



PRESS RELEASE – FINANCIAL YEAR 2016

Rotterdam, 16 February 2017

Acomo reports record net profit at € 34.4 million for 2016

Proposed dividend set at € 1.15 per share in best trading year ever

Main financial indicators 2016

- Net profit: € 34.4 million (2015: € 32.3 million, + 7%)
- Sales: € 682.3 million (2015: € 681.6 million, + 0%)
- EBITDA: € 55.2 million (2015: € 51.4 million, + 7%)
- Earnings per share: € 1.428 (2015: € 1.352, + 6%)
- Solvency: 51.7% (2015: 48.2%)
- Proposed dividend: € 1.15 per share (2015: € 1.00 per share)

Major events and developments 2016

- Prices in almost all product categories showed volatile behaviour in the El Niño aftermath. Tea prices showed erratic regional behaviour, sometimes in opposite directions. Nuts saw weakness in some categories in the beginning of the year, which recovered later in the year. Spices saw good volatility with different price patterns in different products. Pepper saw two very different half years, the first half-year with rising prices, the second with falling prices. Ginger and garlic were also very volatile. Corn, millet and sunflower seeds showed stable pricing over the year at relatively low levels.
- Spices and Nuts showed a remarkable performance with record years for both Catz International and King Nuts & Raaphorst. This was an exceptional achievement in Catz's 160th year of trading. The Edible Seeds business in both North America and Europe showed a strong comeback after the difficult year 2015. Food Ingredients grew strongly in net result and Tea had a challenging 2016.
- In February we signed and closed the acquisition of Container Tea & Commodities. Its first year within the Group was fully in line with our expectations even though South India experienced its driest period in 30 years.
- In December 2016 we opened a new trading operation in Canada called Red River Global Ingredients, which will trade in sunflower seeds and other specialty crops like pulses in North America and utilize our processing capabilities in the US.

In 2016, consolidated sales of **Amsterdam Commodities N.V.** (Acomo) increased by 0.1% to € 682.3 million (2015: € 681.6 million). The total gross margin increased by 4.1% and thereby increased our gross margin as a percentage of sales with 0.7 percentage points. The discontinuation of applying hedge accounting for Spices and Nuts had a positive effect on the margin (€ 0.9 million). The translation effect of the US dollar on the margin was negligible. For the full year 2016 net profit reached a very strong € 34.4 million, an increase of € 2.1 million versus 2015 (€ 32.3 million, + 6.6%).

Currency euro/US dollar

The US dollar was comparable to 2015 during the first nine months but strengthened substantially during the last quarter in 2016 versus the euro. The average annual euro/US dollar exchange rate in 2016 was 1.1069 (2015: 1.1102). The impact of the euro/US dollar exchange rate on 2016 earnings was negligible. Like-for-like revenue was in 2016 similar to 2015.

The 2016 year-end exchange rate of 1.0524 is evidence of the stronger US dollar against the euro when compared to the 2015 year-end rate of 1.0862. As per 31 December 2016, currency effects led to an increase in total assets (+ € 4.9 million).

Dividend 2016

Given the record performance and the strong balance sheet position, the proposed 2016 dividend per share is € 1.15, an increase of 15% compared to 2015 (€ 1.00 per share), representing a pay-out ratio of 81% (2015: 74%). After the 2016 interim dividend of € 0.40 per share (2015: € 0.40), the final 2016 dividend is proposed at € 0.75 per share.

Key figures 2016 – unaudited

	2016	2015
Consolidated figures (in € millions)		
Sales	682.3	681.6
Gross margin	114.6	110.0
EBITDA	55.2	51.4
Operating profit (EBIT)	50.4	47.1
Financial result	-3.1	-3.0
Corporate income tax	-12.9	-11.8
Net profit	34.4	32.3
Shareholders' equity (before final dividend)	182.9	168.3
Total assets	353.6	348.9
Ratios		
Solvency – shareholders' equity as % of total assets	51.7%	48.2%
Return on equity	19.6%	20.1%
Dividend pay-out ratio	80.8%	74.2%
Key performance indicators (in €)		
Earnings per share	1.428	1.352
Equity per share at year-end	7.550	7.016
Dividend per share - total (2016: proposed)	1.15	1.00

'I am proud of what all my colleagues in Acomo have achieved in the year 2016. It is again evidence that, together with our other stakeholders, our people with their specialist knowledge are capable of creating value in our business. It shows that we are in market segments that enable us to grow our business and in the meantime generate healthy profits. The record year is a result of strong performances across our group of companies. Catz International – which celebrated its 160th trading year – and King Nuts & Raaphorst had their best year in history. The Group achieved a net profit of € 34.4 million, a very strong performance', said CEO Erik Rietkerk. 'Our product segments Spices and Nuts, Edible Seeds and Food Ingredients performed extremely well, while Tea had a challenging year.'

