



ANNUAL REVIEW
2014



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CONSOLIDATED KEY FIGURES



in millions of EUR

	2014	2013	2012	2011	2010
INCOME STATEMENT					
Turnover	347.89	332.32	288.46	275.60	264.82
Raw materials, consumables and goods for resale	(104.43)	(111.43)	(91.15)	(85.74)	(81.06)
Services and other goods	(96.48)	(87.26)	(78.39)	(73.25)	(69.63)
Personnel costs	(78.89)	(78.90)	(69.97)	(68.72)	(65.53)
Depreciation and amounts written off ⁽¹⁾	(16.66)	(14.16)	(12.84)	(12.07)	(12.50)
Other operating income and charges (net)	(1.99)	0.80	0.57	0.55	(1.15)
Recurrent operating result (REBIT)	49.43	41.37	36.68	36.37	34.96
Recurrent operating cash flow (REBITDA) ⁽²⁾	67.02	55.62	49.85	49.36	48.71
Non-recurrent operating result	(0.26)	(3.65)	(1.95)	(2.70)	(0.87)
Operating result (EBIT) ⁽³⁾	49.17	37.72	34.73	33.67	34.09
Financial result	0.02	(1.74)	(1.57)	(0.69)	(2.96)
Result before taxation	49.19	35.98	33.16	32.98	31.13
Income taxes	(12.42)	(8.06)	(7.41)	(9.17)	(8.06)
Result after taxation	36.77	27.92	25.75	23.81	23.07
Result from discontinued operations	-	-	-	-	-
NET RESULT	36.77	27.92	25.75	23.81	23.07
Net result: non-controlling interest	-	-	0.01	0.01	0.01
Net result: Group share	36.77	27.92	25.74	23.80	23.06
SELF-FINANCING AND INVESTMENTS					
Net cash flow ⁽⁴⁾	60.19	45.41	42.99	36.41	38.15
Investments ⁽⁵⁾	16.55	33.16	40.54	16.98	17.09
BALANCE SHEET					
Balance sheet total	336.99	334.10	270.62	237.89	224.73
Equity	200.63	171.38	145.21	126.76	109.80
Net financial debts ⁽⁶⁾	20.20	48.89	24.16	10.88	23.76
NUMBER OF PERSONS EMPLOYED					
	1,221	1,244	1,218	1,198	1,198
CONSOLIDATED KEY FIGURES PER SHARE in EUR ⁽⁷⁾					
	2014	2013	2012	2011	2010
Recurrent operating result (REBIT)	63.46	54.09	49.17	48.54	46.52
Recurrent operating cash flow (REBITDA) ⁽²⁾	86.03	72.72	66.82	65.90	64.83
Net result: share of the Group	47.21	36.50	34.50	31.77	30.68
Gross dividend ⁽⁸⁾	12.40	10.80	9.80	9.40	8.80
Net dividend	9.30	8.10	7.35	7.05	6.60
Weighted average number of shares	778,944	764,828	746,052	749,088	751,377
Total number of shares per 31 December	803,013	795,113	779,643	772,563	772,563

CONSOLIDATED KEY FIGURES OF THE LOTUS BAKERIES GROUP

(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) Net cash flow is defined as net result + all non-cash costs - all non-cash income items.

(5) Includes investments in tangible and intangible non-current assets.

(6) Net financial debts are defined as financial debts - investments - cash at bank and in hand - treasury shares.

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

(8) For 2014: proposed dividend to the General Meeting of 8 May 2015.

