BEING GREAT IN LITTLE THINGS.

Annual review 2015
This is for the little moments.

At Lotus we are constantly amazed how little things deliver instant pleasure.

And those little things are at the heart of our company. We believe that true greatness consists of being great in little things.
MESSAGE FROM
THE CHAIRMAN AND THE CEO

2015 was certainly a special - and eventful - year. We made significant strides in strategic terms - accompanied by unparalleled internal growth. Sadly, last year will always remain etched in our memories as the year of the fire at our waffle factory in Meise - a black page in the history of Lotus Bakeries. Since the fire, we have tightened up our already stringent safety measures and are focusing more than ever on fire prevention, because we never want to experience an event like that again.

Healthy snacking moves up a gear

In 2015, we recorded our largest internal growth for many years. This was mainly due to international sales of Lotus original caramelized biscuits and spread, along with Lotus Dinosaurus and Lotus waffles. Our original caramelized biscuits and spread achieved impressive growth in the US and the UK in particular. Sales also rose sharply in countries such as China, France, Germany and Switzerland and in our network of international commercial partners.

Our external growth was also boosted significantly by three major acquisitions. We were able to open our own Lotus Bakeries office in South Korea, one of our very first export destinations. With a quarter of a century of successful partnership with our local distributor behind us, we are firmly established in that market. Our iconic original caramelized biscuits are now a regular accompaniment to a cup of coffee there. The South Korean market offers many new opportunities as well. Having our own presence will help us consolidate our position there.

Last summer, we announced the acquisition of Natural Balance Foods, a British pioneer of healthy snacking. Californian brothers Jamie and Greg Combs launched Natural Balance Foods in 2004. They offer natural snacks under the Nākd and Trek brand names. The fresh date and cashew nut bars are unprocessed, with no added sugar. Together with the founders, who have retained their stakes, we will continue to develop Nākd and Trek, within the UK and internationally.

Shortly before Christmas, we completed the acquisition of Urban Fresh Foods. This innovative British healthy food company makes natural fruit snacks. Husband and wife team Hayley and Andrew Gait-Golding from London founded the company in 2007. Their ambition? To provide children with no-nonsense foods that bridge the gap between “happy and healthy”. Meanwhile, under the BEAR brand, UFF sold more than 375 million children’s fruit portions. A perfect complement to the products of Natural Balance Foods.
**One group, different brands**

Why have we invested so heavily in the acquisition of the Nākd and BEAR brands over the last few months? Because healthy snacking is becoming mainstream all around the world and Lotus Bakeries wants to offer tasty products to every consumer. We therefore intend to focus on both traditional specialities and healthy snacking going forward. In both segments, we aim to deliver a superior taste experience.

But we do not believe in doing all that under just one brand name. At Lotus, we have been making biscuits, cakes and waffles since 1932. Enjoying a treat is an integral part of the identity of this strong brand. But to carry this idea over to our recent positioning in the healthy snacking segment would not be the best decision strategically speaking. For this reason, we opt for a portfolio of different brands, each with its own personality and target group.

**Keeping pace with rapid growth**

Our ambition to conquer the world with our original caramelized biscuit is gradually becoming a reality. In view of this, there was an urgent need to strengthen our sales and marketing departments in the sales offices. Last year, we took on board some new people who exhibit our TOP values and want to build on our success in regions such as France, the UK, Central Europe, the US and Canada.

Production also needs to keep up with growing demand. Our Lembeke site reached the milestone of 38 million kilos of original caramelized biscuits for the first time last year. The pace of growth achieved for original caramelized biscuits and original caramelized biscuit spread is a real feat for our production teams. Investing in extra capacity is therefore an absolute must.

At our Lembeke production site, we reached the milestone of 38 million kilos of original caramelized biscuits for the first time last year.

A third production hall is being built at Lembeke to accommodate at least four extra production lines. We are also especially proud of the CO₂-Neutral Label awarded to our plants last autumn. This represents a true milestone in our sustainability programme ‘Care for Today – Respect for Tomorrow’.
Conquering America
We will also be producing original caramelized biscuits locally in the US in a number of years. Lotus Biscoff is doing excellently there. Three decades ago, we launched our biscuits with several airlines. A ‘home run’, with which we won the Americans’ hearts. The airlines received such an enthusiastic response from passengers that Biscoff soon became available nationwide via catalogue sales. Then it was the supermarkets’ turn.

The result of all this effort? Nowadays we have a whole crowd of Lotus Biscoff fans in the US. What’s more, thanks to the volume growth in the last few years, the US is well on the way to becoming our leading country for original caramelized biscuits. And there is still plenty of untapped potential. For this reason, we decided to build a brand-new original caramelized biscuits factory there. The aim is for the first biscuits to roll off the production line in three years’ time.

True to our roots
Lotus Bakeries is conquering the world, but our roots remain in Lembeke. The place where our success story started back in 1932. In view of our company’s international expansion and internal growth, we had been looking for a larger site for our headquarters for some time. By the start of 2015 it was ready: the Executive Committee (EXCO), the international team and several corporate departments moved into the former presbytery in Lembeke. The building was fully renovated and incorporated into a modern office complex.

As you can see, 2015 was a landmark year for our Group. We would like to take this opportunity to thank all of our employees. Without their daily dedication and passion for Lotus Bakeries it would have been simply impossible to achieve these results. Together we will build on this to create a fantastic future for our company.

Jan Boone
CEO

Matthieu Boone
Chairman
HIGHLIGHTS OF 2015

The Executive Committee (EXCO), the international team and several corporate departments move into brand-new headquarters in the former presbytery in Lembeke.

In South Korea, Lotus Bakeries acquires distribution partner Lotus Korea Co Ltd.

Prime Minister Charles Michel and Deputy Prime Minister Alexander De Croo visit our production site in Lembeke.

Lotus Bakeries sponsors the Belgian pavilion at the World Expo in Milan. We gave out over five million Lotus Biscoff biscuits to visitors.

June 2015
A major fire burns down our production facility in Meise.
**August 2015**
Lotus Bakeries acquires a majority stake in Natural Balance Foods, a British pioneer of healthy snacking.

**August 2015**
Peijnenburg Zero is launched, the first gingerbread with no added sugar.

**September 2015**
Our various production sites achieve the CO₂ Neutral-label (CO₂logic.com certified).

**December 2015**
Lotus Bakeries acquires 100% of the shares of Urban Fresh Foods, a British healthy food company which makes delicious natural fruit snacks for kids.

**December 2015**
Our Lembeke site produces a record 38 million kilos of original caramelized biscuits.
**Turnover**

(IN MILLIONS OF EUR)

- **2015**: 411.58
- **2014**: 347.89
- **2010**: 264.82
- **2005**: 152.34

**REBITDA**

(IN MILLIONS OF EUR)

- **2015**: 82.58
- **2014**: 67.02
- **2010**: 48.71
- **2005**: 23.08

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**Gross dividend 2015**

EUR 14.20 per share

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**Number of employees 2015**

1,339
## CONSOLIDATED KEY FIGURES OF THE LOTUS BAKERIES GROUP

### INCOME STATEMENT

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>411.58</td>
<td>347.89</td>
<td>332.32</td>
<td>288.46</td>
<td>275.60</td>
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<tr>
<td><strong>Raw materials, consumables and goods for resale</strong></td>
<td>(121.80)</td>
<td>(104.43)</td>
<td>(11.43)</td>
<td>(91.15)</td>
<td>(85.74)</td>
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<tr>
<td><strong>Services and other goods</strong></td>
<td>(117.96)</td>
<td>(96.48)</td>
<td>(87.26)</td>
<td>(78.39)</td>
<td>(73.25)</td>
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<tr>
<td><strong>Employee benefit expense</strong></td>
<td>(88.53)</td>
<td>(78.89)</td>
<td>(78.90)</td>
<td>(69.97)</td>
<td>(68.72)</td>
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<td><strong>Depreciation and amounts written off (1)</strong></td>
<td>(17.01)</td>
<td>(16.66)</td>
<td>(14.16)</td>
<td>(12.84)</td>
<td>(12.07)</td>
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<td><strong>Other operating income and charges (net)</strong></td>
<td>(1.52)</td>
<td>(1.99)</td>
<td>(1.00)</td>
<td>(0.57)</td>
<td>(0.55)</td>
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<tr>
<td><strong>Recurrent operating result (REBIT)</strong></td>
<td>64.76</td>
<td>49.43</td>
<td>41.37</td>
<td>36.68</td>
<td>36.37</td>
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<tr>
<td><strong>Recurrent operating cash flow (REBITDA) (2)</strong></td>
<td>82.58</td>
<td>67.02</td>
<td>55.62</td>
<td>49.85</td>
<td>49.36</td>
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<tr>
<td><strong>Non-recurrent operating result</strong></td>
<td>(1.75)</td>
<td>(0.26)</td>
<td>(3.65)</td>
<td>(1.95)</td>
<td>(2.70)</td>
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<tr>
<td><strong>Operating result (EBIT) (3)</strong></td>
<td>63.01</td>
<td>49.17</td>
<td>37.72</td>
<td>34.73</td>
<td>33.67</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>(0.78)</td>
<td>0.02</td>
<td>(1.74)</td>
<td>(1.57)</td>
<td>(0.69)</td>
</tr>
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<td><strong>Profit for the year before taxes</strong></td>
<td>62.23</td>
<td>49.19</td>
<td>35.98</td>
<td>33.16</td>
<td>32.98</td>
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<tr>
<td><strong>Taxes</strong></td>
<td>(16.62)</td>
<td>(12.42)</td>
<td>(8.06)</td>
<td>(7.41)</td>
<td>(9.17)</td>
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<tr>
<td><strong>NET RESULT</strong></td>
<td>45.61</td>
<td>36.77</td>
<td>27.92</td>
<td>25.75</td>
<td>23.81</td>
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<tr>
<td><strong>Net result: non-controlling interests</strong></td>
<td>0.20</td>
<td>-</td>
<td>-</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td><strong>Net result: Group share</strong></td>
<td>45.41</td>
<td>36.77</td>
<td>27.92</td>
<td>25.74</td>
<td>23.80</td>
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### BALANCE SHEET

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<tbody>
<tr>
<td><strong>Balance sheet total</strong></td>
<td>571.22</td>
<td>336.99</td>
<td>334.10</td>
<td>270.62</td>
<td>237.89</td>
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<td><strong>Equity</strong></td>
<td>217.53</td>
<td>200.63</td>
<td>171.38</td>
<td>145.21</td>
<td>126.76</td>
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<tr>
<td><strong>Investments (4)</strong></td>
<td>16.07</td>
<td>16.55</td>
<td>33.16</td>
<td>40.54</td>
<td>16.98</td>
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<tr>
<td><strong>Net financial debts (5)</strong></td>
<td>163.86</td>
<td>20.20</td>
<td>48.89</td>
<td>24.16</td>
<td>10.88</td>
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### NUMBER OF PERSONS EMPLOYED

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<tbody>
<tr>
<td><strong>1,339</strong></td>
<td>1,221</td>
<td>1,244</td>
<td>1,218</td>
<td>1,198</td>
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### CONSOLIDATED KEY FIGURES PER SHARE IN EUR (6)

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</thead>
<tbody>
<tr>
<td><strong>Recurrent operating result (REBIT)</strong></td>
<td>82.15</td>
<td>63.46</td>
<td>54.09</td>
<td>49.17</td>
<td>48.54</td>
</tr>
<tr>
<td><strong>Recurrent operating cash flow (REBITDA) (2)</strong></td>
<td>104.76</td>
<td>86.03</td>
<td>72.72</td>
<td>66.82</td>
<td>65.90</td>
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<tr>
<td><strong>Net result: share of the Group</strong></td>
<td>57.61</td>
<td>47.21</td>
<td>36.50</td>
<td>34.50</td>
<td>31.77</td>
</tr>
<tr>
<td><strong>Gross dividend (7)</strong></td>
<td>14.20</td>
<td>12.40</td>
<td>10.80</td>
<td>9.80</td>
<td>9.40</td>
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<tr>
<td><strong>Net dividend</strong></td>
<td>10.37</td>
<td>9.30</td>
<td>8.10</td>
<td>7.35</td>
<td>7.05</td>
</tr>
<tr>
<td><strong>Weighted average number of shares</strong></td>
<td>788,341</td>
<td>778,944</td>
<td>764,828</td>
<td>746,052</td>
<td>749,088</td>
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</table>

### Total number of shares per 31 December

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<tbody>
<tr>
<td><strong>811,863</strong></td>
<td>803,013</td>
<td>795,113</td>
<td>779,643</td>
<td>772,563</td>
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(1) Depreciation and amounts written off consist of depreciation and amortization of tangible and intangible fixed assets, and amounts written off on inventories, orders in progress and trade receivables.

(2) Recurrent operating cash flow is defined as recurrent operating result + depreciation + provisions and amounts written off + non-cash costs valuation option - and warrant plan.

(3) EBIT is defined as recurrent operating result + non-recurrent operating result.

(4) Investments in tangible and intangible fixed assets.

(5) Net financial debt is defined as interest bearing financial debt - investments - cash and cash equivalents - treasury shares.

(6) Compared to the weighted average number of shares.

(7) For 2015: dividend proposed to the Ordinary General Shareholders’ Meeting of 13 May 2016.
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4. Results and proposal for appropriation of results

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STOCK MARKET & SHAREHOLDERS’ INFORMATION

FINANCIAL STATEMENTS

Consolidated financial statements
Abridged five-year financial summary Lotus Bakeries Group

CSR: ‘CARE FOR TODAY, RESPECT FOR TOMORROW’
MISSION STATEMENT LOTUS BAKERIES

Lotus Bakeries wishes to base its sustainable growth and profitability on meeting the needs of the present generations, without compromising the opportunities of the next generations.
Lotus Bakeries is active worldwide in the snacking segment with the Lotus, Lotus Biscoff, Lotus Dinosaurus, Lotus Suzy, Peijnenburg, Snelle Jelle, Annas, Näkd, Trek, BEAR and Urban Fruit brands. By maintaining a healthy balance between tradition and innovation, the Lotus brand indulges consumers with a unique range of high-quality, tasty products.

Lotus Bakeries is a dynamic, internationally oriented company with a clear long-term vision based on continuous investment in marketing, R&D and production.

Building brands is central to Lotus Bakeries. Through our brands, we want to become market leaders in our traditional markets while continuing to pursue the internationalization of certain brands. Since every strong brand has a unique personality, specific DNA and its own consumers, brand ownership is kept separate for each brand. Parallel to this, we focus strongly on our unique capacity to stimulate growth through our extensive international network of sales offices and commercial partners, across all brands.

Lotus Bakeries’ strategy is based on the following pillars:

1. An offer of delicious, high quality products to all consumers. For this reason, the range has been expanded to include natural, unprocessed fruit and nut-based products for adults and children. All products in each of our categories must stand out by offering a superior taste experience.

2. A strong focus on the best performing products.

3. Clear and consistent communication with the consumer is key, and sufficient resources are allocated to this.

4. Targeted product innovations, primarily based on format innovations to constantly introduce our best performing products to new groups of consumers and achieve new consumption moments.

5. A clear focus on continuously improving the manufacturing efficiency. This is in order to continue to produce the best quality products at the most competitive cost.

6. Continuous commitment to Corporate Social Responsibility. The Corporate Social Responsibility theme is implemented in the organization as ‘Care for Today - Respect for Tomorrow’. 
PROFILE
LOTUS
BAKERIES
1. BRANDS AND PRODUCTS

The global brand portfolio is of invaluable importance to Lotus Bakeries Group. In both the traditional specialities and healthy snacking segments, we have strong brands which we intend to develop in the long term. We implement our marketing strategy by continuously investing in our brands in our home markets whilst also stimulating the international growth of certain brands such as Lotus Biscoff and Lotus Dinosaurus. Every Lotus Bakeries brand has its own DNA and target group, and its own story.

Ever since Jan Boone senior founded Lotus Bakeries in 1932, the Lotus brand has been inextricably linked with original caramelized biscuits: a thoroughly Belgian product whose typical taste is due to the caramelization during baking. Our caramelized biscuits only contain carefully selected ingredients and are free from artificial colourings and flavourings. The superior quality is reflected in the brand name. It refers to the lotus flower, the ultimate symbol of purity. With its iconic shape and jagged edge, our original caramelized biscuit is gradually conquering the world.

Lotus Bakeries also incorporates the unique flavour of original caramelized biscuits in spreads and ice cream. Our original caramelized biscuit spread is a perfectly spreadable sweet spread with the familiar, unique taste of Lotus original caramelized biscuits. There are two varieties: crunchy and smooth. As well as being delicious on bread, the spread is also a favourite ingredient for desserts. Lotus caramelized biscuit ice cream is a sweet ice cream containing crunchy pieces of original caramelized biscuits and original caramelized biscuit spread.

Lotus also offers consumers in Belgium a wide range of cake specialties, including frangipane, madeleine, carré confiture and Zebra, and Breton butter specialties in France. Each of these local traditional specialities strongly contributes to Lotus’ popularity in the markets in question.

In Belgium and France, both renowned for their waffle culture, Lotus continues to offer an extensive range of waffles: Liège waffles, soft waffles, filled waffles, vanilla waffles and crunchy galettes.
Lotus Biscoff

Over the next few years, Lotus Bakeries continues to focus fully on the sustainable internationalization of caramelized biscuits and spread. Outside our home markets of Belgium, the Netherlands and France, Lotus original caramelized biscuits are marketed under the brand name ‘Lotus Biscoff’, a contraction of ‘Biscuit with coffee’ and a reference to the complementarity of the two tastes. Research shows that whenever coffee and original caramelized biscuits are consumed together, the two flavours lift one another to a higher level. Our international strategy therefore consists in introducing new consumers to original caramelized biscuits during their regular coffee time.

