017, respectively €21.653 thousand as per 31 December 2016) fully relate to HaBeMa Futtermittel Produktions- und Umschlagsgesellschaft GmbH & Co. KG (HaBeMa), the only joint venture in which the Group participates. HaBeMa is one of the Group's suppliers and is principally engaged in trading of raw materials, storage and transhipment, production and delivery of compound feeds in Hamburg, Germany.

HaBeMa is structured as a separate vehicle and the Group has a residual interest in the net assets of the entity. Accordingly and consistent with the last annual financial statements, the Group has classified its interest in HaBeMa as a joint venture. The Group does not have any commitments or contingent liabilities relating to HaBeMa, except for the purchase commitments of goods as part of the normal course of business.

16. Inventory

At 30 June 2017 the total amount of inventories decreased compared to 31 December 2016, due to adjustments in agreements with suppliers which reduces the seasonal effect.

Other inventories include trading inventories which are part of the Group's Total Feed business and which mainly include fertilizers and seeds.
During the six months ended 30 June 2017 there were no inventory write-downs recognised in the statement of profit or loss (six months ended 30 June 2016: nil).

Equity and liabilities

17. Equity, capital and reserves

At 30 June 2017, the authorised share capital comprised 106.0 million ordinary shares of €0.01 each. At the balance sheet date all shares were issued and fully paid.

The General Meeting of Shareholders empowered ForFarmers at 26 April 2017, for a period of 18 months, to start a buy-back programme for own shares for (a) an amount between €40 million and €60 million to among other things have a more efficient balance at Group level and (b) for the execution of the employee participation plans in 2017.

The Group has bought back 2.8 million shares in the period 2 May 2017 until 30 June 2017, for a total amount of €26.7 million (including commission fees), of which €3.4 million has been settled with the bank in the beginning of July. 0.4 million shares were reissued as depositary receipts for an amount of €3.1 million for the employee participation plans. The balance for purchase of own shares amounts to €23.6 million (including commission fees).

Dividend

At the General Meeting of 26 April 2016 the dividend was approved at €0.24218 per share. On 9 May 2017 €25.7 million was paid out as cash dividend and charged against retained earnings.

2016

On 15 April 2016, it was resolved to amend the articles of association of the Company in their entirety. Accordingly, the legal form of the Company was converted into a public limited company and the par value of the shares was reduced from € 1.00 to € 0.01 per share with an effective date per 23 May 2016.

18. Share-based payment arrangement

On7 April 2017, the Group launched the two 2017 employee participation plans. One plan relates to members of the Executive Committee and senior management, the other plan relates to other employees. For both plans the participants are required to remain in service for 36 consecutive months to be entitled to the discount on the depositary receipts being purchased. The employee is entitled to buy depositary receipts at a discount between 13.5% and 20% on the fair value of the depositary receipt at the grant date, for which additional depositary receipts are provided. The conditions of both plans are consistent with the participation plans applicable for 2015 and 2014 which have been disclosed in the notes of the last annual financial statements, except for the lock-up period of the depositary receipts for the Executive Committee and senior management that is extended to 5 years compared to 3 years in the 2015 and 2016 plans. Due to this the Company does not have any employment tax obligations.

During the six months ended 30 June 2017, 35 employees (of which 7 foreign employees) participated in the participation plan for the Executive Committee and senior management and 297 employees (of which 59 foreign employees) participated in the participation plan for other employees.

The value of the depositary receipts of the Company, for which the employee could buy their depositary receipts, was determined as the average closing price in the 5 trading days during the period 2 May - 8 May 2017 and amounted to €8.66. The foreign employee tax obligations is based on the fair value of the depositary receipts on settlement date.

The total number of participants of all active employee participation plans comprises 24.7% of the total number of the Group's employees.

19. Employee benefits

Consistent with the last annual financial statements, separate employee benefit plans are applicable in the various countries where the Group operates.