REMARKABLE FACTS

JANUARY

FEBRUARY

MARCH

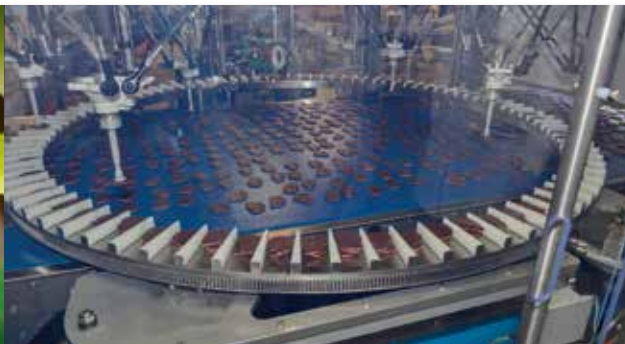
APRIL

MAY

JUNE



Dinosaurus



Start of production of Dinosaurus biscuits



New EXCO team



UK & Israel adore Lotus caramelized biscuit spread



JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

First invoice drafted by Lotus Bakeries China



One iconic shape



18,5%

MARKET SHARE IN VOLUME FOR 2014
SOURCE: NIELSEN



LOTUS for the first time largest biscuit brand
by volume in 'Bakery and sweet biscuits' in
Belgium for calendar year 2014



Jan Vander Stichele
Executive Director

Matthieu Boone
Chairman

Jan Boone
CEO

1 MESSAGE FROM THE CHAIRMAN AND THE CEO

2014 was a year in which we celebrated successes but also faced challenges. Both in our home markets and internationally we took important strategic steps.

A good example is our further internationalization into Latin America. Sales in Latin America are still very minimal. Achieving permanent market penetration calls for a team with entrepreneurship, courage and lots of patience. It is a major challenge to win a whole new market, consumer by consumer, family by family.

Yes, our original caramelized biscuit is a very special product. But it does not sell itself just like that.

“ Our positioning for Lotus original caramelized biscuits is crystal clear: the best biscuit with coffee. ”

Just as we have been building up our presence in Asia for 20 years already, we will also need to show the necessary patience in Latin America. That brings us to the start-up of Lotus Bakeries China in 2014. In each Asian country we work with a local distributor or commercial partner. Given our strong sales, the potential and the strategic importance of the Chinese market we have decided, however, after 10 years to launch our own sales office.

Closer to home, we can celebrate our success in France. Our good performance in this country underlines the fact that a clear focus on key products pays off. In 2014 we again did well in

France with our original caramelized biscuits, and even better with waffles. France was Lotus Bakeries' first export country, which we entered 50 years ago. And looking at the growth rates we can still achieve there, one realizes how much potential there still exists everywhere. A striking example that tells us that all markets are still 'expandable'.

The last few years we have undergone a major restructuring in the Netherlands. The Geldrop and Sintjohannesga plants have been greatly optimized, enabling us to handle the same volume with fewer people. These difficult but at the same time courageous decisions by our team in the Netherlands were necessary in order to remain competitive.

Important in Belgium last year was the start-up and the initial production of our Dinosaurus biscuits line in Lembeke. This has been the largest investment in a single production line in our history. The 'Suzy' brand was successfully reintroduced in our home market. Finally, breaking our record market share in Belgium speaks volumes and we are proud of our number one position in volume terms.

In short, 2014 was an exceptionally strong year, in terms of both achievements in existing markets and further internationalization.

2015 also promises to be particularly interesting. We are and remain wildly ambitious. Our aim is to maintain our current strong growth at the same level at least. First of all, we shall be rolling out the Lotus Dinosaurus concept in several European markets. We are well prepared and will support Dinosaurus strongly in specific

markets. We are excited to see whether this successful concept in Belgium and France also has international potential. We are already convinced. But now we still have to convince consumers.

In Belgium, we want to maintain our focus on our key products and give them additional support. We are going on TV with Lotus original caramelized biscuits, frangipanes and madeleines, Suzy waffles and Dinosaurus. Both in Belgium and at group level we shall again increase our marketing efforts and invest further in our brands.

We also want to grow in the out-of-home channel, which includes catering and food service. A precise focus on out-of-home is a strategic priority for our various markets as a way of repeating or initiating the memory structures of the caramelized biscuit taste perception among consumers.

Our positioning for Lotus original caramelized biscuits is crystal clear: the best biscuit with coffee.