Lotus Dinosaurus

These crunchy biscuits are made from a balanced combination of natural ingredients. The brand inspires and motivates children and young people to discover the world, face challenges and let their imagination run wild. They can count on Lotus Dinosaurus for the energy they need.

Besides the three basic varieties – milk chocolate, dark chocolate and wholewheat – the range also includes ‘Lotus Dinosaurus filled’ with a light filling of Belgian milk or dark chocolate or vanilla.

Lotus Dinosaurus biscuits have already been popular in our home markets of Belgium and France for several years. We aim to strengthen our position in these markets while simultaneously exploring new markets. We therefore launched the range in several European countries, including the Netherlands, in 2015.
Lotus Bakeries markets waffles with pieces of pearl sugar under this brand, plain or covered with dark chocolate, as well as vanilla waffles. The waffles stand out thanks to their high quality, taste and texture. There are several varieties: the classic format, the XL version and the mini-version.

The figurehead of Lotus Suzy is the young lady of the same name who promotes the waffles from her retro van, winning many hearts in the process. Through her presence at heartwarming occasions with family and friends, Suzy always makes a difference. The packaging of the waffles and the communication around the brand exude the same atmosphere.

When baker Harry Peijnenburg started selling his freshly baked gingerbread in Geldrop in the Netherlands in 1883, the Peijnenburg brand was born. The gingerbread was an instant hit and over the years the bakery grew into a proper factory.

Peijnenburg stands for moist gingerbread made from specially selected rye and spices, according to a traditional preparation and baking process. The typical product of the Low Countries is especially popular in the Netherlands. Koninklijke Peijnenburg, the company behind the gingerbread brand, has almost 60% of the gingerbread market there.

Peijnenburg offers gingerbread in a variety of flavours and different formats. In 2015, Peijnenburg Zero was added to the range, a variety with no added sugar. The gingerbread contains only natural sweeteners, without affecting the taste, moistness or structure.
Snelle Jelle

In 2002, Dutch brand Snelle Jelle was born. This tasty wholemeal gingerbread snack is packed with carbohydrates and handy to eat on the go. Snelle Jelle focuses on a target group of sporty men and women looking for natural energy for their activities.

Snelle Jelle is a hit and is currently available in eight different flavours. There are also handy takeaway formats, including ‘Snelle Jelle Tussen-door’: small gingerbread bars with the same familiar taste.

Annas

The Annas brand dates from 1929, the year in which Anna and Emma Karlsson opened their bakery near Stockholm (Sweden). There they baked the typical Swedish speciality of pepparkakor biscuits: thin, crunchy biscuits flavoured with ginger and cinnamon.

Annas is a success story in its home markets of Sweden and Finland. The biscuits can also be found on the shelves in some twenty other countries, including the US, Canada and a number of Asian markets.

There are now four different flavours. Although Annas pepparkakor biscuits are available all year round, in Scandinavia they are especially popular at Christmas. Special Annas pepparkakor houses are also sold at that time of the year.
Nākd

With uncomplicated snacks and bars, Nākd’s approach is 100% natural. The brand offers young, active women an innovative, totally natural alternative to overprocessed snacks.

The raw, all-natural ingredients – fruit and nuts – are unprocessed (cold pressed), never baked and wheat, lactose and gluten free. Nākd bars contain no added sugars, syrups or other additives.

Nākd is available in 25 different flavours, each variety has its own bright, appealing name and packaging. The ambition? To turn every healthy snack into a feast.

Trek

Trek shares Nākd’s natural philosophy, but these snacks are also packed with protein. The nutritionally balanced energy bars and flapjacks help keep blood sugar levels stable and supply long-lasting energy. This makes Trek ideal for anyone wanting a handy energy boost during or after playing sport.

The bars are made from different kinds of fruit and gluten-free cereals with extra protein crunchies. The gluten free cereals in the flapjacks give a healthy boost. The snacks are available in ten different flavours, including Peanut Power, Cocoa Coconut and Morning Berry.
BEAR offers an extensive range of healthy snacks and breakfast cereals. The snacks are made from pure fruit (not concentrate) and vegetables. The philosophy behind the brand is as simple as it is ambitious: making families happier and healthier with products that children enjoy and their parents can trust.

The innovative range of healthy snacks includes Yoyos (fruit rolls), Paws (fruit snacks for toddlers) and Claws (shapes made of one third vegetables and two thirds fruit). BEAR only uses gently baked, freshly picked seasonal fruits. The products are free from added sugars, concentrate, preservatives and stabilizers.

BEAR Yoyos make it easier for parents to get their children to eat more fruit. Every Yoyos pack contains a set of cards to collect, to make it even more fun. BEAR Paws are the first ready-to-eat snack for toddlers made from pure fruit. This snack contains a fun element too: matching the shape with the correct animal encourages shape recognition.

With its modern product range, Urban Fruit has been offering a healthy, natural and tasty alternative to typical sweet snacks since 2010. The products are gently baked, healthy pure fruit snacks. Urban Fruit wants to offer a solution to busy young adults who like eating fruit but in a handy way, on the go.

As Urban Fruit stands for pure nature, there are no added sugars, sulphites or fats. The brand also offers appealing snacks made from more unusual fruits such as strawberries or raspberries. There are a total of eight varieties. They are offered in snack packs to eat on the go as well as larger packaging formats.
2. OUR BRANDS IN 2015

Last year, Lotus Bakeries experienced its strongest growth in turnover for years, with original caramelized biscuits as the main driver for our organic growth. The other top performers in our portfolio – original caramelized biscuit spread, Dinosaurus and waffles – also made a significant contribution to turnover and profitability. Besides this strong internal growth, 2015 also saw the acquisition of Natural Balance Foods and Urban Fresh Foods, two British market leaders in the natural and healthy snacking segment.

Lotus Biscoff: iconic biscuit conquers the world

Sales of Lotus Biscoff – both the caramelized biscuits and the spread – moved up a gear in 2015. The US, the UK and France saw the greatest increase in turnover. Our International Distributors area also achieved excellent results for sales of both Lotus Biscoff and Lotus Biscoff spread.

Joining forces in Asia

We now have our own sales office in South Korea, one of our first export markets. We achieved this by acquiring 100% of the shares from the two reference shareholders of Lotus Korea Co Ltd, the distribution partner with which we have enjoyed over a quarter of a century of successful cooperation. Initially, we will continue to focus on our strategically most important product, Lotus Biscoff.

Expansion of distribution network

Last year, we put considerable effort into strengthening and improving our distribution channels. We acquired additional listings in several markets, including Germany and Switzerland, so that Lotus Biscoff is now available in more retail outlets than ever.

We also strengthened our position in the out-of-home channel, forming new partnerships in France and China, for example.

Full steam ahead for marketing

To increase the visibility of Lotus Biscoff in retail outlets, we continue to focus on optimal positioning of our products on the shelf.

In several markets, we have also invested in TV advertising as well as in-store promotions and sampling campaigns. We also had a presence at Milan Expo 2015; as sponsors of the Belgian pavilion, we gave out over five million Lotus Biscoff biscuits to visitors.
Lotus Biscoff in the US

For three decades now, Lotus Biscoff has experienced sustainable growth in the US, but last year saw a real growth spurt. Profitability is even outstripping the growth in volume there. During 2015, we managed to add several supermarket chains to our distribution network, along with some new airlines.

Airline cookie becomes a firm favourite

In the US, coffee and cookies are an established part of the daily routine, but the link between the two is not as strong as in Europe. Diners and cafés are not in the habit of serving a free cookie with a cup of coffee. Americans often grab a cup of coffee during their day: at breakfast, for a mid-morning caffeine boost or at lunchtime. The major coffee chains have also introduced the typical American coffee-on-the-go culture, so a lot of coffee is now drunk on the bus or the tram or just in the street.

Cities in particular are seeing the opening of more and more independent coffee shops: trendy meeting places focussing on quality and taste.

“Passengers really loved the unique taste of their ‘airline cookie’.”

Many Americans first encountered our original caramelized biscuits on a flight. The airlines were our first distribution partners when we first set foot in the US with our iconic biscuits in 1985. Passengers loved the unique taste of their ‘airline cookie’ so much that, by the early 90s, Lotus Biscoff was made available nationwide through catalogue sales.

“In the Biscoff Coffee Corner in San Francisco, customers can try our ‘cookies’ “

Since 2010, there has also been a ‘Biscoff Coffee Corner’ on Pier 39 in San Francisco. Consumers can try our ‘cookies’ there, with or without a cup of coffee.
Lotus Biscoff in the UK

Lotus Biscoff has grown in volume and profitability in the UK too – in both the retail and out-of-home channels. We have managed to expand our distribution network. The penetration – the average number of product purchases per household – of our biscuits has increased by more than 43%.

“20,000 coffee shops and counting”
Although Britain will always remain a nation of tea lovers, coffee has grown substantially in popularity over the last decade. In the last few years, branches of major coffee chains have shot up all over the country. However, every town or city still has a couple of independent coffee shops. Now there are 20,000 coffee shops ... and counting.

“The British love to dunk biscuits in their hot drinks”
Giving away a free biscuit with a cup of coffee is not yet a well-established practice. But those coffee shops which serve a biscuit alongside their coffee have a premium feel. They offer their customers that little bit extra for the perfect taste experience. The British love to dunk biscuits in their hot drinks.

“Every year 65 million coffee lovers enjoy Lotus original caramelized biscuits”
Lotus Biscoff has a long history in the UK. We have had our own sales office there for the last ten years as well. We are represented in both the out-of-home and retail sectors. Every year, 65 million coffee lovers enjoy Lotus original caramelized biscuits: in cafes, during meetings, at the hairdresser’s, in their hotel room or just at home. The British are also crazy about Biscoff spread. Our original caramelized biscuit spread has been on the market since 2014 and can be found on the shelves of several major supermarket chains. The unique caramelized biscuit taste is also appreciated as a doughnut topping, in milkshakes and desserts.

Paul Hunter, Sales & Marketing Director Lotus Bakeries UK in one of the many coffee shops in Manchester
Lotus: high visibility in home markets

In Belgium, Lotus is the proud purveyor of original caramelized biscuits to Saint Nicholas. The range of special Saint Nicholas packaging was redesigned and the magic of the feast of Saint Nicholas was brought to life in a TV commercial for the first time.

Lotus frangipane and madeleine also received extra media support in Belgium. We developed an original TV commercial for the two mainstays of our cake range.

In France, Liège waffles experienced growth once more in 2015. Thanks to a range of new packaging formats, point-of-sale promotions and a national TV campaign, we achieved very pleasing sales growth for this product.

Lotus Dinosaurus: new varieties and markets

In Belgium, the total penetration of Dinosaurus increased significantly in 2015. Thanks to the new filled varieties, with a layer of Belgian chocolate or vanilla, we also managed to reach new customer groups.

Lotus Dinosaurus is beginning to conquer the international market too. In the Netherlands, the basic range was successfully launched in 2014 with marketing support at points of sale and on TV. Since 2015, the different varieties of Lotus Dinosaurus filled are also present in the retail channels.

We also tapped into other markets with the basic range. In each of these markets, we aim simultaneously for a broad diversity of distribution channels, campaigns at points of sale and a good position on the shelf. In view of the substantial investments in sales and marketing, the contribution to profit was limited during the launch period.
Lotus Suzy: on tour all year

In Belgium, we continued to support the rebranding of Lotus waffles to ‘Lotus Suzy’. Suzy travelled all round the country in her unique retro van. She was waiting at the finish of lots of running events to offer participants a delicious waffle and during the summer she treated tourists on the coast. So the world of Lotus Suzy was brought to life far beyond the point of sale.

Peijnenburg Zero: a real boost

In 2015, we introduced new stay fresh packaging for single piece gingerbread and added varieties with special kinds of grain to the range. Peijnenburg was also present in the media. We developed a new TV commercial in the series ‘Lekker thuis met Peijnenburg’ (‘Home’s best with Peijnenburg’) and kicked off the ‘Het goede van rogge’ (‘Goodness of rye’) campaign to promote gingerbread as a healthy snack.

But the event of the year for Peijnenburg was without question the launch of Peijnenburg Zero, gingerbread with no added sugar. This innovative product met with an enthusiastic reception from retailers and consumers alike on its launch.
Natural Foods area: positioning ourselves in another product segment

Two new British group companies:
Natural Balance Foods and Urban Fresh Foods
Lotus Bakeries continues to grow strongly in the segment of traditional specialities and there remains considerable untapped potential for our products and brands globally. However, there is growing global demand for healthy and tasty alternatives. As a Group, we want to be able to offer high-quality, tasty products to all consumers, in the form of more traditional biscuits and cakes as well as healthy snacks.

Since we believe in strong brands and want to respond to the growing demand for healthy snacks, we have invested strongly in the Natural Foods category in the past year.

Nākd and Trek
On 14 August 2015, Lotus Bakeries announced a strategic partnership with Natural Balance Foods (NBF), the pioneering British company making 100% natural snacks from cashew nuts and dates with no added sugar.

NBF, which has around 40 employees, was founded in 2004 by Californian brothers Jamie and Greg Combs. Lotus Bakeries acquired a majority stake in NBF by purchasing the shares of external, non-active investors, whereas the two founders have kept most of their shares. The founders will continue to lead and run the company.

Over the last three years, NBF has grown sales threefold, primarily driven by an explosive demand for its all-natural products in British supermarkets. The Nākd brand continues to experience strong growth in the UK, where it currently stands at number 5 in the healthy snacking category.
BEAR and Urban Fruit

On 17 December 2015, Lotus Bakeries acquired 100% of the shares of Urban Fresh Foods (UFF), an innovative British healthy food company, which makes delicious natural fruit snacks. The BEAR brand is the market leader in the UK for pure fruit snacks for children. Under the Urban Fruit brand, the company offers a range of pure fruit snacks aimed at young adults.

UFF was founded in 2007 by husband and wife team Hayley and Andrew Gait-Golding from London. Giles Brook, former manager of smoothie producer innocent drinks, lent his support to the start-up by becoming a partner in 2009.

The business, which now has 40 employees, has seen rapid growth over the past six years with average annual growth in excess of 50%. This has been driven by an explosive demand from the UK’s major grocery and retail channels. The two founders and their business partner will continue to run the business from its London offices (‘the Cave’).
3. ORGANIZATION

3.1 Group structure and day-to-day management

The Executive Committee (‘EXCO’) defines Lotus Bakeries Group’s strategy and objectives and submits them to the Board of Directors for approval. This strategy is implemented by the country and regional organizations (the ‘areas’), supported by the various corporate departments.

As of 1 January 2016, the area structure is as follows:

Executive Committee

Members of the EXCO up to 31 December 2015:
- Jan Boone, CEO
- Jan Vander Stichele, Executive Director
- Isabelle Maes, CFO
- John Van de Par, COO

Composition of the EXCO since 1 January 2016:
- Jan Boone, CEO
- Isabelle Maes, CFO
- Ignace Heyman, COO
- William Du Pré, Corporate Director Quality, Procurement and R&D Management

Areas

Belgium
Netherlands
France
Sales Offices Europe
United States
Sales Offices Asia
International Distributors
CBB
Natural Foods

Corporate Departments

Corporate Controlling / Treasury / Tax
R&D / Corporate Quality & Food Law
Corporate Procurement
Global Brand & Customer Development
Corporate HR
ICT (IT/SAP)
Legal, IP & Corporate Communication

William Du Pré - Corporate Director Quality, Procurement and R&D Management
Ignace Heyman - COO
Jan Boone - CEO
Isabelle Maes - CFO
Jan Boone has been CEO of Lotus Bakeries Group since 2011 and leads the members of the EXCO on a day-to-day basis. He began his career in the Audit department of PwC. From 2000-2005, he was responsible for corporate controlling, reporting and M&A at pharmaceutical company Omega Pharma. He sat on the Executive Committee and Board of Directors there. Jan joined Lotus Bakeries as General Manager and Director in May 2005.

Isabelle Maes is CFO, in charge of Corporate Controlling, Treasury & Insurance and ICT. She also helps shape the policy for Natural Foods, areas Asia & International Distributors and M&A. She began her career as an auditor for PwC. In May 2001, she moved to the Barry Callebaut chocolate company. Having fulfilled various roles and been involved in various projects in Finance and SAP, she was appointed Finance Officer of Barry Callebaut Belgium in 2006. Since May 2014, Isabelle has fulfilled the role of CFO at Lotus Bakeries Group as well as being a member of the EXCO.

As COO, Ignace Heyman is in charge of several areas (Belgium, the Netherlands, France, USA, Sales Offices Europe), Global Brand & Customer Development and the corporate HR department. He pursued a career in marketing in both Belgium and France, firstly at Procter & Gamble, PAB Benelux (Panzani-Amora-Blédina) and then at Reckitt Benckiser. In 2008, Ignace joined Lotus Bakeries as Marketing Director Belgium, before going on to become Corporate Director Marketing in 2011. From mid-2012 to the end of 2015 he was General Manager France.