In thousands of euro	30 June 2017	31 December 2016
Liability for net defined benefit obligations	46,912	60,959
Liability for other long-term service plans	5,365	4,369
Total	**52,277**	**65,328**

The following table shows a reconciliation from the opening balance to the closing balances for the net defined benefit liability and its components

Reconciliation of the carrying amount

In thousands of euro	Total
Balance at 1 January 2017	60,959
Included in profit or loss	
Current service cost	182
Administrative expenses	217
Interest cost	549
	948
Included in OCI	
Remeasurement gain	-173
Effect of movements in exchange rates	-831
	-1,004
Other	
Employer contributions and direct benefit payments	-13,991
	-13,991
Balance at 30 June 2017	**46,912**

The decrease in the net defined benefit liability is mainly caused by an additional contribution of €11.7 million to reduce the deficit in the United Kingdom employee benefit plan. Gains as results of remeasurements of €173 thousand is mostly caused by actuarial gains due to the slightly increased interest rates for Continental Europe and slightly decreased interest rates in the United Kingdom for the six months ended 30 June 2017.

20. Provisions

A restructuring cost of €384 thousand was recognised as a provision under current liabilities during the six months ended 30 June 2017. This is in respect of the Group’s committed restructuring due to a project to centralise back-office activities.

Financial instruments

21. 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. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2017

	Carrying amount						Fair value			
In thousands of euro	**Designated at fair value**	**Fair value - hedging instruments**	**Held-to-maturity**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value										
Forward exchange contracts used for hedging (derivatives)	-	30	-	-	-	30		30		30
	-	**30**	**-**	**-**	**-**	**30**		**30**		**30**
Financial assets not measured at fair value										
Equity securities (other investments)	-	-	28	-	-	28				
Trade and other receivables*	-	-	-	230,279	-	230,279				
Cash and cash equivalents	-	-	-	147,730	-	147,730				
	-	**-**	**28**	**378,009**	**-**	**378,037**				
Financial liabilities measured at fair value										
Contingent consideration	-8,216	-	-	-	-	-8,216			-8,216	-8,216
Financial liabilities not measured at fair value										
Bank overdrafts	-	-	-	-	-66,509	-66,509				
Unsecured bank loans	-	-	-	-	-44,587	-44,587				
Finance lease liabilites	-	-	-	-	-178	-178				
Trade and other payables**	-	-	-	-	-181,418	-181,418				
	-	**-**	**-**	**-**	**-292,692**	**-292,692**				

** Non-current and current trade and other receivables, excluding derivatives and other investments*
*** Excluding contingent consideration*

The following table show the valuation technique used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable.
Interest rate swaps	The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Derivative financial instruments are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations.	Not applicable.
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast sales volume, the amount to be paid under each scenario and the probability of each scenario.	• Forecast annual sales volume growth rate. • Forecast receipts gross trade receivables. • Risk-adjusted discount rate. The estimated fair value would increase (decrease) if: • the annual sales volume growth rate were higher (lower); • the receipts of the gross trade receivables vary from the standard payment terms; or • the risk-adjusted discount rate were lower (higher).

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Equity securities (non-current)	For investments in equity instruments that do not have a quoted market price in an active market for an identical instrument (i.e. a Level 1 input) disclosures of fair value are not required.	Not applicable.
Loans and receivables (non-current)	Discounted cash flows.	Not applicable.
Cash, trade and other receivables and other financial liabilities (current)	Given the short term of these instruments, the carrying value is close to the market value.	Not applicable.
Other financial liabilities (non-current)	Discounted cash flows. The fair value of the long-term debts is equal to the carrying value as floating market-based interest rates are applicable consistent with the financing agreement.	Not applicable.

Exposure to commodity risk

During the six months ended 30 June 2016 the Group has entered into derivatives to hedge the risks associated with changes in fuel prices. In the frame of these cash flow hedges, maturities relate to realisation dates of hedged items and therefore cash flow hedge accounting is applied. The remaining contractual maturities of these derivatives have expired at the beginning of January 2017. During the six months ended 30 June 2017 no new derivatives have been entered into by the Group.

Other information

22. Commitments and contingencies

Commitments and contingencies, as disclosed in the last annual financial statements, did not change materially during the six months ended 30 June 2017.

23. Related parties

Followed by the appointment of Mr. C. de Jong as member of the Supervisory Board, Chr. Hansen Holding A/S including the activities of its subsidiaries (hereafter mentioned together as: Chr. Hansen), is a related party of the Group as from 26 April 2017, since Mr. C. de Jong holds the position of CEO at this company. The Group has, as of 30 June 2017, contractual obligations with Chr. Hansen for an amount of €0.3 million and has bought goods for an amount of €0.5 million in the period from 26 April 2017 to 30 June 2017. The related party transactions were carried out at arm's length. There were no other changes in respect of the nature and size of the related parties compared to the last annual financial statements.