Jan Boone
CEO



Matthieu Boone
Voorzitter

2

LOTUS BAKERIES' STRATEGY



- 4 kagis
- sunlaan jeug - brief
- klein
- doosje
- kagis rond
- bollen in the po.
- plan (kagis kado)
- kagis
- schakel (kagis)
- kagis gel.
- kagis / kagis kado!
- kagis kado kado kado
- kagis kado kado kado
- kagis kado kado kado

“ We prefer to concentrate on selected markets, rather than unnecessarily divide our strength. ”

MISSION STATEMENT

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' STRATEGY

Lotus Bakeries operates in the field of authentic specialties in the biscuits, gingerbread, waffles and cake specialties markets. Lotus Bakeries wants to continuously strengthen its leadership in each of its specialty areas and is working to stimulate both its more traditional markets as well as to internationalize these products.

The strength of the Lotus Bakeries brands is determined by the value they deliver to their consumers. The brands are supported by quality, price and innovative power. Lotus Bakeries seeks to make its products more attractive and is determined to position its brands more competitively in the market with a long-term vision and with the appropriate investments in marketing, production, research and product development.

- Lotus is the brand for original caramelized biscuits, original caramelized biscuit spread and ice cream, cakes, waffles & galettes, gingerbread and (chocolate-coated) biscuits in the various worldwide markets:
 - Biscoff is the international product name for the original caramelized biscuits.
 - Using the Dinosaur brand, Lotus Bakeries wants to build a strong position in the biscuits segment.
- Peijnenburg and Snelle Jelle are the brands in the Netherlands for gingerbread.
- Annas is the brand for pepparkakor specialties. This is a strong brand, especially in Scandinavia, also with a good distribution in North America and in Asia.

This leadership is continuously reinforced by applying a number of consistently implemented strategic choices:

1. A strong focus on the best performing products. This way the specialties of Lotus Bakeries are able to continue to grow in their home markets and in growth markets.
2. Giving priority to clear and consistent communication with the consumer and allocate sufficient resources to this.
3. Targeted product innovations, aimed partly at format innovation, and partly at introducing products for new consumption moments.
4. A clear focus on continuously improving our manufacturing efficiency. This is in order to continue to produce the best quality products at the most competitive cost.
5. Continuous commitment to Corporate Social Responsibility. The Corporate Social Responsibility theme is implemented in the organization as 'Care for today - Respect for tomorrow'. The implementation and conscious improvement of CSR is directed primarily at four general areas: people, environment, society and employees.



3

LOTUS BAKERIES GROUP'S PROFILE

1 | GROUP FUNCTIONS AND COUNTRY ORGANIZATION

To implement the Lotus Bakeries Group strategy and meet the challenging objectives deriving from it, the Group Lotus Bakeries has opted for a group policy that is carried out under the direction of the Executive Committee (EXCO) and is passed on to the various corporate departments, country and regional organizations ('areas'). The organization chart shows the area structure that has been in effect since 1 January 2014. Besides mono-country areas, we also have multi-country areas covering several countries. All European countries in which Lotus Bakeries operates with its own sales offices, apart from Belgium, France and the Netherlands, are grouped together in the Sales Offices Europe area (SOF UK & Ireland, SOF Ibérica, SOF Central Europe, SOF Nordics and

SOF Switzerland). The countries where Lotus Bakeries works with commercial partners (including South Korea, Japan, Israel, Saudi Arabia, Italy, and Kuwait) are also grouped into a single International Distributors area.

The members of the Executive Committee and general managers of each area together form the Group Management Team. The country and regional organizations play a very important role of adapting to the commercial specificities of each market and the culture of each country. It is crucially important that the commercial policy of each country and/or region reflects its own particular market and that production facilities also think in a market directed way. This is part of the Lotus Bakeries group policy, and is integrated into the policy lines that are set at group level.