William Du Pré is Corporate Director Quality, Procurement and R&D, in charge of these corporate departments. He is also responsible for risk management and the ‘Care for Today – Respect for Tomorrow’ programme. William’s career with Lotus Bakeries began in 1982. Over the years, he has occupied a variety of sales roles. He has been General Manager Belgium for almost ten years (2007-2015).

Together with the general managers from the various areas, the EXCO members make up the Group Management Team (‘GMT’). Each area implements the Lotus Bakeries strategy according to a clearly defined business model. The corporate departments advise and support Lotus Bakeries Group across all areas and report directly to the EXCO.

Lotus Bakeries recently moved into new headquarters in the former presbytery in Lembeke. The building has been fully renovated and incorporated into a modern office complex.
3.2 Sales structure

Lotus Bakeries has a total of seventeen Sales Offices in Belgium, France, the Netherlands, the UK (3), Spain, Germany, Sweden, Switzerland, the Czech Republic, the US, Chile, China and South Korea.

In 40 other countries, we work closely with commercial partners. These partnerships are combined in a separate area: International Distributors. The main countries in this area are Japan, Israel, Saudi Arabia, Italy, Kuwait, Australia, United Arab Emirates, Taiwan, Lebanon and the Philippines.

Following the acquisitions of Natural Balance Foods and Urban Fresh Foods in 2015, we created the brand-new ‘Natural Foods’ area. This area combines all of Lotus Bakeries’ activities in the healthy, natural snacking segment.
3.3 Production sites

Production for our traditional specialities segment takes place at various Lotus Bakeries sites. To guarantee the typical characteristics of our extensive product range, we deploy various production technologies. Mastering, managing and developing these technologies represent a permanent challenge for Lotus Bakeries Group. We therefore try to limit the number of products and technologies for each production site and to centralize production processes in specialized plants.

Lotus Bakeries has a total of ten production sites. They are spread across Belgium, France, the Netherlands and Sweden. We also have our own distribution centre in Lokeren (Belgium).

Each production site focuses on a specific product or product category.

On the third of June 2015, a major fire devastated our plant in Meise (Belgium), which mainly produced waffles for the French market. In September 2015, it was decided not to rebuild the site, but to integrate the production volumes with our waffle factory in Courcelles (Belgium). Thanks to two new production lines, we will be able to bring the entire waffle production under one roof.

The awarding of the CO₂-Neutral Label to Lotus Bakeries’ various production sites in September 2015 not only marked a milestone in the ‘Care for Today – Respect for Tomorrow’ programme, but was also a welcome reward for our efforts over the years to reduce our group’s ecological footprint.
### 3.4 Personnel

#### Evolution

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
</tr>
</thead>
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<td>2011</td>
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</tr>
<tr>
<td>2012</td>
<td>1,218</td>
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<td>2013</td>
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</tr>
<tr>
<td>2014</td>
<td>1,221</td>
</tr>
<tr>
<td>2015</td>
<td>1,339</td>
</tr>
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</table>

#### The proportion of men and women

- **48.5%** men
- **51.5%** women

#### Number of employees per area

<table>
<thead>
<tr>
<th>Area</th>
<th>2011</th>
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</thead>
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<td>Belgium</td>
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<td></td>
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</tr>
<tr>
<td>Netherlands</td>
<td>242</td>
<td></td>
<td>121</td>
<td></td>
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<td>France</td>
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<td>Sales Offices Europe</td>
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<td>United States</td>
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<td>Sales Offices Asia</td>
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<td></td>
<td></td>
<td></td>
<td>80</td>
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<td>International Distributors</td>
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<td></td>
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<td>63</td>
</tr>
<tr>
<td>Natural Foods</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Corporate</td>
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Team International Distributors
REPORT OF THE BOARD OF DIRECTORS
1. ACTIVITIES IN 2015

1.1 Market situation and sales results in 2015

General evolution of turnover

In 2015 the consolidated turnover of the Lotus Bakeries Group grew by 18.3% to EUR 411.6 million. Internal growth, amounting to EUR 46.4 million or 13.3%, comes almost entirely from branded products. Most of this relates to the international growth of Lotus original caramelized biscuits (‘Lotus Biscoff’) and Lotus Biscoff spread, with Lotus Dinosaurus and Lotus waffles also experiencing significant growth. The impact of the acquisitions on turnover amounts to EUR 17.3 million.

The continuing internationalization of Lotus Biscoff made a significant contribution to growth in 2015. Further expansion of distribution was achieved in both the US and the UK, resulting in Lotus Biscoff becoming available and familiar to more and more people. By combining this with appropriate support at points of sale and targeted promotional campaigns, we managed to achieve sustainable, very strong growth. Other countries such as China, France, Germany, Switzerland and our network of international commercial partners also presented good growth in Lotus Biscoff.

In line with the growth of Lotus Biscoff, we are also seeing very strong growth of Lotus Biscoff spread. This success is due to a variety of factors including the new packaging, which makes the link with the biscuit stronger, support from TV campaigns in various countries and the continuing success of Lotus Biscoff spread as an ingredient in a variety of desserts including ice cream, yoghurt and cakes. Growth is not confined to a small number of countries, but is generalised: within Europe and beyond, appreciation of Lotus Biscoff spread is growing.

### Evolution of turnover

(in millions of EUR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover (in millions of EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>411.6</td>
</tr>
<tr>
<td>2014</td>
<td>347.9</td>
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<tr>
<td>2013</td>
<td>332.3</td>
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<tr>
<td>2012</td>
<td>288.5</td>
</tr>
<tr>
<td>2011</td>
<td>275.6</td>
</tr>
</tbody>
</table>
Lotus Dinosaurus remains another major growth driver. In our home markets of France and Belgium, growth mainly comes from the successful launch of ‘Dinosaurus filled’, the typical Dinosaurus biscuits filled with a layer of real Belgian chocolate or vanilla. Thanks to further distribution gains, improved shelf impact and strong in-store activation, the basic range also experienced strong growth. Good progress was also made in internationalizing Lotus Dinosaurus, both in the Netherlands, where the launch was strongly supported both at the point of sale and on television, and in other new markets such as the Czech Republic, Sweden and Israel. Since launching Dinosaurus in totally new markets requires considerable investment in sales and marketing, the initial contribution to profit is low.

Last year’s relaunch of Liège waffles in France, with new packaging formats, point-of-sale promotions and the support of a national TV campaign, continues to generate strong growth in turnover. The rebranding to ‘Lotus Suzy’ in the Belgian market was also a success, supported by a new commercial, presence at events and support at points of sale.

In August 2015, ‘Peijnenburg Zero’, a new variety gingerbread with no added sugar was launched. This innovation met with an enthusiastic reception from retailers and consumers alike and generated further growth in sliced gingerbread. Lotus Bakeries continues to invest in gingerbread, with the introduction of new stay fresh packaging and a new TV campaign ‘Lekker thuis met Peijnenburg’ (‘Home’s best with Peijnenburg’), although the category as a whole remains under pressure.

1.2 Investments

In 2015 we invested a total of EUR 16.1 million, mainly to expand capacity. The waffle factory in Courcelles and the Lotus Biscoff factory in Lembeke will each be expanded with two new production lines, to become operational in 2016/2017. We made further investments in increasing efficiency in 2015, including the installation of a new packaging robot for Lotus madeleine, and a new oven and improved cutting process for the gingerbread facility in Sintjohannesga (the Netherlands).
2.1 Profitability and evolution of costs

The recurrent operating result (EUR 64.8 million) and recurrent operating cash flow (EUR 82.6 million) increased by EUR 15.3 million (31.0%) and EUR 15.6 million (23.2%) respectively compared to last year.

The increase in the operating result is due to strong growth in turnover. It also allows us to invest more in our brands in the various countries, in terms of marketing, our sales organizations and promotion at the point of sale. As far as marketing is concerned, Lotus was omnipresent on television in 2015, in Belgium, France and the Netherlands. We invested in a new commercial for Lotus Biscoff and spread. In Belgium, Lotus frangipane, Lotus madeleine, and Lotus Dinosaurus were constantly supported through TV campaigns and, for the first time, we invested in a pre-Christmas commercial for Sinterklaas (Saint Nicholas’ Day). In France, we advertised Lotus Biscoff and Lotus Biscoff spread and Lotus waffles on TV. Meanwhile in the Netherlands, there were TV commercials for gingerbread, Lotus Biscoff and Lotus Dinosaurus. We also recruited several new colleagues to join the sales and marketing departments at our sales offices in amongst others France, the UK, Central Europe, the US and China.

The very strong growth for both Lotus Biscoff and Lotus Biscoff spread, as well as Lotus Dinosaurus, meant that the Lembeke factory worked at maximum capacity. Investments in past years have created increased operational efficiency and flexibility and the guarantee of superior product quality. These investments also continue to make a significant positive contribution to profitability.
2.2 Principal risks and uncertainties

The text below describes the business risks as assessed by the Executive Committee of Lotus Bakeries. The Lotus Bakeries Group’s greatest market risks are fluctuations in raw material and packaging prices, exchange rates and interest rates.

2.1 Raw material and packaging costs

The risk of negative consequences of fluctuations in raw material prices on the results is limited by the signing of forward contracts with a fixed price for the most important volatile raw materials. For other raw materials and for packaging, yearly agreements are made when possible.

2.2 Currency Risk

Purchasing takes place predominantly in euros. On the sales side too, a very significant portion of the turnover is invoiced in euros. The main foreign currency transactions related to buying and selling are in USD, GBP, CHF, SEK, CNY and KRW. Lotus Bakeries Group seeks to net out as far as possible its purchases and sales in foreign currencies, with net foreign exchange risks hedged if necessary by forward and/or option contracts if there is a material unhedged net risk for the Group.

Lotus Bakeries’ consolidated financial statements are presented in euros. The operating results and financial position of each Lotus Bakeries company whose functional currency is not the euro have to be converted into euros at the applicable exchange rate for inclusion in the Group’s consolidated financial statements. Lotus Bakeries does not hedge against this “translation risk”. However, the Group does try to limit this exposure by financing the activities of Lotus Bakeries companies in their functional currency where possible.
A 5% lower average rate for Lotus Bakeries' key foreign currencies would have had a negative impact on the net profit amounting to a total of 441 kEUR. A 5% higher average rate for Lotus Bakeries’ key foreign currencies would have had a positive impact on the net profit amounting to a total of 482 kEUR.

### CURRENCY RISK

<table>
<thead>
<tr>
<th></th>
<th>EFFECT ON THE NET RESULT OF THE LOWER AVERAGE RATE OF 5% (AMOUNT IN kEUR)</th>
<th>EFFECT ON THE NET RESULT OF THE HIGHER AVERAGE RATE OF 5% (AMOUNT IN kEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
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<td>133</td>
</tr>
<tr>
<td>GBP</td>
<td>(213)</td>
<td>235</td>
</tr>
<tr>
<td>CZK</td>
<td>(57)</td>
<td>63</td>
</tr>
<tr>
<td>Other</td>
<td>(51)</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>(441)</td>
<td>482</td>
</tr>
</tbody>
</table>

### 2.4 Credit risk

The Lotus Bakeries Group opts to conclude contracts as far as possible with creditworthy parties or to limit the credit risk by means of securities.

The Lotus Bakeries Group has a diversified international customer portfolio, consisting mainly of large retail, cash-and-carry and food service customers in various countries. For export outside Western and Northern Europe, the United States and Canada the Lotus Bakeries Group works on a documentary credit basis or uses credit insurance. The average number of days’ customer credit is relatively limited. Within the Lotus Bakeries Group, there are strict procedures to accurately follow up on customers and to handle possible risks as quickly and as efficiently as possible.

For financial operations, credit and hedging, the Lotus Bakeries Group works only with established financial institutions.

### 2.3 Interest rate risk

The interest rate risk is the risk associated with interest-bearing financial instruments and relates to the risk of the fair value or related interest cash flows of the underlying financial instrument fluctuating due to future changes in market interest rates.

Lotus Bakeries Group’s objectives with regard to interest rate risks are to reduce fluctuations in income, limit interest expenses in the long term and protect future cash flows against the impact of significant negative interest rate fluctuations.

As part of managing its interest rate risks, where necessary, the Group enters into interest rate agreements to convert a variable rate into a fixed rate. As of 31 December 2015, the majority of financial interest-bearing liabilities (97,000 kEUR) were hedged at a variable rate under such agreements.

A Euribor rate ten basis points higher in 2015 would have had a negative impact on interest expenses amounting to approximately 72 kEUR.

### 2.5 Liquidity risk

Lotus Bakeries uses an international cash pooling structure for daily cash pooling where possible. Lotus Bakeries also closely monitors the amount of short-term funds and the ratio of short-term funds to its total debts, as well as the availability of committed lines of credit in relation to the level of outstanding short-term debt.

In connection with the acquisition of Natural Balance Foods Ltd in 2015, put options were granted to third parties with respect to the remaining non-controlling interests, where these put options give holders the right to sell part or the whole of their investment in this subsidiary. A financial liability is shown on the consolidated balance sheet for this, which could potentially result in a larger cash outlay if the acquired entity performs better than forecast in the long-term business plan. Further details are given in note 21 in part 2 of the 2015 annual review.
In view of the significant cash flow from operations compared with the net financial debt position, and the available committed lines of credit, the liquidity risk for the Lotus Bakeries Group is low.

### 2.6 Balance sheet structure

Lotus Bakeries aims for a capital structure (the balance between debt and capital) which will give it the required financial flexibility to implement its growth strategy.

Lotus Bakeries strives to keep the proportion of net financial debt (defined as interest-bearing financial debt - monetary investments - liquid assets - treasury shares) and the recurrent company cash flow (REBITDA) at what is considered to be a normal healthy level in the financial market.

<table>
<thead>
<tr>
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<tr>
<td>Days customer credit</td>
<td>45</td>
<td>41</td>
<td>40</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Solvency ratio (%)</td>
<td>38.1</td>
<td>59.5</td>
<td>51.3</td>
<td>53.7</td>
<td>53.3</td>
</tr>
<tr>
<td>Net financial debts / Rebitda*</td>
<td>1.83</td>
<td>0.30</td>
<td>0.88</td>
<td>0.48</td>
<td>0.22</td>
</tr>
<tr>
<td>Net profitability of equity (%)</td>
<td>21.0</td>
<td>18.3</td>
<td>16.5</td>
<td>17.7</td>
<td>18.8</td>
</tr>
</tbody>
</table>

(*) REBITDA normalized for the impact of acquisitions

### 2.7 Product liability risks

The production, packing and sale of food products give rise to product liability risks. Lotus Bakeries applies the highest product safety standards to the entire production and distribution process, from the purchase of raw materials through to the distribution of the final product, supported and guaranteed by structured procedures and systematic internal quality audits. External audits take place at regular intervals.

The necessary product liability insurance has been subscribed within reasonable limits.

### 2.8 Pension scheme risks

The form of and benefits under pension schemes existing within the Lotus Bakeries Group depend on the conditions and customs in the countries involved. Pension benefits can be provided under defined contribution schemes or defined benefit schemes.

A major portion of these pension schemes are defined contribution schemes, including in Belgium, France, Sweden, Canada and the United States. These are funded by employer and employee contributions and charged to the income statement of the year in question. Under this type of scheme, there is no legal or constructive obligation to pay further contributions irrespective of the capacity of the funds to pay future pension contributions.

Because of the Belgian legislation applicable to second pillar pension plans (so-called ‘Law Vandenbroucke’), basically all Belgian defined contribution plans have to be considered under IFRS as defined benefit plans because of the minimum guaranteed return of 3.75% on employee contributions and 3.25% on employer contributions, although they are normally insured by an external insurance company that collects and manages the contributions. As from 1 January 2016, these percentages will be replaced by a single percentage which will change in line with market rates, subject to a minimum of 1.75% and a maximum of 3.75%. This reduces the risk for the employer.

In the Netherlands a defined benefit pension plan has been concluded with BPF. Because employers pay a fixed contribution, the scheme falls under the defined contribution scheme.

Defined benefit pension schemes exist in the Dutch and German subsidiaries. In certain companies provisions also exist for early retirement (‘bridge’) pensions (Belgium) and pension obligations resulting from legal requirements (France). These are also treated as defined benefit schemes. For these defined benefit schemes the necessary provisions are set up based on the actuarial present value of the future obligations to the employees concerned.
2.4 Research and development, innovation and sustainability

Innovation and production development
The quality of all Lotus Bakeries products is an absolute priority and all employees are intensely involved in the continuous drive for high quality products and processes, which are audited internally as well as externally.

The R&D department hopes to contribute to better products with new insights into processes and the interactions between various ingredients. In this, Lotus Bakeries does not only employ its own expertise but also calls on the expertise of well-known university knowledge centres, and of existing innovation platforms set up by the food industry. According to the calculation method of the IWT, Lotus Bakeries invests more than twice the average of the food sector into R&D.

The continuous flow of ideas into the innovation funnel is managed efficiently by R&D.

Sustainability
The ‘Care for Today - Respect for Tomorrow’ programme represents in a clear way how Lotus Bakeries is handling sustainability. This programme has been widely communicated to all employees and the Board of Directors. At the end of 2014, Lotus Bakeries began testing this programme with all its stakeholders in accordance with the Global Reporting Initiative (GRI), version GRI-G4. You can read the result about the progress so far in the chapter ‘Care for Today - Respect for Tomorrow’.

2.5 Significant facts after 31 December 2015

No significant events have occurred after 31 December 2015.