Activity reviews per segment

Spices and Nuts

Catz International in Rotterdam, the Netherlands, performed exceptionally well and delivered yet again a record year in difficult market circumstances. Sales dropped slightly versus 2015 on the basis of lower pricing and changes in the product portfolio. Gross margin was up by almost 4%. Gross margin as percentage of sales increased with 0.8 percentage points. As in previous years, Catz delivered the largest share of our net profit. The company faced volatile markets in the aftermath of El Niño, but the whole team at Catz again showed their skills in risk management and successfully utilized their market knowledge to deliver value for our suppliers and customers.

In a difficult market for nuts, Tovano in Maasdijk, the Netherlands, active in packed nuts and dried fruits, had an excellent year.

King Nuts & Raaphorst in Bodegraven, the Netherlands, active in nuts and rice crackers, was able to increase volumes and margins in 2016, resulting in a net profit which set a record high in the history of King Nuts & Raaphorst. Sales were up by 8% versus 2015, mainly driven by volume growth in almost all market segments. Gross margin increased significantly and as a percentage of sales it increased with one percentage point. This resulted in a net profit significantly above that of 2015. The team in Bodegraven continues to outperform the market by strict focus on market position and costs, thereby delivering impressive results.

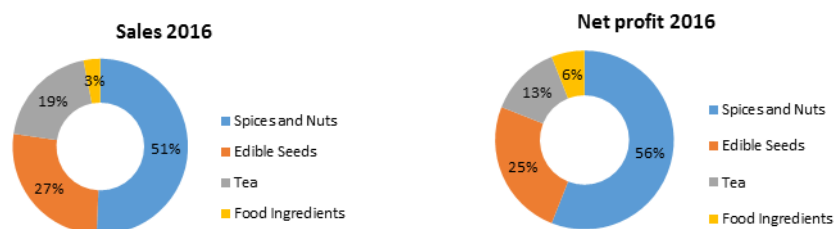


Figure 1

Edible Seeds

Red River Commodities in Fargo, USA, which is active in sourcing, processing and distributing edible seeds (mainly sunflower), delivered a strong comeback versus 2015 in still difficult circumstances with low commodity prices and a strong dollar. The low commodity prices made it more difficult to increase margins and the strong dollar prohibited growth of our in-shell export business to Europe. The political situation in the Middle East and the currency volatility in countries like Turkey put a downward pressure on demand in the Mediterranean Rim. Despite this Red River Commodities was able to increase gross margin with 7% versus 2015, thereby achieving a net result that was significantly above that of 2015.

Wild bird food saw a mild winter resulting in a somewhat lower demand, but at higher gross margins. The export business saw a significant drop in revenue and volumes but did a great job in increasing gross margin in absolute terms. SunButter® profited from investments in marketing made in 2015 and 2016. Targeted marketing and increased spending resulted in increases in volumes and revenue of more than 20%. The investment in a new SunButter® roaster paid off in increased quality and margins. SunGold had a transitional year as reduced roasting volumes for kernel were impacted by SunButter® having its own roaster. Inshell sunflower volume was down slightly however with better margin. SunGold was able to increase the volumes of other roasted products like pumpkin seeds, chickpeas and soybeans such that its margin was held constant versus 2015.

Red River-van Eck in Zevenbergen, the Netherlands, made good use of trading opportunities in the poppy seeds market and realized good results in poppy and other bakery seeds. Volumes of poppy and other bakery seeds were somewhat down, resulting in a slightly lower gross margin. The Bulgarian sunflower activities are now being run purely as a trading activity managed from Zevenbergen and volumes were reduced in favour of an increased focus on profitability and costs. Improvements in the gross margin in Bulgaria were such that after the negative gross margin in 2015, 2016 showed a positive gross margin.

SIGCO Warenhandel in Hamburg, Germany, had a better year than 2015 and increased its gross margin with double-digit percentage points versus 2015. The company further started to realize synergies with Red River-van Eck at the back office level. With stable operating costs SIGCO improved its net result.