EXECUTIVE COMMITTEE

AREAS

- BELGIUM
- NETHERLANDS
- FRANCE
- SALES OFFICES EUROPE
- AMERICAS
- CHINA
- INTERNATIONAL DISTRIBUTORS

CORPORATE DEPARTMENTS

- CORPORATE CONTROLLING
- CORPORATE PROCUREMENT
- CORPORATE TREASURY
- CORPORATE QUALITY / FOOD LAW & NUTRITION
- ENGINEERING SERVICES BUILDING & FACILITIES
- GLOBAL BRAND & CUSTOMER DEVELOPMENT
- HR INTERNATIONAL & CORPORATE DEPARTMENTS
- ICT
- LEGAL, IP & CORPORATE COMMUNICATION
- RESEARCH & DEVELOPMENT

The Executive Committee has the following members:

Name	Function
Jan Boone	CEO
Jan Vander Stichele	Executive Director
Isabelle Maes	CFO
John Van de Par	COO

3 LOTUS BAKERIES GROUP'S PROFILE



2 | PRODUCTS

Lotus Bakeries has opted to focus on brand products, based on authentic specialties in the biscuit and cake world: caramelized biscuits, gingerbread, cake specialties, waffles and galettes, pepparkakor biscuits and Dinosaurus biscuits. Lotus Bakeries applies this brand policy both by strengthening its leadership in existing local markets and by the internationalization of Lotus original caramelized biscuits and the Dinosaurus and Annas brands.

CARAMELIZED BISCUITS

Caramelized biscuits are an original Belgian specialty. They owe their typical taste to the caramelization of the sugar during the baking process. In Belgium, Lotus caramelized biscuits are a top product across the biscuit market.

Lotus caramelized biscuits are proving increasingly popular internationally, so that today more than 75% of sales are realized outside Belgium. Internationally, Biscoff ('Biscuit with a coffee') is used as a product name for original caramelized biscuits.



Consumers also want to experience the unique Lotus caramelized biscuit taste in other products that are strongly anchored in their consumption patterns. For this reason Lotus caramelized biscuit spread and Lotus caramelized biscuit ice

cream have been developed on the basis of Lotus caramelized biscuits, enabling consumers to find again the familiar and unique Lotus caramelized biscuit taste in these products.

GINGERBREAD

This authentic product from the Low Countries (modern day Belgium and Holland) has developed very strongly in the Netherlands, where gingerbread is very popular. Strong brands like Peijnenburg and Snelle Jelle have been turned into modern, contemporary concepts that match the consumption patterns of today's conscious consumers. Koninklijke Peijnenburg has almost 60% of the Dutch gingerbread market.



CAKE SPECIALTIES

This group of authentic products is difficult to bring under a common denominator. In almost every case these are specialties that are very popular in their region and country of origin.

These specialties have an outstanding quality and strong branding. These products, like frangipane, madeleine, carré confiture and Zebra in Belgium, Glacés and Enkhuizer cookies in the Netherlands

and Breton butter specialties in France are mainstays for the popularity of the Lotus brand.



WAFFLES AND GAULETTES

Belgium and France have long had a good reputation for waffles. Lotus Bakeries has a very wide range here consisting primarily of Liège waffles, soft waffles, filled waffles, galettes (thin, crispy waffles) and vanilla waffles. In 2014 the Suzy brand was relaunched for Liège waffles in Belgium.





PEPPARKAKOR BISCUITS

Pepparkakor biscuits are traditional Swedish biscuits, in the form of a thin, crispy biscuit enriched with cinnamon and ginger spices. Annas Pepparkakor introduced pepparkakor biscuits as a specialty in Sweden, Finland, the United States and Canada, but also in Asia.

DINOSAURUS BISCUITS

Using the Dinosaurus brand, Lotus Bakeries is seeking to build a position in the broad biscuits segment. Dinosaurus has for years been the favourite children's biscuit in Belgium and France. Lotus Bakeries will focus on internationalizing the brand. The basic Dinosaurus range (wholewheat - milk chocolate - dark chocolate) has been expanded with a new 'Dinosaurus filled' variety, consisting of the typical Dinosaurus biscuits sandwiching a layer of real Belgian chocolate (milk chocolate - dark chocolate) or a layer of vanilla.