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- Changes in bond yields: a decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan’s bond holdings.
- Salary risk: the majority of the plans’ benefit obligations are calculated by reference to the future salaries of plan members. As such, a salary increase of plan members higher than expected will lead to higher liabilities.
- Longevity risk: pension plans provide benefits to the participants throughout their remaining lives. An increase in life expectancy will therefore result in an increase in the pension plan obligations.

2.3 Financial instruments

The Lotus Bakeries Group uses financial instruments to hedge the risk of adverse exchange and interest rate fluctuations. No derivatives are used for trading purposes. Derivatives are initially measured at cost and thereafter at fair value.
In 2015, Lotus Bakeries was able to produce an attractive turnover growth of over 18%, more than 13% of this being internal growth. Profitability grew even stronger, with recurrent operating cash flow up 23.2% to EUR 82.6 million and a net result of EUR 45.6 million.

The internal turnover growth, linked to the consistent application of the Lotus Bakeries commercial and marketing strategy, also contributes significantly to profitability. Furthermore, in 2015, Lotus Bakeries invested significantly more in marketing and sales than in previous years because we strongly believe that this is a ‘must have’ for future growth.

2015 was not only a record year for internal growth, but also in terms of production volumes of Lotus Biscoff, Lotus Biscoff spread and Lotus Dinosaurus. Lotus Bakeries is convinced of the growth potential for our iconic Lotus Biscoff biscuits and has decided to invest in a third production hall in Lembeke to support future growth. The new production hall will have sufficient capacity for a maximum of four production lines. The first Lotus Biscoff line in this facility will go into operation in the first half of 2017.

Volumes are also growing strongly in the US, where there is huge potential for Lotus Biscoff. We have therefore decided, in addition to investing in additional capacity in Belgium, to invest in a totally new Lotus Biscoff factory in the US. The first step will be to decide the precise location. The factory is currently scheduled to go into operation in 2019.

2015 was also the year in which the strategically important decision was made to invest in the natural and healthy snacking segment. The new Nākd & Trek and BEAR & Urban Fruit brands complement our current product and brand portfolio and ensure that Lotus has something to offer to everyone. Lotus aims to grow these brands further in the UK and also put them on the map internationally. Lotus Bakeries’ experience in the internationalization of consumer products, combined with our international network of sales offices and commercial partners will act as a powerful lever for launching these products in new markets and among new consumers.

Both the Management and the Board of Directors of Lotus Bakeries are convinced that the right strategy and a good basis are in place for continuing, profitable, long-term growth.

3. PROSPECTS FOR 2016
4. RESULTS AND PROPOSAL FOR APPROPRIATION OF RESULTS

Consolidated
The consolidated net profit for 2015 amounted to EUR 45.6 million as compared to EUR 36.8 million last year.

Statutory
The results for 2015 for the parent company Lotus Bakeries NV are as follows:

<table>
<thead>
<tr>
<th>IN EUR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the financial year</td>
<td>11,708,112.37</td>
</tr>
<tr>
<td>Transfer from untaxed reserves</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to untaxed reserves</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the year available for appropriation</strong></td>
<td><strong>11,708,112.37</strong></td>
</tr>
</tbody>
</table>

The Board of Directors proposes to appropriate the profit as follows:

<table>
<thead>
<tr>
<th>IN EUR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation to legal reserves</td>
<td>3,894.00</td>
</tr>
<tr>
<td>Transfer from other reserves</td>
<td>(80,626.23)</td>
</tr>
<tr>
<td>Distribution of a gross dividend (1)</td>
<td>11,534,844.60</td>
</tr>
<tr>
<td>Distribution of emoluments to directors</td>
<td>250,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,708,112.37</strong></td>
</tr>
</tbody>
</table>

(1) The dividends on the purchased Lotus Bakeries shares will be paid to Lotus Bakeries NV and, as a consequence, will not be suspended.

In line with legal requirements, the balance sheet presented for the approval of the shareholders has been drawn up based on this distribution.

If the Ordinary General Meeting of Shareholders of 13 May 2016 accepts the Board of Directors’ proposal to distribute a gross dividend of EUR 14.20 per share, this gross dividend per share - after deducting a withholding tax of 27% - will be payable as from 23 May 2016 on surrender of coupon no. 28 at Degroof - Petercam, BNP Paribas Fortis, Belfius, ING Bank and KBC Bank.

Gross dividend

<table>
<thead>
<tr>
<th>(in EUR)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>14.20</td>
</tr>
<tr>
<td>2014</td>
<td>12.40</td>
</tr>
<tr>
<td>2013</td>
<td>10.80</td>
</tr>
<tr>
<td>2012</td>
<td>9.80</td>
</tr>
<tr>
<td>2011</td>
<td>9.40</td>
</tr>
</tbody>
</table>
Lotus Bakeries has adopted a Corporate Governance Charter under which we commit to apply the principles of the Corporate Governance Code of 12 March 2009 and to respect the associated legal norms and regulations. The charter outlines our corporate governance policy and the internal rules of procedure of the Board of Directors, the Committees and the Executive Committee. It can be consulted on our website (www.lotusbakeries.com).

Based on the relevant legislation or developments in corporate governance policy, we adapt the charter as necessary or advisable. In this annual review, we report actual changes to the Corporate Governance Charter. There are no deviations from the provisions of the Corporate Governance Code.

5.1 Share capital and shares

5.1.1 Share capital
As a result of the exercise of warrants the share capital of Lotus Bakeries NV was increased on 3 April 2015 by EUR 37,180.00 from EUR 3,533,983.65 to EUR 3,571,163.65. On 5 October 2015, through the exercise of warrants, the share capital of Lotus Bakeries NV was again increased by EUR 1,760.00 from EUR 3,571,163.65 to EUR 3,572,923.65.

5.1.2 Shares
Through the exercise of warrants and subsequent capital increases, new shares of Lotus Bakeries NV were issued: 8,450 on 3 April 2015 and 400 on 5 October 2015. As a result, the total number of shares of Lotus Bakeries increased from 803,013 to 811,463 and subsequently to 811,863.

5.1.3 Share options
In the context of the Lotus Bakeries share option scheme, 3,562 share options were issued in 2015. Per 31 December 2015 the total number of unexercised share options was 19,275.

<table>
<thead>
<tr>
<th>YEAR OF ISSUE OF THE OPTIONS</th>
<th>NUMBER OF ALLOCATED OPTIONS (1)</th>
<th>NUMBER OF OPTIONS EXERCISED (2)</th>
<th>TOTAL OF AVAILABLE OPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>11,950</td>
<td>11,350</td>
<td>600</td>
</tr>
<tr>
<td>2008</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>2,400</td>
<td>2,400</td>
<td>-</td>
</tr>
<tr>
<td>2011</td>
<td>1,300</td>
<td>1,250</td>
<td>50</td>
</tr>
<tr>
<td>2012</td>
<td>5,198</td>
<td>-</td>
<td>5,198</td>
</tr>
<tr>
<td>2013</td>
<td>4,188</td>
<td>-</td>
<td>4,188</td>
</tr>
<tr>
<td>2014</td>
<td>5,736</td>
<td>-</td>
<td>5,736</td>
</tr>
<tr>
<td>2015</td>
<td>3,503</td>
<td>-</td>
<td>3,503</td>
</tr>
</tbody>
</table>

(1) Cumulative number allocated minus cumulative number lapsed
(2) Cumulative number exercised

5.1.4 Warrants
The key conditions of the warrant plan set out in 2007, the exercise conditions and the key consequences of the abolition of the pre-emptive right for shareholders are set out in note no. 24 of the financial appendix.
5.1.5 Purchase of treasury shares
The Extraordinary General Meeting of 9 May 2014 authorized the Board of Directors of Lotus Bakeries NV for 5 years (i) to acquire the shares or profit certificates of the company in an amount of up to 20 percent of the issued capital under the conditions stipulated by the Companies Code, with as compensation the average closing share price of the company over the last 30 calendar days prior to the date of purchase, reduced by 20 per cent as a minimum price and increased by 10 percent as a maximum price; this authorization also applying to the acquisition of shares and profit certificates of the company by one of its directly controlled subsidiaries under Article 627 of the Companies Code, and (ii) to dispose of any shares or profit certificates of the company, regardless of when and on what basis they were acquired, if this divestment either forms part of a stock option plan approved by the Board of Directors of the Company, subject to payment of the agreed option price, or takes place against compensation that is higher than the average closing share price of the company over the last 30 calendar days prior to the date of sale reduced by 20 percent and lower than this average increased by 20 percent.

In 2015 4,089 treasury shares were purchased. The total number of purchased treasury shares in the portfolio at the end of the financial year is 22,005. They represent an accounting par value of EUR 96,822.0 or 2.71% of the issued capital.

All stock market transactions were executed in accordance with the various mandates granted by the Extraordinary General Meeting of Shareholders to the Board of Directors.

5.1.6 Forced sale of bearer shares
Following the abolition of bearer shares and in accordance with the provisions of the relevant Law of 14 December 2005 and the Royal Decree of 25 July 2014 implementing this law, on 26 August 2015, Lotus Bakeries NV published the notice of the forced sale of the remaining bearer shares in the Belgian Official Journal, on the website of Euronext Brussels and on its own website (www.lotusbakeries.com). Once the process was complete, the Statutory Auditor confirmed to the Board of Directors of Lotus Bakeries NV in writing that the procedure had been carried out in accordance with the statutory provisions.
5.2 Shareholders and shareholders structure

The shareholding structure of Lotus Bakeries NV on 31 December 2015:

<table>
<thead>
<tr>
<th>NO. OF VOTING RIGHTS</th>
<th>% OF VOTING RIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stichting Administratiekantoor van Aandelen Lotus Bakeries (1)</td>
<td>455,323</td>
</tr>
<tr>
<td>Lotus Bakeries NV (2)</td>
<td>22,005</td>
</tr>
<tr>
<td><strong>Total held by Stichting Administratiekantoor van Aandelen Lotus Bakeries and Lotus Bakeries NV</strong></td>
<td><strong>477,328</strong></td>
</tr>
<tr>
<td>Holding Biloba BVBA (3)</td>
<td>27,000</td>
</tr>
<tr>
<td>Christavest Comm.VA (4)</td>
<td>20,298</td>
</tr>
<tr>
<td>Publicly held</td>
<td>287,237</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>811,863</strong></td>
</tr>
</tbody>
</table>

(1) Stichting Administratiekantoor van Aandelen Lotus Bakeries is not controlled. The interest of Stichting Administratiekantoor van Aandelen Lotus Bakeries in Lotus Bakeries NV appears in the transparency notification that Lotus Bakeries NV received on 5 April 2013 and in the notification to Lotus Bakeries NV of the certification of Lotus Bakeries shares in July 2014.

(2) The voting rights attached to the shares held by Lotus Bakeries NV have been suspended. The dividends have not been suspended and will be distributed to Lotus Bakeries NV.

(3) Holding Biloba BVBA is not controlled. The interest of Holding Biloba BVBA in Lotus Bakeries NV appears in the transparency notification that Lotus Bakeries NV received on 3 July 2014.

(4) Christavest Comm.VA is 82.82% controlled by Holding Biloba BVBA, which in turn has no controlling shareholder. Mr. Stanislas Boone and Mrs. Christiane De Nie are the statutory business managers of Christavest Comm.VA.

Communication according to article 74§7 of the Law of 1 April 2007 on public takeover bids

Lotus Bakeries NV is not aware of any updates to any communication according to article 74 of the Law of 1 April 2007.
5.3 Board of Directors and Committees of the Board of Directors

5.3.1 Board of Directors

5.3.1.1 Composition
The composition of the Board of Directors as of 1 January 2015:

Chairman:
Beukenlaan NV, represented by its permanent representative Matthieu Boone

Managing directors:
o Mercuur Consult BVBA, represented by its permanent representative Jan Boone
o Vasticom BVBA, represented by its permanent representative Jan Vander Stichele

Non-executive directors:
o PMF NV, represented by its permanent representative Johan Boone
o Anton Stevens
o Bene Invest BVBA, represented by its permanent representative Benedikte Boone

Independent directors:
o Herman Van de Velde NV, represented by its permanent representative Herman Van de Velde
o Benoit Graulich BVBA, represented by its permanent representative Benoit Gaulich
o Dominique Leroy
o Sabine Sagaert BVBA, represented by its permanent representative Sabine Sagaert
Matthieu Boone  Chairman of the Board of Directors

- Master’s degree in Commercial Engineering (KU Leuven)
- Executive director of Lotus Bakeries since 1970 and managing director since 1989. Chairman of the Board of Directors since 2012
- CEO of Lotus Bakeries during the period 2006-2011
- Current director of Itinecar Gent, Crop’s NV, Odisee (previously HUB KAHO)
- Chairman of Etion Oost-Vlaanderen

Jan Boone  CEO / Managing director

- Master’s degree in Applied Economics (KU Leuven); Master in Audit (UMH)
- Started his career in the Audit department of PwC
- Between 2000 and 2005 Head of Corporate Controlling, member of the Executive Committee and Board of Directors at Omega Pharma
- Since 2005, active at Lotus Bakeries as managing director and since 2011 as CEO
- Since 2005, member of the Board of Directors at Lotus Bakeries and managing director since 2011
- Member of the Board of Directors of Omega Pharma and director at Durabrik and Club Brugge

Jan Vander Stichele  Executive Director / Managing director

- Master’s degree in Civil Engineering (KU Leuven) and Candidate degree in Applied Economics (KU Leuven)
- Was technical director of the Verlipack Group
- Since the end of 1996 active in the Lotus Bakeries Group as General Manager Lotus Bakeries France, thereafter as General Manager Operations and since 2011 as Executive Director
- Since 2005, member of the Board of Directors at Lotus Bakeries and since May 2011, managing director
- Chairman of the Board of Directors at Team Industries and Fevia Vlaanderen/Flanders’ Food

Johan Boone  Non-executive director

- Master’s degree in dentistry (KU Leuven)
- Dentist
- Member of the Board of Directors at Lotus Bakeries since 1996

Anton Stevens  Non-executive director

- Master’s degree in Law (UGent) and in Notarial law (UGent)
- Member of the Board of Directors at Lotus Bakeries since 2002
Benedikte Boone  Non-executive director
- Master’s degree in Applied Economics (KU Leuven)
- She has held positions at Creyf’s Interim and Avasco Industries
- Director in various family companies (Bene Invest BVBA, Holve NV and Harpis NV) and also director at Deceuninck NV
- Member of the Board of Directors at Lotus Bakeries since 2012

Dominique Leroy  Independent director
- Master’s degree in Commercial Engineering (Solvay Business School)
- She has a 24-year career with Unilever, beginning in finance and followed by various sales and marketing functions. In 2007 she became Country Manager of Unilever Belgium and was also member of the Unilever Benelux Board
- Since 2011, working at Proximus, initially as Vice President Sales for the consumer division. Since January 2014, managing director of Proximus Group and president of the Executive Committee
- President of the Board of Directors of BICS
- Member of the Board of Directors of Delhaize Group
- Member of the Board of Directors at Lotus Bakeries since 2009

Herman Van de Velde  Independent director
- Master’s degree in Applied Economics (KU Leuven) and post-graduate degree in Business Management (UFSIA)
- From 1989 to 2014, managing director of the listed lingerie group Van de Velde
- Since 2005, member of the Board of Directors at Lotus Bakeries
- Director at Van de Velde, Top Form International (Hong Kong) and the Arteveldehogeschool
- Commissioner at Brabantia in the Netherlands
- Chairman of Ondernemersplatform Etion and Vlajo (Jonge Vlaamse Ondernemingen)

Sabine Sagaert  Independent director
- Master’s degree in Commercial Engineering (KU Leuven), Master in Economic Legislation (UCL) and MBA (KU Leuven), graduate degree in Taxation (Fiscale Hogeschool Brussel)
- Held various logistics and commercial positions in the Benelux at CBR cement companies. Thereafter she held various positions at AB InBev, most recently as Business Unit President Belux. Subsequently, she led the Dental Division at Arseus
- Currently, President, Global Managing Director Malt Business at Cargill
- Director at Miko and vzw Spullenhulp
- Member of the Board of Directors at Lotus Bakeries since 2009

Benoit Graulich  Independent director
- Master’s degrees in Law, Business and Finance (KU Leuven)
- Began his professional career at PwC and then at Artesia Bank. In 2000 he became a partner at Ernst & Young. Currently he is a managing partner at Bencis Capital Partners
- Different mandates at a.o. Van de Velde, Omega Pharma and Xeikon
- Member of the Board of Directors at Lotus Bakeries since 2009
During the entire financial year 2015 the Board of Directors was composed of the aforementioned directors. With this composition, Lotus Bakeries meets the requirement that at least one third of directors be of a different gender than that of the other members. The aforementioned obligation is contained in Art. 518bis, §1 of the Companies Code, which will come into force on January 1, 2017.

The abovementioned independent directors fulfil the independence criteria of Article 526-ter of the Companies Code.

During the financial year 2015 the secretary of the Board of Directors was Sofie Dumarey, Corporate Secretary.

This means Lotus Bakeries has a balanced Board of Directors in which the majority shareholder, the independent directors and the executive board are sufficiently represented.

5.3.1.2 Activities of the Board of Directors

The Board of Directors met six times in 2015. All directors were present at all meetings, except for Dominique Leroy, Benoit Graulich BVBA, represented by its permanent representative Benoit Graulich and Herman Van de Velde NV, represented by its permanent representative Herman Van de Velde. These directors were not present at one meeting of the Board of Directors.