24. Events after the reporting date

There are no events after the reporting date.

25. Standards issued but not yet effective

New standards and amendments to standards issued but not yet effective as of the date of publication of these Group's interim financial statements are set out below. The listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group shall adopt these standards and interpretations when they become effective and are endorsed by the European Union (EU).

IFRS 9 - Financial Instruments, effective 1 January 2018 (IASB and EU)

IFRS 9 introduces new standards for classification and measurement, impairment and hedge accounting. The actual impact of adopting IFRS 9 on the Group's consolidated financial statements in 2018 is not known and cannot be reasonably estimated as the Group is still assessing this. However, the Group has performed a preliminary assesment of the potential impact of the adoption of IFRS 9 based on its positions at 30 June 2017 and hedging relationships designated during the first half of 2017 under IAS 39 Financial Instruments: Recognition and Measurement.

i. Classification - financial assets and financial liabilities: IFRS 9 contains a new classification and measurement approach for financial assets and financial liabilities. The Group does not believe that the new classification requirements, if they had been applied at 30 June 2017, would have had a material impact on its accounting for trade receivables, loans, investments in equity securities and financial liabilities.
ii. Impairment - financial assets and contract assets: IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. This will require considerable judgement as to how changes in economic factors affect ECL's, which will be determined on a probability-weighted basis. The Group is still evaluating the impairment methodologies that it will apply under IFRS 9 and cannot determine the possible impact based on the outstanding receivables as of 30 June 2017 .
iii. Hedge accounting: IFRS 9 will require the Group to ensure that hedge accounting relationships are aligned with the Group's risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. The Group has no material hedge relationships in the six months ended 30 June 2017 and based on the preliminary assesment does not expect a material effect on the Group's current financial position.
iv. Disclosures: IFRS 9 will require extensive new disclosures, in particular regarding hedge accounting, credit risk and ECLs. The Group plans to include the necessary disclosures in the notes to the financial statements in due time.

IFRS 15 - Revenue from Contracts with Customers, effective 1 January 2018 (IASB and EU)

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The Group has completed an initial assessment of the potential impact of the adoption of IFRS15 on its consolidated financial statements.

i. Sales of Goods: Under IFRS 15, revenue will be recognised when a customer obtains control of the goods. Revenues from Total Feed products are recognised when the goods are delivered to the customers' premises. As the lead and delivery time of finished products to customer are short the

Group does not expect any significant changes in timing of revenue recognition on sales of goods.

ii. Rendering of services: Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. As the Group mainly delivered Total Feed products based on pre agreed prices and does not have complex agreements, the Group does not expect significant differences in the timing of revenue recognition for these services.

iii. Commission: IFRS 15 requires that for commissions earned by the Group, the Group should determine whether it acts as an agent based on whether the Group controls the specific goods before transferring them to the end customer, rather than whether it has exposure to the significant risks and rewards associated with the sale of goods. The Group has performed an initial assessment of these transactions and does not expect that there will be a significant impact on its consolidated financial statements.

IFRS 16 - Leases, effective 1 January 2018 (IASB and EU)

For lessees, IFRS 16 (issued on 13 January 2016) requires most leases to be recognised on-balance, eliminating the distinction between operating and finance leases. IFRS 16 supersedes IAS 17 Leases and related interpretations. Under IFRS 16 a lessee recognises a right-of-use asset and lease liability. The right-of-use asset is treated similarly to other non-financial assets and is depreciated accordingly. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined, and the liability accrues interest. The Group evaluates the potential impact on its consolidated financial statements which shows a limited increase in assets and liabilities. However no determination of impact can be made yet.

Other standards and amendments on standards

IFRS 17 will replace IFRS 4 in due time. These new standards will require all insurance contracts to be recognised consistently. IFRS has to be applied starting 1 January 2021, but has not been endorsed by the EU. Considering the recent publication of this new standard (18 May 2017). The Group will have evaluate the effects of this standard but expects that this standard will be mainly relevant for insurance companies.

The Group has performed an assesment on the possible effects of the amendments of IAS 7, IAS 12, IFRS 2 and IAS 40. The Group does not expect any impact on the current financial position and results and will apply these amended standards when endorsed by the EU.