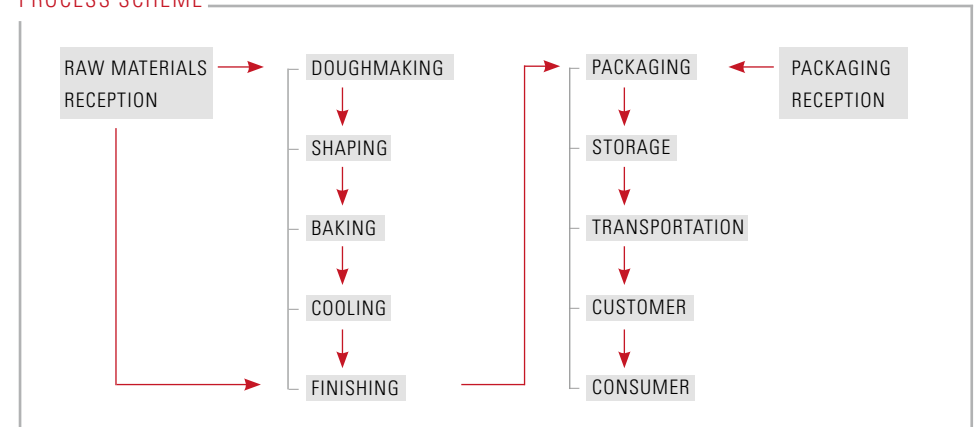


3 | PRODUCTION FACILITIES

Lotus Bakeries' product range involves it is active in a wide range of different production technologies.

Understanding, mastering and further developing these technologies is a constant challenge. This makes it important to concentrate the products and production processes in specialized plants.

PROCESS SCHEME



Belgium

Courcelles	waffles and galettes
Eeklo	caramelized biscuits
Lembeke	caramelized biscuits and Dinosaurus biscuits
Lokeren	logistics centre
Meise	waffles
Oostakker	cake specialties

Netherlands

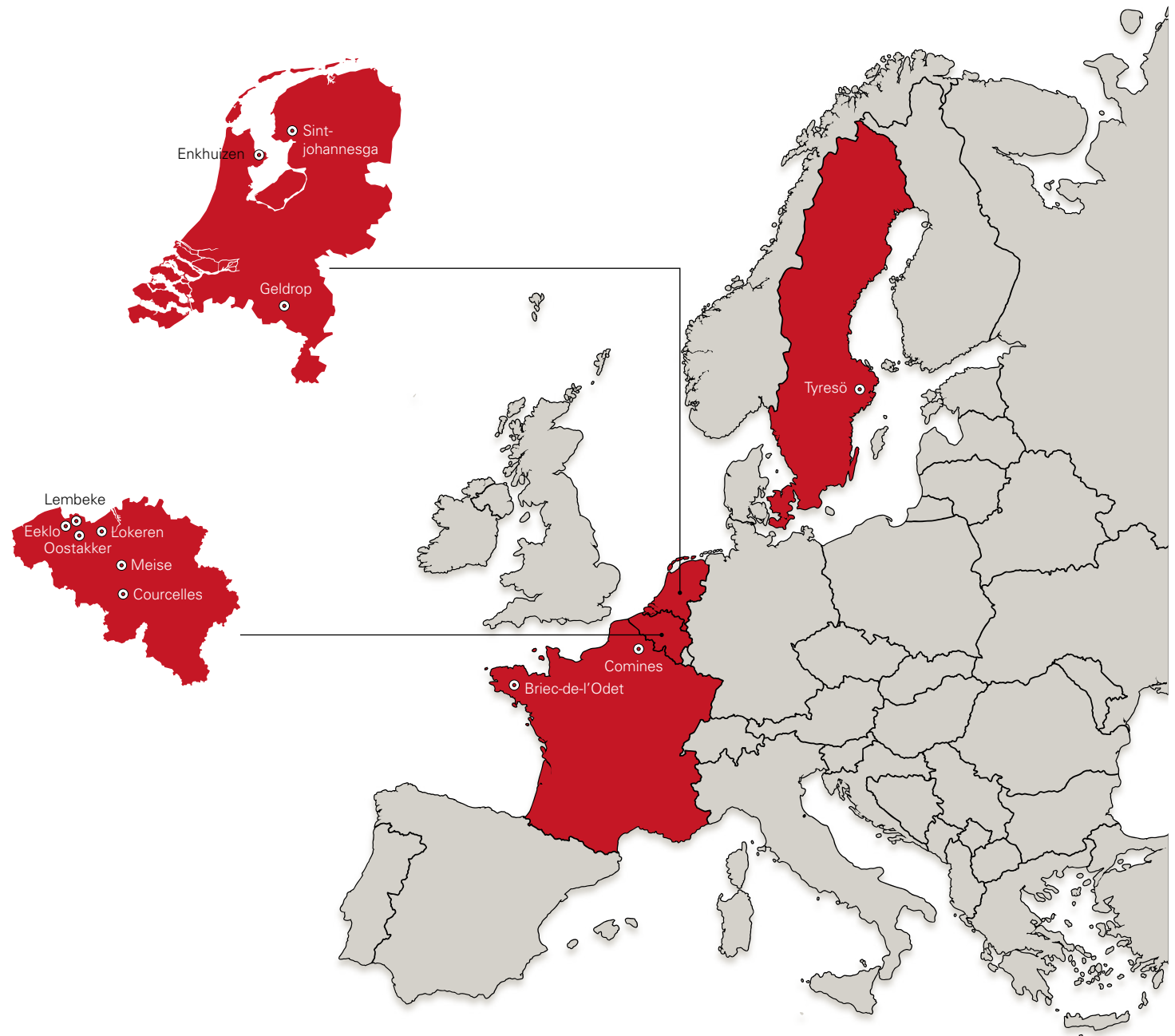
Enkhuizen	Enkhuizer cookies and cake specialties
Geldrop	gingerbread
Sintjohannesga	gingerbread