The subjects dealt with at the meetings were:
- recent sales and financial results
- results at 30/06 and 31/12 and proposed press release
- investment budget and global budget
- clarification of the year action plans of the different countries
- deepdive US
- capacity extension original caramelized biscuits in the US
- reports and recommendations of the Committees
- production capacity of Lembeke plant
- masterplan logistics Belgium and France
- evaluation starting up plant in Meise again and social plan
- M&A transactions (Lotus Korea, Natural Balance Foods, Urban Fresh Foods)
- product developments and product innovations
- proposed appointments of directors
- agenda of General Meeting.

An induction training programme is provided for new directors and for the Committees.

In the course of 2015, there were no incidences within the Board of Directors which led to the application of the conflict of interest procedure as set out in Article 523 of the Companies Code.

All transactions involving shares of Lotus Bakeries NV carried out in 2015 by persons considered as insiders and by persons with executive responsibility were undertaken in accordance with the internal rules of Lotus Bakeries for the prevention of market abuse.

5.3.2 Audit Committee

The Audit Committee consists of two independent directors and one non-executive director. The two independent directors are Benoit Graulich BVBA, represented by its permanent representative Benoit Graulich (Chairman) and Dominique Leroy. The non-executive director is Beukenlaan NV, represented by its permanent representative Matthieu Boone. All three members have accounting and audit experience.

The Audit Committee met twice in 2015 and all members were present at all meetings. The Auditor participated in all two meetings, at which he presented his findings to the Audit Committee.
The subjects examined were:
- shared service center: realizations and future vision
- risk management
- authorised services of Statutory Auditor
- changes to IFRS
- discussion of report and internal controls / recommendations of the Statutory Auditor
- discussion of annual and interim results.

5.3.3 Remuneration and Nomination Committee
The Remuneration and Nomination Committee consists of two independent directors and one non-executive director. The independent directors are Herman Van de Velde NV, represented by its permanent representative Herman Van de Velde (Chairman) and Benoit Graulich BVBA represented by its permanent representative Benoit Graulich. The non-executive director is Beukenlaan NV, represented by its permanent representative Matthieu Boone. All three members have both HR management and remuneration policy experience.
The Committee met twice in 2015, with all members present.

The subjects examined were:
- remuneration of directors
- remuneration policy and its application
- results of external salaries measurement
- changes in the composition and appointment of new members of the Executive Committee.

5.3.4 Evaluation of the Board of Directors and its Committees
The operation of the Board of Directors and of the Committees is evaluated every three years. The evaluation of the effectiveness of the Board of Directors is undertaken by the board itself under the leadership of its Chairman. This evaluation covers the size of the Board, the general functioning of the Board of Directors, the way meetings are prepared, the contribution of each individual director to the work of the Board, the presence and involvement of each individual director at meetings and decision-making, the composition of the Board of Directors and the interaction with the Executive Committee.

This assessment makes it possible to constantly optimize the management of Lotus Bakeries. Where appropriate, based on this review, and eventually in consultation with external experts, the Remuneration and Nomination Committee presents a report on the strengths and weaknesses of the Board of Directors and, where necessary, a proposal for the appointment of a new director or the non prolongation of a directorship. The non-executive directors evaluate annually the interaction of the Board of Directors and the Executive Committee and when appropriate, submit proposals for improving cooperation. The CEO and the Remuneration and Nominations Committee also together evaluate annually the operation and performance of the Executive Committee. The CEO is not present at his own evaluation.
5.4 Executive Committee

Since 1 January 2016 the Executive Committee has the following members:
- Jan Boone, permanent representative of Mercuur Consult BVBA, CEO
- Isabelle Maes, permanent representative of Valseba BVBA, CFO
- Ignace Heyman, COO
- Willam Du Pré, Corporate Director Quality, Procurement and R&D Management.

Up to 31 December 2015, the following persons were members of the Executive Committee:
- Jan Boone, permanent representative of Mercuur Consult BVBA, CEO
- Jan Vander Stichele, permanent representative of Vasticom BVBA, Executive Director
- Isabelle Maes, permanent representative of Valseba BVBA, CFO
- John Van de Par, COO.

The Executive Committee met sixteen times in 2015. All members were present at all meetings.

5.5 Remuneration report

5.5.1 Introduction

The purpose of the 2015 remuneration report is to provide transparent information about the specific remuneration policy adopted by Lotus Bakeries for directors and executive managers.

The remuneration report below will be submitted to the General Meeting of 13 May 2016 for approval. The works council has been informed in accordance with the provisions of the Act. The report has also been reviewed by the Auditor.

5.5.2 Procedure for defining remuneration policy and remuneration

5.5.2.1 Directors

The Remuneration and Nomination Committee set up by the Board of Directors makes specific recommendations to the Board of Directors with regard to remuneration policy and its application to executive and non-executive directors.

The current remuneration policy for directors was approved by the General Meeting of 9 May 2008, based on a proposal by the Board of Directors, on the advice of the Remuneration and Nomination Committee.

Directors’ remuneration is benchmarked every two years against a relevant sample of other listed companies to enable Lotus Bakeries to attract directors with appropriate competences according to its ambitions.

5.5.2.2 Executive managers

For the purpose of determining who falls into the category of ‘executive managers’ according to the Act of 6 April 2010 to strengthen corporate governance, Lotus Bakeries considers the members of its Executive Committee as falling into this category. The Executive Committee is responsible for the management of the company.
The remuneration policy for members of the Executive Committee is set every two years based on a proposal by the Remuneration and Nomination Committee. Individual remuneration is reviewed annually. For this Lotus Bakeries uses the services of an international HR consultancy firm, that assesses the functions and presents the corresponding salary package as commonly awarded in the relevant market. The consultant reports directly to the Remuneration and Nomination Committee and provides verbal explanations.

5.5.2.3 Senior managers
Remuneration policy for senior managers ('kaderleden') is set by the Executive Committee. This is then approved by the Remuneration and Nomination Committee.

5.5.3 Statement on remuneration policy applied in 2015
5.5.3.1 Non-executive and executive directors
Policy criteria
The non-executive directors receive a fixed fee, with no performance-based remuneration such as bonuses, stock-related long-term incentive schemes, fringe benefits or pension plan-related benefits. Neither Lotus Bakeries nor its subsidiaries provide any personal loans, guarantees or the like to other members of the Board of Directors.

Besides the fee, all reasonable expenses of members of the Board of Directors incurred with the consent of the Chairman of the Board of Directors are reimbursed.

The provisions concerning the remuneration of non-executive directors apply equally to executive directors in their capacity as directors. Lotus Bakeries aims at a competitive remuneration, based on a comparison of directors’ remuneration in companies that are comparable in terms of size, complexity and international activity. Directors’ remuneration is benchmarked every two years against a relevant selection of listed companies, to enable Lotus Bakeries to attract directors with appropriate competences according to its ambitions.

Remuneration
Members of the Board of Directors each receive EUR 20,000 a year. The Chairman receives EUR 40,000 a year. Each member of the Audit and Remuneration and Nomination Committee receives a fee of EUR 5,000 a year.

No options, shares or variable compensation are granted to non-executive directors. No other compensation is provided, such as performance bonuses in cash, shares or options.

The following table shows the remuneration awarded for 2015 to each member of the Board of Directors.
5.5.3.2 Executive managers

Policy criteria

The Remuneration and Nomination Committee makes specific recommendations to the Board of Directors on the remuneration of the members of the Executive Committee. The level and structure of the remuneration of the Executive Committee must be such as to attract, retain and continually motivate qualified and skilled managers, taking into account the nature and scope of their individual responsibilities. To this end, a survey is carried out every two years of the remuneration of managers in Belgium in order to facilitate an external comparison of key functions. In order to ensure an internal logic between remuneration levels, in defining the remuneration for executive managers for each function, account is taken of the way the function is fulfilled at Lotus Bakeries. In addition to their fixed remuneration, there is a variable compensation. For executive managers, this depends on the results of Lotus Bakeries, based on well-defined criteria with a one year evaluation period and evaluation periods of two and three years.

The evaluation criteria used to determine the variable compensation in 2015 are the main performance indicators based on the objectives for 2015. The evaluation period for this is one year.

Already since the financial year 2011, a long-term incentive plan is in place for Executive Managers with objectives set over 2 and 3-year periods. The criteria used are the objectives of the strategic plan of the Lotus Bakeries Group.

There is an additional pension plan, on the basis of a predetermined contribution. The plan is placed with an insurance company.

There also exists a stock option plan with a fixed number of options for the members of the Executive Committee.

In principle shares which have been allotted or other forms of deferred compensation are not deemed to be acquired, and options may not be exercised during the first three and a half year after being allocated.
The Board of Directors does not plan any changes in the existing remuneration policy in the coming years.

Recovery provisions
The bonus plan for executive management provides that the bonus is earned only after approval of the consolidated figures by the Auditor and then by the Remuneration and Nomination Committee.

5.5.4 Evaluation criteria for the performance-based remuneration of executive managers
The objectives for 2015 were presented to the Remuneration and Nomination Committee. The evaluation criteria used to determine the variable compensation in 2015 are the main performance indicators based on the objectives for 2015. The evaluation period is one year. The bonus plan for executive management provides that the bonus is earned only after approval of the consolidated figures by the Auditor and then by the Remuneration and Nomination Committee.

In 2014, objectives for 2015 and 2016 were presented to the Remuneration and Nomination Committee for determining the long-term remuneration. The main performance indicators are taken from the strategic plan of the Lotus Bakeries Group. The evaluation periods are two and three years. In 2015, bonuses were paid as part of the long-term remuneration policy.

5.5.5 CEO’s remuneration in 2015
The remuneration of CEO Jan Boone is paid through a management company and a number of directorships. The remunerations mentioned are expressed as cost for the company.

The fixed annual salary in 2015 amounts to EUR 672,722. The variable portion based on the 2015 targets amounts to EUR 399,035 and will be paid in 2016. The contributions to the pension scheme amount to EUR 103,504. Other components of the remuneration amount to EUR 32,268. There is no recovery provision. Evaluation of the performance is based on the audited results.

5.5.6 Remuneration of executive managers in 2015 (excluding CEO)
In 2015, two members of the EXCO were paid through a management company and directorships and one member through an employment contract. In the case of pay through an employment contract, the amounts given do not include social insurance contributions and in the case of pay through a management company, the full cost is given. Compared with 2014, one additional person was paid through a management company, i.e. at full cost.

The remuneration for all executive managers together on a full year’s basis, are the following for 2015.

The fixed annual salary in 2015 amounts to EUR 1,307,943. The variable portion based on the 2015 targets amounts to EUR 534,848 and will be paid in 2016. The contributions to the pension scheme amount to EUR 169,357. Other components of the remuneration amount to EUR 26,764. There is no recovery provision. Evaluation of the performance is based on the audited results.

5.5.7 Arrangements for the Executive Committee as a whole
The pension plan is based on defined contributions as a function of the annual base salary. The other compensation relates primarily to insured benefits such as guaranteed income and the cost of a company car. A share option plan also exists.
5.5.8 Share-based compensation

5.8.1 Allocations in 2015
In 2015, share options were granted to members of the Executive Committee.

<table>
<thead>
<tr>
<th>NAME</th>
<th>YEAR OF ALLOCATION</th>
<th>NUMBER OF OPTIONS</th>
<th>EXERCISE PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan Boone</td>
<td>2015</td>
<td>500</td>
<td>1,243.57 EUR</td>
</tr>
<tr>
<td>Jan Vander Stichele</td>
<td>2015</td>
<td>500</td>
<td>1,243.57 EUR</td>
</tr>
<tr>
<td>Isabelle Maes</td>
<td>2015</td>
<td>250</td>
<td>1,243.57 EUR</td>
</tr>
<tr>
<td>John Van de Par</td>
<td>2015</td>
<td>250</td>
<td>1,243.57 EUR</td>
</tr>
</tbody>
</table>

5.5.8.2 Exercise of stock options and/or warrants in 2015
The members of the Executive Committee have exercised the following share options or warrants in 2015.

<table>
<thead>
<tr>
<th>DATE</th>
<th>NAME</th>
<th>TRANSACTION</th>
<th>AMOUNT</th>
<th>PRICE</th>
<th>TOT. VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/04/2015</td>
<td>Jan Boone</td>
<td>Exerc. warrants</td>
<td>5,000</td>
<td>246.02 EUR</td>
<td>1,230,100 EUR</td>
</tr>
</tbody>
</table>

In 2015 there are no lapsed unexercised options relating to members of the Executive Committee.

5.5.9 Severance pay
No special severance arrangements have been agreed with members of the Executive Committee. Members of the Executive Committee acting through a management company are entitled to severance pay equal to 12 months’ fixed and variable remuneration. The other members of the Executive Committee are bound by salaried employee contracts. In 2015 no severance pay was paid to members of the Executive Committee.
5.6 Internal control and risk management

In running its business, Lotus Bakeries seeks to implement a sustainable policy regarding internal control and risk management.

5.6.1 Control environment
The organization of the finance function is based on three pillars. First, the responsibilities of the various financial departments in the Lotus Bakeries Group are set out in general corporate guidelines (‘General Directives’) at Group level so that each employee clearly knows his or her role and responsibility. These are set out for all operational finance-related fields such as accounting and consolidation, management reporting, costing, planning, budgeting and forecasting processes, the central master data management, the treasury function, approval of investments, insurance and the internal control environment.

Second, there is a Lotus Bakeries Accounting Manual which establishes the accounting policies and procedures. There are also financial management reporting standards to ensure that the financial information can be interpreted unambiguously in the whole organization.

Thirdly, Lotus Bakeries has opted to implement the financial function in the same ERP package (SAP). This offers comprehensive capabilities for internal control and management and facilitates the internal audits carried out by the Corporate Finance department.

5.6.2 Risk management process
Lotus Bakeries implemented an ongoing process of risk management aimed at ensuring that this is organized so that risks are identified, assessed, controlled and monitored in such a way that they can be kept at an acceptable level. The risk management process fits very closely with the implementation of the strategic, operational and financial objectives of the company. The entire risk management process is based on the COSO Internal Control Framework.

The Executive Committee has overall responsibility for the risk management process of Lotus Bakeries. The Executive Director is responsible for the coordination.

All individual areas and corporate departments of Lotus Bakeries are responsible for having a risk management process in operation. Identification, assessment, management and monitoring of risks is an ongoing process, which is fully embedded into the regular management processes. Significant alterations of individual identified risks are directly communicated to the Executive Director by means of written reports in prescribed formats.

There is one occasion a year when the entire risk management process is formally examined by the members of the local area management teams and the Corporate departments. In addition to a full review of the risks identified at that point in time, the progress of actions undertaken is examined, and new risks are identified. The results are included in the annual plans for the coming year. The outcome and the progress of the actions are reported to the Audit Committee.

In 2015, important measures were again undertaken to ensure the optimal management of risks. In addition, further steps were taken to improve the Business Continuity Management and Disaster Recovery processes. This will be rolled out further to other parts of the organization over the next few years.

The entire corpus of policies and procedures related to the risk management process is also set down in the ‘General Directives’ of Lotus Bakeries.

5.6.3 Control activities
Each month the results of each area are discussed and explained by the area manager. The Executive Committee also discusses the results on a monthly basis at its meeting.

The Corporate Finance department directs the whole process. For this Lotus Bakeries has developed various KPIs for the sales oper-
ations, for the financial reporting of each area and for the consolidated results. There are also KPIs relating to personnel and for factory operations, purchasing and logistics. These KPIs and reports exist for each area separately and are aggregated for the Lotus Bakeries Group.

The Corporate Treasury department monitors the cash position closely on a daily basis.

Finally, various internal audits are organized by the corporate departments in their areas of expertise: Corporate Finance for proper compliance with accounting principles and standards or the investment procedure, Corporate Treasury for the authorisation of payments, the Corporate Quality department for quality standards in the production plants.

5.6.4 Information and communication
Lotus Bakeries has chosen to manage all key business processes through a single ERP package (SAP). This not only offers extensive functionality with regard to internal reporting and communication, but also the ability to manage and audit access rights and authorization management on a centralized basis.

As mentioned above, the results of each area are reported in writing on a monthly basis and discussed and explained verbally by the area manager. The Executive Committee also discusses the results on a monthly basis at its meeting. The Corporate Finance department directs the information and communication process. For both internal and external information reporting and communication there exists an annual financial calendar in which all reporting dates are set out and which is communicated to all parties involved.

For the provision of information Lotus Bakeries has developed various KPIs for its sales operations, for the financial reporting, as well as KPIs relating to personnel, factory operations, purchasing and logistics. These reports are available on an individual basis, but also aggregated at area or group level.

5.6.5 Control
Lotus Bakeries evaluates every internal audit and takes appropriate steps to avoid any deficiencies in the future by means of concrete action points. Employees from within the Lotus competencies are asked to constantly question and improve existing procedures and practices.

First and foremost both the Audit Committee and the Auditor play an important role in internal control and risk management. Any remarks by the Auditor are discussed in the Audit Committee and monitored for improvement.

Finally, the shareholders have a right to ask questions during the General Meeting, and the company falls under the supervision of the Financial Services and Markets Authority (FSMA).
5.7 Announcements according to article 34 of the Royal Decree of 14 November 2007 - protective constructions

1. The Board of Directors of Lotus Bakeries NV is authorized by the Extraordinary General Meeting of Shareholders of 8 May 2015, in the event of a public takeover bid on the shares of the company, and by application of the authorized capital, to increase the capital of the company under the conditions of Article 607 of the Companies Code. This authorisation was granted for a period of three years from 8 May 2015.