The teams in North America and Europe have proven to be able to cope with challenges while improving their operations and delivering good results.

Tea

Van Rees Group in Rotterdam, the Netherlands, experienced a challenging year in a turbulent market environment. Pricing developments were volatile, sometimes taking different directions in different regions. Due to record crops Kenya experienced falling price levels, whilst Colombo saw a stable first six months after which prices moved up aggressively as a result of drought. Some destination markets were confronted with often sharp devaluations and/or political unrest but risks were managed effectively. The newly acquired business in India was successfully integrated and performed well and to expectation, despite a severe drought in South India. The rollout of the ERP system continued and will be finalized in 2017.

Food Ingredients

The Group's natural food ingredients activities, now under a single Snick EuroIngredients proposition, delivered strong results in 2016. Volumes of all categories grew, resulting in higher gross margins in all categories. As the merger finalized, there were further savings in operating costs and efficiencies. Dry blends volumes continued to grow and this resulted in higher utilization of the plant in Ruddervoorde, Belgium. The portfolio saw an increase in the percentage of own blends (dry and wet). The drive and experience of the people in Ruddervoorde have delivered excellent progress in 2016.

Non-recurring items

The 2016 results include the financial effect of the discontinuation of applying hedge accounting for Spices and Nuts. The discontinuation had a positive impact on the 2016 net result of € 0.7 million. In 2015 the results were positively impacted by a number of one-off items of in total € 0.9 million.

Consolidated balance sheet

Total assets per 31 December 2016 amounted to € 353.6 million (year-end 2015: € 348.9 million, + 1.3%). When corrected for the euro/US dollar exchange rate, total assets remained on the same level as 2015.

In 2016, the main financial developments were:

- Shareholders' equity increased by € 14.6 million to € 182.9 million on 31 December 2016 (year-end 2015: € 168.3 million). The highlights included: 2016 net profit amounting to € 34.4 million, dividend payments to shareholders amounting to € 24.0 million (in 2015: € 26.2 million, - 8.4%) and positive currency effects of € 2.6 million. A total of 234,500 new shares were issued relating to the Acomo share option plan, increasing shareholders' equity by € 2.0 million.
- Goodwill increased by € 2.4 million mainly due to the acquisition of the assets of Container Tea & Commodities in India and the effect of the stronger year-end US dollar that affected the recorded goodwill paid for the seeds and tea businesses in 2010.
- An amount of € 2.5 million was repaid towards long-term loans.
- Total working capital (mainly inventories, receivables and creditors) decreased by € 5 million, mainly due to lower inventories at year-end in combination with active working capital management.
- Solvency as per 31 December 2016 was 51.7% (year-end 2015: 48.2%).

In January 2017 the Group extended the financing facilities with the existing banks for three years, with an option for another two years.

Dividend

Management and the Supervisory Board are proposing a dividend of € 1.15 per share (2015: € 1.00). This represents a pay-out of 80.8% of earnings per share (2015: 74.2%). Taking into account the interim dividend of € 0.40 per share paid in August 2016, the final 2016 dividend would therefore amount to € 0.75 per share, payable in cash. The following dividend timetable applies:

27 April 2017	Ex-dividend date
28 April 2017	Dividend record date
11 May 2017	Dividend payment date

Performance Q4 2016

Q4 2016 was strong when compared to Q4 2015, driven by strong performance in all segments. The strong Q4 made the second half of 2016 significantly better than the second half of 2015.

Outlook 2017

The year 2017 started in line with the beginning of 2016. Given the nature of the Group's activities, it is impossible to forecast market developments or likely Group results. However, the company is confident that the teams will continue to generate good results for shareholders.

General meeting of shareholders

The annual general meeting of shareholders will be held on Tuesday 25 April 2017 at 10:00 a.m. at the Hilton Hotel in Rotterdam. The 2016 Annual Report will be published on www.acomo.nl on Thursday 9 March 2017, after the close of trading.

Rotterdam, 16 February 2017

Management Board and Supervisory Board

Annexes

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This report in the English language has also been translated into the Dutch language. In case of any differences between the two versions, the English version will prevail.

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About Amsterdam Commodities N.V.