France

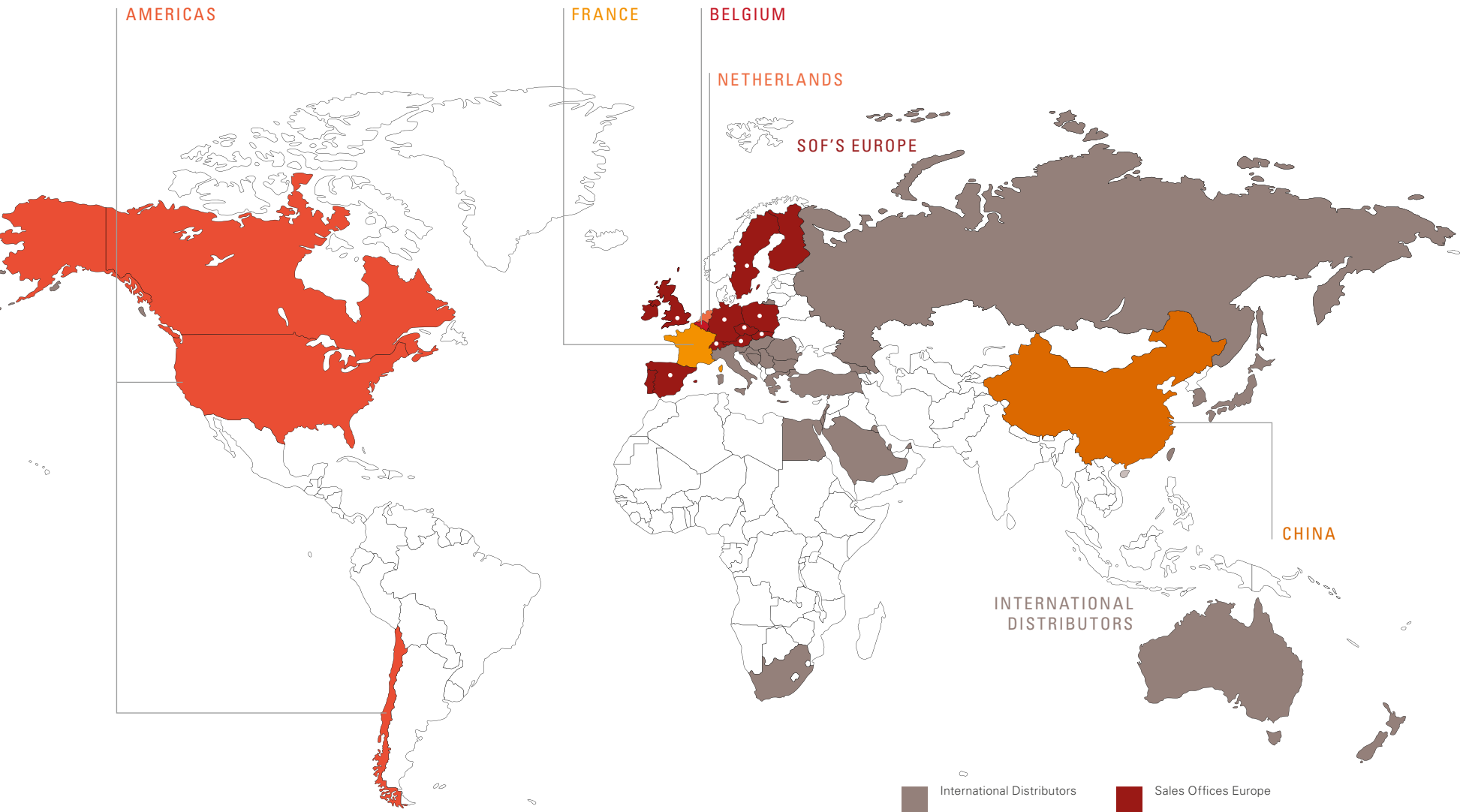
Briec-de-l'Odé	Breton butter products
Comines	cake specialties and filled waffles