2. By resolution of the Extraordinary General Meeting of Shareholders of 8 May 2015 the Board of Directors is authorized, in accordance with the provisions of Article 620 of the Companies Code, to acquire shares in the company for the account of the same, whenever such acquisition is necessary to prevent the company from suffering serious and imminent disadvantage. This authorization is granted for a period of three years from 27 May 2015 and is renewable.

5.8 External audit

PwC Bedrijfsrevisoren BCVBA, represented by Mr. Peter Opsomer, ‘bedrijfsrevisor’, was appointed as Auditor of Lotus Bakeries NV on 14 May 2013 by the Ordinary General Meeting for a term of three years. Its mandate expires immediately after the Ordinary General Meeting of 2016. The compensation received in 2014 for auditing and non-auditing services by PwC Bedrijfsrevisoren BCVBA and by people connected to PwC Bedrijfsrevisoren BCVBA, is described in note 37 of the financial supplement.

<table>
<thead>
<tr>
<th>AUDIT FEE FOR THE GROUP AUDIT 2015</th>
<th>IN THOUSANDS OF EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lotus Bakeries NV</td>
<td>64</td>
</tr>
<tr>
<td>Lotus Bakeries Group</td>
<td>342</td>
</tr>
<tr>
<td>Total</td>
<td>406</td>
</tr>
</tbody>
</table>
STOCK MARKET AND SHAREHOLDERS’ INFORMATION

Evolution of the Lotus Bakeries share in comparison to the BASR-index

Both share evolutions are with reinvested net dividend.
1. Stock market listing

The Lotus Bakeries shares have been listed since the beginning of January 2002 on the continuous market of Euronext (Brussels). Previously, the shares were listed on the spot market with double fixing. The share code is LOTB (ISIN code 0003604155).

2. Financial service

Financial servicing for the Lotus Bakeries share is provided by Degroof - Petercam, BNP Paribas Fortis, Belfius, ING Bank and KBC Bank. The main paying agent is BNP Paribas Fortis.

3. Liquidity and visibility of the share

Lotus Bakeries has appointed the stock market company Degroof - Petercam as ‘liquidity provider’. The liquidity and market activation agreement that was agreed with Degroof - Petercam lies within the context of the care taken by Lotus Bakeries to ensure a sufficiently active market in the share so that in normal circumstances adequate liquidity can be maintained.

4. Market capitalization

On 31 December 2015, market capitalization of Lotus Bakeries amounted to EUR 1,420.76 million.

5. Evolution of the Lotus Bakeries share

The graph on page 70 shows the evolution of the share price with reinvested net dividend as from 31 December 1988 of the Lotus Bakeries share in comparison to the BASR (Brussels All Share Return) index. The BASR-index reflects the price of the total Belgian market.

6. Stock data on the Lotus Bakeries share

Charts with the consolidated key figures per share and the stock market performance of the Lotus Bakeries share can be found on pages 11 and 71 of this annual review.

7. Corporate website

A substantial portion of the corporate website is reserved for investor relations. The website (www.lotusbakeries.com) thus plays an increasingly important role in the Lotus Bakeries Group’s financial communication.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest price till 31/12 (till 31/03 in 2016)</td>
<td>1,817.50</td>
<td>1,845.00</td>
<td>989.95</td>
<td>725.00</td>
<td>615.00</td>
<td>423.00</td>
</tr>
<tr>
<td>Lowest price till 31/12 (till 31/03 in 2016)</td>
<td>1,537.00</td>
<td>926.10</td>
<td>711.00</td>
<td>555.00</td>
<td>407.00</td>
<td>325.00</td>
</tr>
<tr>
<td>Price per 31/12 (per 31/03 in 2016)</td>
<td>1,730.00</td>
<td>1,750.00</td>
<td>935.00</td>
<td>713.65</td>
<td>555.00</td>
<td>416.00</td>
</tr>
<tr>
<td>Market capitalization per 31/12 in millions of EUR (per 31/03 in 2016 in millions of EUR)</td>
<td>1,404.52</td>
<td>1,420.76</td>
<td>749.21</td>
<td>567.42</td>
<td>432.70</td>
<td>321.40</td>
</tr>
<tr>
<td>Number of shares per 31/12 (per 31/03 in 2016)</td>
<td>811,863</td>
<td>811,863</td>
<td>803,013</td>
<td>795,113</td>
<td>779,643</td>
<td>772,563</td>
</tr>
<tr>
<td>Ratio price/earning (PER) (1) per 31/03 in 2016</td>
<td>30.95</td>
<td>31.29</td>
<td>20.37</td>
<td>20.32</td>
<td>16.81</td>
<td>15.50</td>
</tr>
</tbody>
</table>

(1) PER: Price Earnings Ratio. The price at the end of the year (per 31 March in 2016 respectively) divided by net result, per share at the end of the year.
8. Financial calendar

**Wednesday 13 April 2016**
Annual review 2015 available on www.lotusbakeries.com

**Friday 13 May 2016**
Ordinary General Meeting of Shareholders at 4.30 p.m

**Monday 23 May 2016**
Payment of dividend for the 2015 financial year

**Friday 19 August 2016**
Announcement of the half-year results for 2016

**Friday 10 February 2017**
Announcement of the year results for 2016

**Friday 12 May 2017**
Ordinary General Meeting of Shareholders

9. Annual review

This annual review is also available on the internet site:
www.lotusbakeries.com

The first part of this annual review is also available in Dutch and in French.

The financial supplement (the second part) of the annual review is available in Dutch and in English.

In matters of any misinterpretation, the Dutch annual review will prevail.
In this section of the 2015 annual review, only the consolidated balance sheet, the consolidated income statement and the five-year financial summary for the Lotus Bakeries Group are presented. The financial supplement to this annual review contains the entire consolidated annual account, including the consolidated external Auditor’s report, and is available in Dutch and English.

The consolidated financial statements for 2015 shown, are based on the 2015 consolidated annual account, which has been prepared in accordance with IFRS rules as adopted for use within the European Union with comparative IFRS figures for 2014.

The statutory financial statements that have been condensed are presented in the financial supplement and are prepared in accordance with Belgian accounting standards (BGAAP).

Only the consolidated annual financial statements present a faithful picture of the assets, financial position and results of the Lotus Bakeries Group.

In light of the fact that the statutory annual financial statements give only a limited picture of the financial situation of the Group, the Board of Directors considers it appropriate to only present an abridged version of the statutory annual financial statements of Lotus Bakeries NV, in accordance with Article 105 of the Belgian Companies Code.

The full statutory annual financial statements, together with the statutory annual report of the Board of Directors and the statutory audit report of the Auditor, will be submitted to the National Bank of Belgium within the legally prescribed term. These documents are available on the website www.lotusbakeries.com (Investor Relations) or can be obtained for free from the Corporate Secretary of Lotus Bakeries on simple request.

The Auditor has issued an unqualified audit opinion without reservation with respect to the consolidated and the statutory annual financial statements of Lotus Bakeries NV.

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- Consolidated income statement. . . . . . . . . . . . . . . . . . . . . . . 75

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## CONSOLIDATED BALANCE SHEET

### IN THOUSANDS OF EUR

#### ASSETS

<table>
<thead>
<tr>
<th>Non Current Assets</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>139,377</td>
<td>137,569</td>
</tr>
<tr>
<td>Goodwill</td>
<td>93,229</td>
<td>46,135</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>107,901</td>
<td>74,674</td>
</tr>
<tr>
<td>Investment in other companies</td>
<td>96,244</td>
<td>5,889</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>5,275</td>
<td>5,275</td>
</tr>
<tr>
<td>Other non current assets</td>
<td>244</td>
<td>206</td>
</tr>
<tr>
<td><strong>Total Non Current Assets</strong></td>
<td><strong>442,884</strong></td>
<td><strong>263,881</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>35,659</td>
<td>17,898</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>56,143</td>
<td>38,804</td>
</tr>
<tr>
<td>VAT receivables</td>
<td>4,868</td>
<td>3,333</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>938</td>
<td>421</td>
</tr>
<tr>
<td>Other amounts receivable</td>
<td>10,504</td>
<td>112</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>18,547</td>
<td>11,855</td>
</tr>
<tr>
<td>Deferred charges and accrued income</td>
<td>1,678</td>
<td>685</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>128,337</strong></td>
<td><strong>73,108</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>571,221</strong></td>
<td><strong>336,989</strong></td>
</tr>
</tbody>
</table>

#### EQUITY AND LIABILITIES

<table>
<thead>
<tr>
<th>EQUITY</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital</td>
<td>15,367</td>
<td>13,190</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>219,109</td>
<td>196,147</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(13,677)</td>
<td>(9,419)</td>
</tr>
<tr>
<td>Other reserves</td>
<td>(3,249)</td>
<td>656</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(25)</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>217,525</strong></td>
<td><strong>200,629</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Current Liabilities</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing loans and borrowings</td>
<td>97,000</td>
<td>325</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>44,607</td>
<td>34,905</td>
</tr>
<tr>
<td>Net employee defined benefit liabilities</td>
<td>3,225</td>
<td>3,558</td>
</tr>
<tr>
<td>Provisions</td>
<td>726</td>
<td>661</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>869</td>
<td>-</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>22,815</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td><strong>169,242</strong></td>
<td><strong>39,506</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing loans and borrowings</td>
<td>99,086</td>
<td>41,144</td>
</tr>
<tr>
<td>Net employee defined benefit liabilities</td>
<td>32</td>
<td>56</td>
</tr>
<tr>
<td>Provisions</td>
<td>521</td>
<td>56</td>
</tr>
<tr>
<td>Trade payables</td>
<td>42,498</td>
<td>33,309</td>
</tr>
<tr>
<td>Employee benefit expenses and social security</td>
<td>18,336</td>
<td>12,357</td>
</tr>
<tr>
<td>VAT payables</td>
<td>1,017</td>
<td>126</td>
</tr>
<tr>
<td>Tax payables</td>
<td>10,861</td>
<td>7,097</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>9,070</td>
<td>147</td>
</tr>
<tr>
<td>Accrued charges and deferred income</td>
<td>3,026</td>
<td>2,552</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>184,454</strong></td>
<td><strong>96,854</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Equity and Liabilities</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>571,221</strong></td>
<td><strong>336,989</strong></td>
</tr>
</tbody>
</table>
# CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IN THOUSANDS OF EUR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TURNOVER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw materials, consumables and goods for resale</td>
<td>(121,803)</td>
<td>(104,430)</td>
</tr>
<tr>
<td>Services and other goods</td>
<td>(117,959)</td>
<td>(96,483)</td>
</tr>
<tr>
<td>Employee benefit expense</td>
<td>(88,527)</td>
<td>(78,888)</td>
</tr>
<tr>
<td>Depreciation and amortization on intangible and tangible assets</td>
<td>(14,919)</td>
<td>(14,845)</td>
</tr>
<tr>
<td>Impairment on inventories, contracts in progress and trade debtors</td>
<td>(2,086)</td>
<td>(1,819)</td>
</tr>
<tr>
<td>Other operating charges</td>
<td>(3,566)</td>
<td>(4,034)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>2,048</td>
<td>2,042</td>
</tr>
<tr>
<td><strong>RECURRENT OPERATING RESULT (REBIT)</strong></td>
<td><strong>64,764</strong></td>
<td><strong>49,433</strong></td>
</tr>
<tr>
<td>Non-recurrent operating result</td>
<td>(1,748)</td>
<td>(261)</td>
</tr>
<tr>
<td><strong>OPERATING RESULT (EBIT)</strong></td>
<td><strong>63,016</strong></td>
<td><strong>49,172</strong></td>
</tr>
<tr>
<td>Financial result</td>
<td>(778)</td>
<td>16</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE YEAR BEFORE TAXES</strong></td>
<td><strong>62,238</strong></td>
<td><strong>49,188</strong></td>
</tr>
<tr>
<td>Taxes</td>
<td>(16,623)</td>
<td>(12,415)</td>
</tr>
<tr>
<td><strong>RESULT AFTER TAXES</strong></td>
<td><strong>45,615</strong></td>
<td><strong>36,773</strong></td>
</tr>
<tr>
<td><strong>NET RESULT - attributable to:</strong></td>
<td><strong>45,615</strong></td>
<td><strong>36,773</strong></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>202</td>
<td>(2)</td>
</tr>
<tr>
<td>Equity holders of Lotus Bakeries</td>
<td>45,413</td>
<td>36,775</td>
</tr>
</tbody>
</table>

**OTHER COMPREHENSIVE INCOME**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items that may be subsequently reclassified to profit and loss</td>
<td>(5,125)</td>
<td>(1,194)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(4,551)</td>
<td>(1,194)</td>
</tr>
<tr>
<td>Gain/(Loss) on cash flow hedges, net of tax</td>
<td>(574)</td>
<td>-</td>
</tr>
<tr>
<td>Items that will not be reclassified to profit and loss</td>
<td>494</td>
<td>(564)</td>
</tr>
<tr>
<td>Remeasurement gains/(losses) on defined benefit plans</td>
<td>494</td>
<td>(564)</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td><strong>(4,631)</strong></td>
<td><strong>(1,758)</strong></td>
</tr>
<tr>
<td><strong>Total comprehensive income - attributable to:</strong></td>
<td><strong>40,984</strong></td>
<td><strong>35,015</strong></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(524)</td>
<td>(2)</td>
</tr>
<tr>
<td>Equity holders of Lotus Bakeries</td>
<td>41,508</td>
<td>35,017</td>
</tr>
</tbody>
</table>

**EARNINGS PER SHARE**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of shares</td>
<td>788,341</td>
<td>778,944</td>
</tr>
<tr>
<td>Basic earnings per share (EUR) - attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>0.26</td>
<td>-</td>
</tr>
<tr>
<td>Equity holders of Lotus Bakeries</td>
<td>57.61</td>
<td>47.21</td>
</tr>
<tr>
<td>Weighted average number of shares after effect of dilution</td>
<td>803,247</td>
<td>796,420</td>
</tr>
<tr>
<td>Diluted earnings per share (EUR) - attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>0.25</td>
<td>-</td>
</tr>
<tr>
<td>Equity holders of Lotus Bakeries</td>
<td>55.94</td>
<td>45.80</td>
</tr>
</tbody>
</table>

(1) REBIT is defined as the recurrent trading result, consisting of all the proceeds and costs relating to normal business.
(2) EBIT is defined as recurrent operating result + non-recurrent operating result.
(3) Total number of shares including treasury shares.
# ABRIDGED FIVE-YEAR FINANCIAL SUMMARY

## Consolidated balance sheet

<table>
<thead>
<tr>
<th>In Thousands of EUR</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
<th>31-12-2013</th>
<th>31-12-2012</th>
<th>31-12-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>442,884</td>
<td>263,881</td>
<td>262,729</td>
<td>214,154</td>
<td>184,861</td>
</tr>
<tr>
<td>Goodwill</td>
<td>139,377</td>
<td>137,569</td>
<td>136,489</td>
<td>109,064</td>
<td>95,052</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>107,901</td>
<td>74,674</td>
<td>75,744</td>
<td>76,248</td>
<td>61,859</td>
</tr>
<tr>
<td>Investment in other companies</td>
<td>96,244</td>
<td>22</td>
<td>27</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>5,889</td>
<td>5,275</td>
<td>3,859</td>
<td>2,691</td>
<td>2,045</td>
</tr>
<tr>
<td>Other non current assets</td>
<td>244</td>
<td>206</td>
<td>93</td>
<td>159</td>
<td>163</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>128,337</td>
<td>73,108</td>
<td>71,375</td>
<td>56,461</td>
<td>53,025</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>35,659</td>
<td>17,898</td>
<td>16,665</td>
<td>14,917</td>
<td>14,285</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>56,143</td>
<td>38,804</td>
<td>36,036</td>
<td>29,751</td>
<td>26,305</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>571,221</td>
<td>336,989</td>
<td>334,104</td>
<td>270,615</td>
<td>237,886</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>217,525</td>
<td>200,629</td>
<td>171,375</td>
<td>145,206</td>
<td>126,760</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing loans and borrowings</td>
<td>169,242</td>
<td>39,506</td>
<td>43,984</td>
<td>34,041</td>
<td>41,312</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>97,000</td>
<td>325</td>
<td>7,925</td>
<td>-</td>
<td>6,652</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>44,607</td>
<td>34,905</td>
<td>32,687</td>
<td>30,323</td>
<td>29,187</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing loans and borrowings</td>
<td>22,815</td>
<td>57</td>
<td>5</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Trade payables</td>
<td>184,454</td>
<td>96,854</td>
<td>118,745</td>
<td>91,368</td>
<td>69,814</td>
</tr>
<tr>
<td>Employee benefit expenses and social security</td>
<td>99,086</td>
<td>41,144</td>
<td>62,357</td>
<td>41,675</td>
<td>19,474</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>571,221</td>
<td>336,989</td>
<td>334,104</td>
<td>270,615</td>
<td>237,886</td>
</tr>
</tbody>
</table>
## Consolidated income statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IN THOUSANDS OF EUR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TURNOVER</strong></td>
<td>411,576</td>
<td>347,890</td>
<td>332,319</td>
<td>288,455</td>
<td>275,598</td>
</tr>
<tr>
<td><strong>RECURRENT OPERATING RESULT (REBIT)</strong></td>
<td>64,764</td>
<td>49,433</td>
<td>41,371</td>
<td>36,680</td>
<td>36,363</td>
</tr>
<tr>
<td>Non-recurrent operating result</td>
<td>(1,748)</td>
<td>(261)</td>
<td>(3,655)</td>
<td>(1,953)</td>
<td>(2,695)</td>
</tr>
<tr>
<td><strong>OPERATING RESULT (EBIT)</strong></td>
<td>63,016</td>
<td>49,172</td>
<td>37,716</td>
<td>34,727</td>
<td>33,668</td>
</tr>
<tr>
<td>Financial result</td>
<td>(778)</td>
<td>16</td>
<td>(1,740)</td>
<td>(1,569)</td>
<td>(688)</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE YEAR BEFORE TAXES</strong></td>
<td>62,238</td>
<td>49,188</td>
<td>35,976</td>
<td>33,158</td>
<td>32,980</td>
</tr>
<tr>
<td>Taxes</td>
<td>(16,623)</td>
<td>(12,415)</td>
<td>(8,057)</td>
<td>(7,408)</td>
<td>(9,165)</td>
</tr>
<tr>
<td><strong>RESULT AFTER TAXES</strong></td>
<td>45,615</td>
<td>36,773</td>
<td>27,919</td>
<td>25,750</td>
<td>23,815</td>
</tr>
<tr>
<td><strong>NET RESULT - attributable to:</strong></td>
<td>45,615</td>
<td>36,773</td>
<td>27,919</td>
<td>25,750</td>
<td>23,815</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>202</td>
<td>(2)</td>
<td>(1)</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Equity holders of Lotus Bakeries</td>
<td>45,413</td>
<td>36,775</td>
<td>27,920</td>
<td>25,737</td>
<td>23,802</td>
</tr>
</tbody>
</table>
CORPORATE SOCIAL RESPONSIBILITY:
Corporate Social Responsibility at Lotus Bakeries: Care for Today – Respect for Tomorrow

Care for Today
Respect for Tomorrow
KEY RESULTS 2015

The ‘Care for Today - Respect for Tomorrow’ sustainability programme reflects Lotus Bakeries’ approach to Corporate Social Responsibility (CSR). In 2015, we began reporting on its rollout, in accordance with the Global Reporting Initiative (GRI), version GRI G4. It is our intention to share the progress with stakeholders in this way every year.

