

Press Release

Potato breeder HZPC publishes results and dividend for financial year 2016/17

HZPC books record turnover and gross profit and pays out €7 dividend

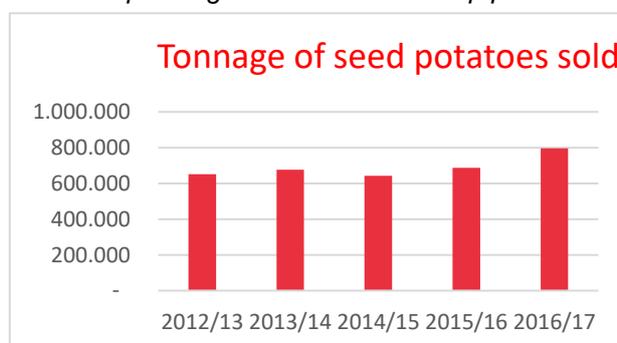
Acquisitions and growth in acreage push seed potato production up to 800,000 tonnes

Joure (NL), 6 October 2017 – HZPC, world leader in potato breeding, announced during the shareholders' meeting on 5 October that a consolidated net turnover of €318.5 million has been determined for the financial year 2016/17. The gross profit is €59.3 million and the net result is €8.5 million. A dividend of €7 per HZPC certificate has been determined, which is €1.25 higher than the previous year and €2 above the five year average. With this net turnover and gross profit, HZPC has achieved new record figures. A higher net profit was only achieved in the financial year 2013/14.

The takeover of the assets and seed potato activities of KWS Potato together with an acquisition in Russia have contributed to the higher HZPC year figures. In addition to this, the growth is also due to the continuing growth in seed potato acreage and the corresponding increase in seed crop production and -trade.

In the last year, HZPC Holding achieved a milestone of 800,000 tonnes of seed potatoes sold (also under licence).

Gerard Backx, CEO of HZPC Holding says: "The volume increase is only partly the result of our acquisitions; it has arisen primarily from the continuing autonomous growth in HZPC's various areas of activity."



Retrospective and future perspective

The last year has been an excellent year for HZPC and our associated growers and certificate-holders. Backx: "This excellent result will enable HZPC to invest further in existing and new markets, in new breeding techniques, and in product development. Our investments in these activities in the past year have already increased according to plan and good results like these enable us to innovate and expand further."

x 1 million euros	2012/13	2013/14	2014/15	2015/16	2016/17
Cons. net-turnover	291.521	282.566	244.731	290.855	318.516
Gross profit	46.169	47.538	41.294	48.091	59.311
EBIT	1.682	10.957	5.152	8.939	11.771
Net result	1.016	9.200	4.494	6.998	8.477

For the year 2017/18, HZPC expects a slight increase in the total volume worldwide. This will be associated with a lower margin than in the last accounting year, caused by the low European consumption potato prices and the smaller market for certified seed potatoes as a result of this.

HZPC's investments in markets, breeding and products continue to rise according to plan, so the net result for 2017/18 will end up significantly lower than in 2016/17. HZPC does, however, expect to achieve its financial target of sufficient yield on equity. Annual profit fluctuations are expected on the cyclical potato market.

Dividend yield 4.2%

On 5 October this year, the shareholder (the HZPC Association) and the Supervisory Board of HZPC Holding b.v. discussed and approved the annual accounts and made available a sum of €5.5M for dividend payments. This results in a dividend of €7 per share certificate, representing a dividend yield of 4.2% on a share price of €165.65 (June 2017). The next trading day on which the price will be defined again is 3 November 2017.

About HZPC

HZPC is the innovative world leader in potato breeding and seed potato trading. HZPC breeders develop potato varieties optimally suited to local growing conditions. With HZPC varieties, local potato growers can respond dynamically to the needs of their markets and market segments such as the processing industry, the supermarket channel and the fresh produce market.

HZPC has more than 370 employees in over 19 countries, and holds ownership of a large proportion of its 800 international seed potato growers and employees. HZPC potato varieties and seed potatoes allow potato growers worldwide to achieve sustainable, healthy growth that respects people and the environment.

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Note for editors

At the end of October 2017, HZPC will publish its digital annual report via its website.