Amsterdam Commodities N.V. (Acom) is an international group with as its principal business the trade and distribution of natural food products and ingredients. Our main trading subsidiaries are Catz International B.V. in Rotterdam, the Netherlands (spices and food raw materials), Van Rees Group B.V. in Rotterdam, the Netherlands (tea), Red River Commodities Inc. in Fargo, USA (confectionary sunflower seeds), Red River Global Ingredients Ltd. in Winkler, Canada (sunflower seeds and other specialties), Red River-van Eck B.V. in Zevenbergen, the Netherlands, and SIGCO Warenhandelsgesellschaft mbH in Hamburg, Germany (edible seeds), King Nuts B.V. in Bodegraven, the Netherlands (nuts), and Snick EuroIngredients N.V. in Rudderveorde, Belgium (food ingredients). Acom shares have been traded on Euronext Amsterdam since 1908.

Amsterdam Commodities N.V.

Consolidated balance sheet

before final dividend

<i>(in € thousands)</i>	31 December 2016 <i>* unaudited</i>	31 December 2015
ASSETS		
Non-current assets		
Intangible assets	62 919	60 436
Property, plant and equipment	42 138	42 091
Other non current receivables	1 356	-
Deferred tax assets	173	470
Total non-current assets	106 586	102 997
Current assets		
Inventories	158 396	163 147
Trade receivables	81 401	75 150
Other receivables	2 649	4 627
Derivative financial instruments	2 735	1 613
Cash and cash equivalents	1 805	1 384
Total current assets	246 986	245 921
Total assets	353 572	348 918
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	10 901	10 796
Share premium reserve	52 447	50 571
Other reserves	15 499	13 268
Retained earnings	69 684	61 434
Net profit for the period	34 377	32 251
Total shareholders' equity	182 908	168 320
Non-current liabilities and provisions		
Bank borrowings	6 519	7 868
Deferred tax liabilities	8 894	11 060
Retirement benefit obligations	2 062	1 908
Other provisions	279	1 213
Total non-current liabilities	17 754	22 049
Current liabilities		
Bank borrowings	85 233	100 476
Trade creditors	44 050	37 538
Tax liabilities	5 113	1 137
Derivative financial instruments	503	1 150
Other current liabilities and accrued expenses	18 011	18 248
Total current liabilities	152 910	158 549
Total equity and liabilities	353 572	348 918

The financials 2016 shown above are unaudited.



Amsterdam Commodities N.V.

Consolidated income statement

	2016	2015
<i>(in € thousands)</i>	<i>* unaudited</i>	
Sales	682 320	681 584
Cost of goods sold	<u>(567 743)</u>	<u>(571 566)</u>
Gross profit	<u>114 577</u>	<u>110 018</u>
Personnel costs	(39 299)	(38 681)
General costs	<u>(20 087)</u>	<u>(19 917)</u>
	<u>(59 386)</u>	<u>(58 598)</u>
EBITDA	55 191	51 420
Depreciation and amortization	<u>(4 751)</u>	<u>(4 298)</u>
Operating income	50 440	47 122
Interest income	73	23
Interest expense	(3 222)	(2 841)
Other financial income and expenses	53	(273)
Profit before income tax	<u>47 344</u>	<u>44 031</u>
Corporate income tax	<u>(12 967)</u>	<u>(11 780)</u>
Net profit	<u>34 377</u>	<u>32 251</u>
Total basic EPS (in €)	1.428	1.352
Total diluted EPS (in €)	1.419	1.337

The financials 2016 shown above are unaudited.

Amsterdam Commodities N.V.

Consolidated cash flow statement

<i>(in € thousands)</i>	2016 <i>* unaudited</i>	2015
Cash flow from operating activities	55 276	45 267
Net changes in working capital	4 817	(13 510)
Paid interest and taxes	(13 102)	(11 075)
Net cash generated from operating activities	46 991	20 682
Cash flow from investing activities	(4 968)	(4 803)
Cash flow from financing activities		
Dividend paid	(24 001)	(26 190)
Proceeds from new shares	1 981	1 723
Proceeds from new long term borrowings	1 515	-
Net changes in long term bank borrowings	(2 535)	(2 768)
Issued loan	(1 349)	-
Net changes in bank financing of working capital	(17 192)	11 135
Cash flow from financing activities	(41 581)	(16 100)
Net increase/(decrease) in cash and cash equivalents	442	(221)
Cash and cash equivalents at the beginning of the year	1 384	1 558
Exchange gains/(losses) on cash and cash equivalents	(21)	47
Cash and cash equivalents at the end of the year	1 805	1 384

The financials 2016 shown above are unaudited.