Well on the way to 100% RSPO-segregated and fully traceable palm oil

Completely CO₂-neutral production, since 1 January 2015

Wheat for Lotus original caramelized biscuits is 2/3 locally grown

Launch of Peijnenburg Zero% with no added sugar: the first gingerbread with 0% added sugar and 100% taste

Strategic move into the natural snacking segment through the acquisition of Natural Balance Foods and Urban Fresh Foods

In 2015 further reduction in energy consumption of 6% per kg produced
Our objective is to produce Lotus Bakeries products more and more sustainably. And this ambition involves much more than just our production process. People, environment and society - we treat them all with care and respect. So that we remain successful as a company - in the long term. And consumers can continue to enjoy our products.

To ensure that the outside world was sufficiently represented in our Corporate Social Responsibility policy (CSR), we carried out a materiality analysis at the end of 2014. For this, we identified several issues that are important to our stakeholders as well as the company.

I work for a company that really wants to move forward. And Lotus Bakeries is managing to do that, with exceptional passion and drive to go for it together. I'd go so far as to call it a Lotus family.

Valerie Demeyere
Dispatch Coordinator Lembeke (Belgium)

**Taking the pulse of our stakeholders**

Based on a questionnaire, we gauged the relevance of these issues and how important they are to our stakeholders. The questions were also put to our Executive Committee. The questionnaire is based on the GRI G4 guidelines and the themes of our sustainability programme ‘Care for Today – Respect for Tomorrow’. We also took our inspiration from the latest trend analyses in CSR.

We plotted our stakeholders’ answers on the y-axis theme by theme and the Executive Committee’s answers on the x-axis. The result of this exercise is known as the ‘materiality matrix’. According to the analysis, the upper right frame contains the most important issues from the four pillars of our sustainability programme ‘Care for Today – Respect for Tomorrow’: employees, people, environment, society.
Putting what we have learnt into practice

The survey revealed that our stakeholders’ top priorities are the quality of our products and hygiene in our plants. Two issues that are already firmly embedded in our policy.

Quality is the top priority for all of our Lotus Bakeries products. In their daily striving for high quality products and processes, our employees put this into practice. Our R&D department aims to refine the composition of our products further with new insights into a variety of ingredients. In addition to their own expertise, they also rely on the know-how of well-known university knowledge centres and existing innovation platforms in the food industry. Organized consultation takes place to apply best practices in this area in the other plants as soon as possible.

Hygiene rules are equally strict in all our plants, wherever they are in the world.

The survey also told us that consumers need an offer for different consumption moments: breakfast, snacking at work and on the go. At Lotus Bakeries, we are constantly looking for new opportunities to supply these moments. Accordingly, in 2015, we expanded our offer with natural products by the acquisition of British companies Natural Balance Foods and Urban Fresh Foods on the one hand, and product innovations, including Peijnenburg Zero% with no added sugar on the other.
Our 4 pillars of sustainability

**Employees**
Our motivated and committed employees enable us to make a difference. For this reason, every employee deserves our respect.

**People**
Our ambition? To ensure in the most responsible way that consumers can enjoy products produced by us in a sustainable manner. We shun no challenge in reaching that goal.

**Environment**
Nature provides us with all the ingredients for our products. And we like to give nature something back in return.

**Society**
Lotus Bakeries has a role to play in society. We are only too happy to assume our responsibilities, time and time again.

---

**Timeline**

- **2010**
  - First survey of our own employees

- **2011**
  - First “Care for Today – Respect for Tomorrow” programme

- **2012**
  - Outlining of our policy, communication in the annual review

- **2013**
  - Stakeholder analysis and first campaigns based on the GRI-G4 standard

- **2014**
  - First Take Care week
  - Actual implementation of the programme on a country-by-country basis.

- **2015**
  - First major steps at company level
  - Fine-tuning of objectives with representatives of our stakeholders
  - CSR report based on the GRI-G4 standard with assurance PwC
Our corporate values are TOP

We give our corporate values the acronym TOP: Team spirit, Open dialogue and Passion.

- **Team spirit** means all employees working well together: each link in the process is equally important, from marketing to production and packaging. We work together every day to make Lotus Bakeries a success, in a safe and pleasant working environment.

- Transparency and **open dialogue** are essential to ensure that everyone is involved. We inform our employees of important decisions as a matter of course, through regular departmental meetings and internal communication platforms. We also encourage our managers to enter into a dialogue with their teams.

- Our employees’ **passion** and commitment are evident on a daily basis in the workplace. This manifests itself in our employees’ justified pride in our products. Investing in our employees benefits the whole company.
2. OUR EMPLOYEES’ WELL-BEING

As an employer, Lotus Bakeries places great importance on involvement. We want to offer our employees challenging work in a pleasant environment. Our employees’ well-being and an inspirational corporate culture form the key objectives of our first pillar of sustainability.

At Lotus we’re respected and really well looked after. Some people have been working here for more than 30 years - that says it all.

Els Rutsaert
Corporate QA Manager

The various aspects of our employees’ well-being are central to this first pillar. For instance, we help them adopt the correct posture while working. We encourage them to take part in sport and promote a healthy lifestyle, for example by offering fruit alongside our own products in all of our plants. And in the event of stress-related complaints, we consider how we can deal with work pressure better.

Safety first

But first and foremost, our employees’ well-being is about working safely on our production floors. ‘Safety first’ is always top of the agenda at work meetings. But 36 occupational accidents still happened in 2015. And that’s 36 too many. An accident can happen any time, and a moment’s carelessness can have serious consequences. So, our employees and managers discuss safety situations on a daily basis and we are committed to bring about improvements across the board. We can only create a safe working environment together by staying focussed. We are pulling out all the stops to recover from the low standards and downward trend of the last few years.

Number of work accidents

<table>
<thead>
<tr>
<th>Year</th>
<th>Accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>44</td>
</tr>
<tr>
<td>2012</td>
<td>44</td>
</tr>
<tr>
<td>2013</td>
<td>21</td>
</tr>
<tr>
<td>2014</td>
<td>18</td>
</tr>
<tr>
<td>2015</td>
<td>36</td>
</tr>
</tbody>
</table>

Since 2014 incl. Eeklo
Moving forward together

People who are fit have more energy for their work and enjoy it more. As an employer, we want to promote this fitness. To help all of our employees with this individually, every one of them was given the opportunity to take part in a health check in 2015. We assessed factors including their ability to work, any health risks and their lifestyle. Where possible, we try to promote sport and exercise. In our newsletters, we invite employees to take part in sports events. Last year, for instance, a Lotus team took part in the Vasaloppet, an epic cross-country skiing race in Sweden.

Fehim Hodzic, operator in the packing department at Geldrop (Netherlands), illustrates this with another recent example: “Since last year, there’s been a boot camp in the car park at work. Come rain or shine, we work out for an hour together every Thursday after work. Everyone joins in: office workers as well as production staff. You might suddenly find yourself boxing with the manager, for instance, a bit strange but good for team spirit. We’re all getting to know each other in a totally different way.”

VIEWS OF OUR EMPLOYEES

Honest and open
“What strikes you about Lotus is the openness and equality between employees. At all levels, I sense a great passion here to create something together. There are no barriers between the various levels and communication is honest and open, in both directions.” -

Stéphane Wattez
Production Manager France

Involvement
“In 2014 I spent a few months working in the International Distributors area, standing in for a colleague who was on maternity leave. The team leaders took me under their wing from the start. During my first week, the general manager of our business unit in the United States visited Belgium and I was invited to attend the meeting. From day one, I felt like a member of the team and was kept in the loop.” -

Valerie Demeyere
Dispatch Coordinator (Belgium)

Values and care
“Lotus takes lots of care of its employees. We feel that respect every day.” -

Els Rutsaert
Corporate QA Manager
Helping to set the standard

In 2015, Lotus Bakeries Netherlands took part in a pilot project around occupational health and safety (Arbo in Dutch). The aim was to design a standard in that area. The Dutch Association for the Baking and Confectionary Industry (VBZ) has developed the “Arbovignet” or occupational health and safety logo, a quality label combining risk management, implementation of the occupational health and safety structure and focus on behavioural and cultural change. At the time of the pilot, not a single company in the sector had this label.

The pilot at Enkhuizen (Netherlands) was a success and is now considered as a model project by the Ministry of Social Affairs and Employment. Taking part was also of great benefit to Lotus Bakeries. As well as achieving the label, we have also managed to roll out these high quality standards across our whole organization. The aim is to apply the lessons we learnt from this pilot across all of our plants internationally. In this way, we are developing at group level towards a higher standard that we have set ourselves.

Plenty of opportunities for development

“It always feels good to arrive here and experience the friendly atmosphere. You can talk about anything, including problems, with a colleague or a manager. We’re shown a lot of trust by the HR department and the management, and given scope to develop.”

- Christophe Moens
Team Leader Packing, Lembeke (Belgium)

Sport is good for you

“During Take Care Week, Lotus Bakeries tries to get all employees moving. And we’re encouraged to take part in sports events during the rest of the year too. Clear proof that the company is fully committed to our health.”

- Evelyn Louis
Corporate R&D Data Manager
Jenny’s story

Jenny is a 50-year-old single mum with 2 sons. When the clothing factory in which she worked closed down, she lost her job. In 2005 she was given a job on BEAR’s production site, where she took advantage of all the training opportunities she was offered. In 2008, Hayley and Andrew, the founders of Urban Fresh Foods, came to the production site with their idea for Yoyos (fruit rolls).

Jenny was promoted to Senior Supervisor and put in charge of the entire Yoyos team. Instead of 2 or 3 employees, she suddenly found herself leading a 100 strong team. She is really proud of BEAR and grateful for the opportunities she was given there to develop.
3. RESPONSIBLE, HEALTHY EATING

Ensuring that people enjoy our products as responsibly as possible, now and in the future. That’s what our second pillar of sustainability is about and we dedicate ourselves to this on a daily basis. Ensuring the quality, origin, composition and safety of our products is vital.

For me, CSR is synonymous with doing business in a healthy way: with a strong vision and for the long term. In the 20 years that I’ve worked for Lotus Bakeries, that’s always been the culture.

Fehim Hodzic
Operator Packing Department Geldrop (Netherlands)

Raising the bar

This constant striving for high quality products and processes is audited both externally and internally and all of our employees are closely involved in this.

Offering both large and small packs means that consumers can deliberately opt to consume fewer calories. We concentrate heavily on natural flavours. The quality of our products remains an absolute priority.

Full steam ahead for R&D

Lotus Bakeries invests heavily in R&D: more than twice as much as the average European food company. We are constantly looking to reduce the salt, sugar and fat content of our products, without impacting on taste or quality. We managed to banish trans fatty acids completely as early as 2011.

At Lotus Bakeries, we want consumers to keep enjoying our products, now and in the future. But awareness of the importance of healthy eating is also growing. So we are reducing the sugar and salt content and putting less saturated fats in our products, without impacting on taste or quality. We also take care to ensure that the majority of our ingredients come from natural sources and, apart from a few products, contain no artificial colourings or flavourings.
In our efforts to source sustainable ingredients for our products, local producers are key. We want them to work in good conditions (and to ensure them in turn). We also try to incorporate all links of our supply chain in our sustainability policy and to keep the whole chain short. It’s about staying as close as possible to the source.

Certified palm oil is a fact

“We were one of the first food companies to demand sustainable palm oil from our suppliers.”

Since 2014, all of our internally sourced palm oil is 100% RSPO segregated. Considering that we also use external margarine and additives containing palm oil, as of the end of 2015, we achieved 98.5% RSPO segregation for all palm oil used by us. Our goal remains to reach 100% and maximum traceability back to the plantation by the end of 2016.

Progressive approach to other ingredients

“As of January 2012, all of our eggs come from barn hens. All chocolate processed in the Netherlands is UTZ certified.”
First sugar-free gingerbread

Besides adapting our existing products, we also focus on expanding our portfolio of products. In 2015, we launched Peijnenburg Zero%, the first gingerbread with no added sugar. The gingerbread is sweetened with Xylitol, a natural sweetener extracted from birch trees among other sources. The result is a gingerbread with a deliciously smooth taste, with 23% fewer calories and 6 times more fibre than its classic equivalent. Four years’ research preceded the launch. And it was a roaring success: Dutch consumers crowned the new gingerbread Product of the Year and the Dutch consumers’ association voted Peijnenburg Zero% with no added sugar healthiest snack.

Exploring a new segment

Consumers are more conscious than ever of the impact of eating habits on their well-being. And demand for natural alternatives to classic snacks is growing all around the world. In response to this demand, Lotus Bakeries made the strategic decision to invest in this segment. In 2015 we acquired a majority stake in Natural Balance Foods (with the Nākd and Trek brands), and Urban Fresh Foods (with the BEAR and Urban Fruit brands) also joined the Lotus Bakeries family. The Nākd and Trek brands offer bars and snacks made of cashew nuts and dates, unprocessed and with 100% natural ingredients. BEAR and Urban Fruit are pure fruit snacks. Urban Fresh Foods selects high-quality seasonal fruit, which is gently baked locally by the growers. This ensures that the full flavour and healthy characteristics of freshly ripened fruit are preserved.
4. CARE FOR THE ENVIRONMENT

It’s not just about installing the best plant at the lowest possible cost, we also take into account machine safety, energy consumption and the materials used. In short, people, planet and profit.

Michel Boelen
Plant Manager Sintjohannesga (Netherlands)

Lotus Bakeries relies on natural products. So, treating nature responsibly is crucial to our long-term survival. Therefore, as part of our third pillar of sustainability, we continuously monitor and improve the impact of our plants on the environment: waste, energy consumption and CO₂ emissions.

When it comes to respect for the environment, Lotus Bakeries leaves nothing to chance. From purchasing to production and packaging: right down the line, care for the environment is high on our list of priorities. Naturally, we scrupulously comply with all environmental regulations, but as a company we are in the midst of society.

Reducing and preventing waste

By systematically optimizing the production process, we keep our production waste as low as possible. Anything left over from production is processed into animal feed, but we also intend to reduce waste flows further. More efficient use of ingredients also creates less waste.
Saving energy

The 2015 climate summit in Paris highlighted once again that climate change is caused by human actions. At Lotus Bakeries, we want to do our bit by reducing our energy consumption and CO₂ emissions. The aim is to consume 2% less energy per kilogramme produced every year. We monitor energy consumption closely and managed to achieve our goal once again in 2015. Last year, we reduced our energy and gas consumption by 6% per kilogramme produced.

As Plant Manager in Sintjohannesga (Netherlands), Michel Boelen goes out in all weathers on a daily basis, reducing Lotus Bakeries’ ecological footprint:

“As a company, it is our duty to ensure that this environment remains a pleasant place in which to live”

“What does CSR mean in our plant? Taking care of one another and of the local community in which we operate: a rural area with lots of farms. As a company, it is our duty to ensure that this environment remains a pleasant place in which to live.”

All pulling together

“Together with my team, I look at how we can create a safe and pleasant workplace. And how we can do this in the most environmentally friendly way possible. The idea is for us all to pull together. So we set up multidisciplinary teams for large or completely new projects. We ask everyone to think about workability, but about energy consumption and safety too.”

Energy scan pays off

“Last year we carried out an energy scan of the plant. A diverse set of parameters was defined: process-related measures, compressed air, power, water supply, the building envelope, etc. The scan revealed that we could profitably implement a series of measures already. Thus we installed light sensors everywhere, so that the light only comes on when someone enters the room. And unlike in the past, we no longer leave our steam generator running all weekend. The result of these quick wins? A 18% reduction per kg produced in electricity consumption.”

Every bit helps

“We’ve been optimizing our production process over a number of years. This means that improvements often happen step by step. But perhaps the greatest result of these successes is that a collective commitment has arisen to reduce our footprint. That makes me happy.”
**CO₂-neutral production**

By carrying out several activities at the same time, we managed to reduce our CO₂ emissions per kilogramme produced by more than 7% in 2015. In this way, we can systematically reduce energy consumption, and the associated CO₂ emissions. Our new ovens mean less downtime and a sharp fall in gas consumption. Our electricity is green. Gas is offset via a WWF gold standard programme. Taken together, all of these efforts mean that Lotus Bakeries’ production has been CO₂-neutral since January 2015.

**Traceable right back to the origin**

Our ‘Care for Today – Respect for Tomorrow’ sustainability programme is thriving, even beyond our company. When we sit down at the table with a supplier, sustainability is always on the agenda. They also admit that Lotus Bakeries plays a leading role in their own CSR policy. It is our constant aim to make the supply chain and the industry as a whole more sustainable.

Traceability is another important element of our supply chain policy. After all, once we know the origin of a product or ingredient, we can begin managing it. That’s why, as far as possible, we seek out local ingredients and/or growing and harvesting conditions that we can help to determine. For instance, most of the grain for our Liège waffles actually comes from Liège, and two thirds of the grain for our original caramelized biscuits comes from Zeeland (close to Lembeke).

Using local ingredients offers many advantages as far as sustainability is concerned, including less transport and greater control over cultivation, land use and working conditions.
5. ENGAGING WITH LOCAL COMMUNITIES

Based on the conviction that all businesses eventually rely on help, Lotus Bakeries has supported ‘Entrepreneurs for Entrepreneurs’ for over 15 years. As a not-for-profit organization, we put companies in touch with projects in developing countries that promote entrepreneurship.

Ronny Inslegers
Volunteer for Entrepreneurs for Entrepreneurs

At Lotus Bakeries we are conscious of our social responsibility. Under our fourth and final pillar of sustainability, we enthusiastically take this up. Primarily at local level, where we are present through our plants and sales organizations. But we also support social and development projects nationally and internationally.

Lotus Bakeries is in the midst of society. So respecting our immediate environment is not just our responsibility, but also means that we can do our work better and with more enjoyment. Therefore, each of our plants supports initiatives that contribute to positive involvement with the local community. The closer these activities relate to our core business, the greater our impact.

Healthy eating begins in the school canteen

We don’t just highlight the importance of a healthy lifestyle within our own business, but also in the communities in which we operate. Therefore, we are pleased to support sports activities and municipal initiatives on a regular basis.

At our plant in Geldrop (Netherlands), we are working on this with Jongeren op Gezond Gewicht (JOGG), an organization that promotes a healthy weight among young people. Their mission? To create a context within which children and young people can live, learn and enjoy themselves and in which a healthy lifestyle is the most normal thing in the world. Together with JOGG, we offer a range of healthy products in school refectories. Eventually, we want to do the same in sports club canteens and workplaces.

Helping to fight cancer

Our sponsorship activities are also aimed at people with limited mobility, due to illness or a physical impairment. In 2015, we raised funds for the fight against childhood cancer, among other causes. As part of the ‘Naar de top met Kika’ (‘To the top with Kika’) campaign in the Netherlands, a group of our employees climbed a Swiss mountain. We also supported the Kom Op Tegen Kankerfonds (Fight against cancer charity) in Belgium last year.
Pioneer of Entrepreneurs for Entrepreneurs

Fifteen years ago, Lotus Bakeries was one of the pioneers supporting Entrepreneurs for Entrepreneurs, a non-profit organization that puts companies in touch with projects promoting entrepreneurship in developing countries. The organization is still going strong today and every year we support several projects that are close to our heart. For instance, for 11 years we supported the ‘Boat to Kinshasa’ project financially. This project in the Democratic Republic of Congo combined investment in road and water infrastructure with training of farmers and partner organizations and reached a total of over 5,500 families in and around the Mai Ndombe lakes district. Since 2014, Lotus Bakeries has supported projects in Tanzania and Bolivia. In Tanzania, the ngo Trias trains farmers to become entrepreneurs.

Flying start for Tanzanian farmers

As part of Entrepreneurs for Entrepreneurs, together with ngo Trias, we help young people from Tanzania start their own business. So they can take their future in their own hands. Agriculture is the largest employer in the East African country, but due to limited access to land and means of production, this sector has less and less to offer young people. In conjunction with two nationally recognized membership organizations, Trias provides training and finance for over 2,000 young farmers. The focus is mainly on product improvement and increasing production, along with the commercial side of the business. We want to train them up to become enthusiastic entrepreneurs.

Bolivian quinoa biscuit factory going strong

The ngo Louvain Coopération has set up a programme in Bolivia for quinoa growing and processing. Through Entrepreneurs for Entrepreneurs, we give Louvain Coopération’s Bolivian quinoa project a boost. The ngo promotes the growing of quinoa and its processing into biscuits. The superfood quinoa became very popular in Europe a few years ago, resulting in a sharp rise in crop prices. Bolivia is the largest producer of quinoa in the world, but the local population can no longer afford to consume this local grain on a regular basis. Nevertheless, its high nutritional value could save many children from malnutrition.

Involvement in the workplace too

“I think it’s great that Lotus Bakeries manages to bring these projects to life in the workplace too. During Take Care Week we baked our own quinoa biscuits to highlight Louvain Coopération’s project in Bolivia.”

Evelyn Louis
Corporate R&D Data Manager

Louvain Coopération appealed for help from local organizations to call a halt to this negative trend. The aim is to help a total of 430 quinoa farmers improve their crops. These farmers’ quinoa fields are at high altitude, where cultivating the naturally infertile soil is challenging. The ngo has also set up several small businesses to process the nutritious grain into biscuits and cereal bars. The snacks are then offered in school canteens so that quinoa reaches the local population once more.
When Entrepreneurs for Entrepreneurs was born 15 years ago, the founders thought that Lotus Bakeries would be eager to support their mission to help entrepreneurs in developing countries. And they were right, as their philosophy is a perfect fit for our family values. Fifteen years on, Lotus Bakeries is still actively involved as a key member of this not-for-profit organization. Matthieu Boone is a member of the Board of Directors.

“At Lotus Bakeries they deliberately choose to offer long-term support for projects in countries at the bottom of the UN development index. They also think it’s great that the product fits in with their core business. Such as the quinoa factory in Bolivia, for instance. The small scale and entrepreneurship are also decisive factors.”

Ronny Inslegers
Volunteer for Entrepreneurs for Entrepreneurs
TAKE CARE WEEK

An enthusiastic working group (members from the Belgium area and corporate departments), organized for the second time the Take Care week, during which each of the four themes of the Lotus ‘Care for Today - Respect for Tomorrow’ programme was addressed one by one.

During the third week of September 2015, the emphasis on Monday was on our products, on Tuesday on employees, on Wednesday on society and on Thursday on the environment.

The ‘environment’ day was a highlight of the week with the awarding of the official CO₂ neutral label. Lotus Bakeries is the first company to receive this certificate from Vinçotte.

Lotus Bakeries also joined in with the national ‘Mobility week’ campaign, in which around 200 employees took part by cycling or car pooling.
Although the weather looked a bit doubtful, people donned their walking boots for a hike in the countryside around Lembeke.

Lotus Bakeries sponsors the Jean-Luc Dehaene Scholarship at the College of Europe in Bruges.

Other plants held evacuation exercises for all staff. Fire-fighting training also took place at Oostakker.
INDEPENDENT LIMITED ASSURANCE REPORT ON CARE FOR TODAY – RESPECT FOR TOMORROW SECTION OF THE ANNUAL REPORT 2015 OF LOTUS BAKERIES AND ITS SUBSIDIARIES

This report has been prepared in accordance with the terms of our engagement contract dated 23 February 2016, whereby we have been engaged to issue an independent limited assurance report in connection with the Care for Today – Respect for Tomorrow section as of and for the year ended 31 December 2015 in the accompanying Annual Report 2015 of Lotus Bakeries and its subsidiaries (the “Report”).

Responsibility of Board of Directors

The Board of Directors of Lotus Bakeries (the “Company”) is responsible for the preparation of the information and data in the Care for Today – Respect for Tomorrow section set forth in the Report of Lotus Bakeries and its subsidiaries and the declaration that its reporting meets the requirements of the Global Reporting Initiative (GRI) G4 (the “Subject Matter Information”), in accordance with the criteria disclosed in the Care for Today – Respect for Tomorrow section and with the recommendations of the GRI (the “Criteria”).

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Board of Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information.

Auditor’s Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information set forth in the Report based on the work we have performed.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information”. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether nothing has come to our attention that causes us to believe that the Subject Matter Information is not fairly stated, in all material respects, based on the Criteria.

The objective of a limited-assurance engagement is to perform the procedures we consider necessary to provide us with sufficient appropriate evidence to support the expression of a conclusion in the negative form on the Subject Matter Information. The selection of such procedures depends on our professional judgment, including the assessment of the risks of management’s assertion being materially misstated. The scope of our work comprised the following procedures:
We have evaluated the Subject Matter Information against the Criteria. The accuracy and completeness of the Subject Matter Information are subject to inherent limitations given their nature and the methods for determining, calculating or estimating such information. Our Limited Assurance Report should therefore be read in connection with the Criteria.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our audit firm applies International Standard on Quality Control (ISQC) n° 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Conclusion**

Based on our work, as described in this Independent Limited Assurance Report, nothing has come to our attention that causes us to believe that the information and data presented in the Care for Today – Respect for Tomorrow section for the year ended 31 December 2015 included in the Annual Report of the Company, and the Company’s assertion that the Report meets the requirement GRI G4, is not fairly stated, in all material respects, in accordance with the Criteria.

**Restriction on Use and Distribution of our Report**

Our assurance report has been made in accordance with the terms of our engagement contract. Our report is intended solely for the use of the Company, in connection with their Report as of and for the year ended 31 December 2015 and should not be used for any other purpose. We do not accept, or assume responsibility to anyone else, except to the Company for our work, for this report, or for the conclusions that we have reached.

Sint-Stevens-Woluwe, 12 April 2016

PwC Bedrijfsrevisoren bcvba
Represented by

Marc Daelman*
Registered auditor

Peter Opsomer*
Registered auditor

*Marc Daelman BVBA
Board Member, represented by its fixed representative, Marc Daelman

*Peter Opsomer BVBA
Board Member, represented by its fixed representative, Peter Opsomer
## GRI - G4 REPORTING

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**Legend**

* how is it reported
  - fully
  - partially
  - not

**omissions - not applicable except as indicated**

(note 1) no details on employment- nor contract-type, by gender only global

(note 2) in area NL, not all of the personnel is covered in the CBA, as this is also the case for the smaller SOF’s

(note 3) only high level approach

*** external validation

✓ external assurance by PwC (p. 102-103)
### MATERIAL ASPECTS DMA AND INDICATORS

#### CATEGORY ECONOMIC

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<td>Long Term Vision</td>
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<td>Sourcing and traceability</td>
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#### CATEGORY ENVIRONMENTAL

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<td>Climate Change</td>
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<td>is expressed in total as our ambition to decrease YoY</td>
<td>✓</td>
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<td>G4-EN15</td>
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<td></td>
<td>G4-EN18</td>
<td></td>
<td></td>
<td>external report (1) disclosed in total and relative to production as this is the most relevant information</td>
<td>✓</td>
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<td>G4-EN19</td>
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<td>external report (1) disclosed in total and relative to production as this is the most relevant information</td>
<td>✓</td>
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<td></td>
<td>G4-EN20</td>
<td>p. 94</td>
<td></td>
<td>external report (1) disclosed in total and relative to production as this is the most relevant information</td>
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<tr>
<td></td>
<td>G4-EN22</td>
<td>p. 93</td>
<td></td>
<td>water discharge is limited, all waste water is treated</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>G4-EN23</td>
<td>p. 93</td>
<td></td>
<td>figures are presented relatively</td>
<td>✓</td>
</tr>
<tr>
<td>Environmental compliance</td>
<td>DMA (°°)</td>
<td>p. 80-82</td>
<td>✓</td>
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<tr>
<td></td>
<td>G4-EN29</td>
<td>0 euro</td>
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<tr>
<td>MATERIAL ASPECTS</td>
<td>DMA AND INDICATORS</td>
<td></td>
<td></td>
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<tr>
<td>------------------</td>
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</table>
| **CATEGORY**     | **SOCIAL**          | **where in AR** | **comment** | ***
| **SUB-CATEGORY: LABOR PRACTICES** | | | |
| Employee well being | Occupational Health & Safety | DMA (*)/(**) (*: very high/**: very high) | p. 80-82 | |
| Company culture | Occupational Health & Safety | DMA (*)/(**) (*: very high/**: very high) | p. 80-82 | |
| | G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender | p. 85 | 100% on labor accidents (2), no fatalities and no breakdown given the limited numbers | ✓
| | G4-LA9 | Average hours of training per year and per gender, and by employee categorie | p. 84, p. 86-87 | TOP-values | ✓

| **SUB-CATEGORY: HUMAN RIGHTS** | | | |
| Sustainability charter suppliers raw materials | Freedom of association collective bargaining | DMA (*)/(**) (*: high/**: high) | p. 80-82 | |
| | G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | p. 90, p. 95 | 100% for operations, for the 'others' we will start up analysis in 2016 | ✓
| | G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor | p. 90, p. 95 | we will start up analysis in 2016 | ✓
| | G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor | p. 90, p. 95 | we will start up analysis in 2016 | ✓
<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>SOCIAL</th>
<th>DMA AND INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATEGORY SOCIAL</td>
<td></td>
<td>where in AR</td>
</tr>
<tr>
<td>SUB-CATEGORY: SOCIETY</td>
<td>Community engagement</td>
<td>DMA (°/°°) (° : high/°° : high)</td>
</tr>
<tr>
<td>Local Communities</td>
<td>G4-SO1</td>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development programs</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td>G4-SO4</td>
<td>Communication and training on anti-corruption policies and procedures</td>
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<tr>
<td>Public Policy</td>
<td>G4-SO6</td>
<td>Total value of political contributions by country and recipient/beneficiary</td>
</tr>
<tr>
<td>Compliance</td>
<td>G4-SO8</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations</td>
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<td>Animal Welfare</td>
<td>FP11</td>
<td>Percentage and total of animals raised and/or processed, by species and breed type, per housing type</td>
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<tr>
<td>SUB-CATEGORY: PRODUCT RESPONSIBILITY</td>
<td>Food security &amp; safety</td>
<td>DMA (°/°°) (° : very high/°° : very high)</td>
</tr>
<tr>
<td>Customer Health and Safety</td>
<td>G4-PR1</td>
<td>Percentage of significant product and service categories for which health and safety impacts are assessed for improvement</td>
</tr>
<tr>
<td>Nutritional aspects</td>
<td>FP5</td>
<td>External Quality-certification (HACCP, BRC, IFS, ACG)</td>
</tr>
<tr>
<td>Customer Health and Safety</td>
<td>FP6</td>
<td>Percentage of total sales volume of consumer products, by category, lowered in fat, trans fat, sodium, added sugars</td>
</tr>
<tr>
<td>Nutritional aspects</td>
<td>FP7</td>
<td>Percentage of total sales volume of consumer products, by category, containing increased nutritious ingredients (fiber, vitamins, minerals, phytochemicals or functional food additives)</td>
</tr>
</tbody>
</table>
## MATERIAL ASPECTS

### DATABASE AND INDICATORS

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>SOCIAL</th>
<th>DMA AND INDICATORS</th>
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<tr>
<td><strong>CATEGORY</strong></td>
<td><strong>SOCIAL</strong></td>
<td><strong>where in AR</strong></td>
</tr>
<tr>
<td>SUB-CATEGORY: PRODUCT RESPONSIBILITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labelling regulation</td>
<td>DMA (°/°°) (° : very high/°° : very high)</td>
<td>p. 80-82</td>
</tr>
<tr>
<td><strong>Product and Service Labeling</strong></td>
<td></td>
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<tr>
<td>G4-PR3</td>
<td>Type of product and service information required by the organization’s procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements</td>
<td>p. 90</td>
</tr>
<tr>
<td>Product’s pleasure</td>
<td>DMA (°/°°) (° : very high/°° : high)</td>
<td>p. 80-82</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-PR5</td>
<td>Results of surveys measuring consumers satisfaction</td>
<td>p. 50, p. 82, p. 89</td>
</tr>
<tr>
<td>G4-PR9</td>
<td>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</td>
<td>0 euro</td>
</tr>
</tbody>
</table>

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**Legend**

* how is it reported
  - fully
  - partially
  - not

DMA (°/°°) assessed by the stakeholders as (°) and by impact on the organization (°°)

**references**

1. according to the “Bilan Carbone”-methodology
2. accident is counted as accident if a leave from work of minimum 24 hours

*** external validation
✓ external assurance by PwC (p. 102-103)
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Enterprise number 0401.030.860

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