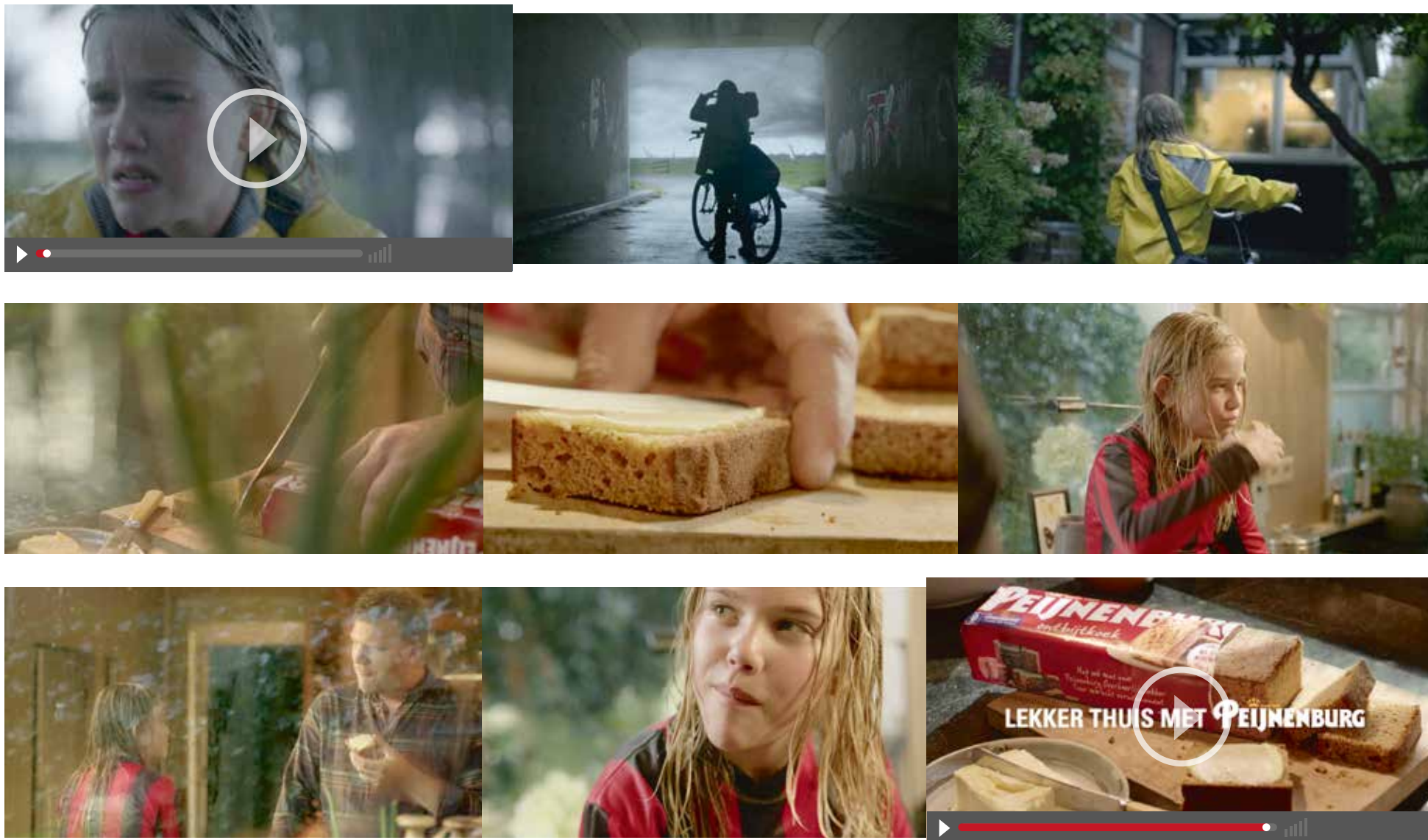
Sweden

Tyresö	pepparkakor biscuits
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4 | COUNTRY AND REGIONAL ORGANIZATIONS WITH OWN SALES ORGANIZATION (SOF) & DISTRIBUTORS





^ TV commercial Peijnenburg

3 LOTUS BAKERIES GROUP'S PROFILE



4

REPORT OF THE BOARD OF DIRECTORS

1 | ACTIVITIES IN 2014

1.1 MARKET SITUATION AND SALES RESULTS

EVOLUTION OF TURNOVER in millions of EUR



GENERAL EVOLUTION OF TURNOVER

In 2014 the consolidated turnover of the Lotus Bakeries Group grew by 4.7% to EUR 348 million. This growth comes almost entirely from branded products, where turnover increased by EUR 14 million. Most of this relates to the international growth of original caramelized biscuits and spread, and the growth of Lotus Dinosaurus and waffles.

Lotus Dinosaurus made a significant contribution to growth in Belgium and France, with additional efforts made in 2014 to strengthen distribution. The basic range was successfully launched onto the Dutch market.

2014 was a very good year for Lotus waffles. During autumn Lotus Bakeries invested heavily in Belgium in rebranding the waffle category to 'Lotus Suzy', with strong media support, presence at events and support at points of sale. In France too, Lotus Bakeries fulfilled its ambition of further developing the total waffle category. Liège waffles were relaunched with new packaging formats. For the first time, Liège waffles were supported by a national TV campaign and in-shop promotions.

The strategy of internationalizing original caramelized biscuits in a sustainable way has been consistently pursued. Several countries presented good growth in original caramelized biscuits and spread, among them the UK, France, the Netherlands and Israel. Appropriate commercial efforts adjusted to the specificities of each

market contributed to a huge success and customer appreciation of both original caramelized biscuits and spread. These efforts include an active PR programme in the UK and television campaigns in France and the Netherlands. In Israel, the growth was achieved by close cooperation between the own sales team and a well-chosen distribution partner, relying strongly on television campaigns and social media.

At an international level, Lotus Bakeries will keep investing, on the one hand in the existing sales offices such as the United States and, on the other hand, in new markets. On 1 August 2014, after careful preparation, Lotus Bakeries started its own sales office in China (Shanghai) and the cooperation with the distribution partner was terminated. Lotus Bakeries has been in China for 10 years now, and the development of a sales office in this region marks the next step in its long-term strategy, aimed at further growth and market penetration.

SOME NOTABLE ACHIEVEMENTS IN THE DIFFERENT AREAS

Belgium

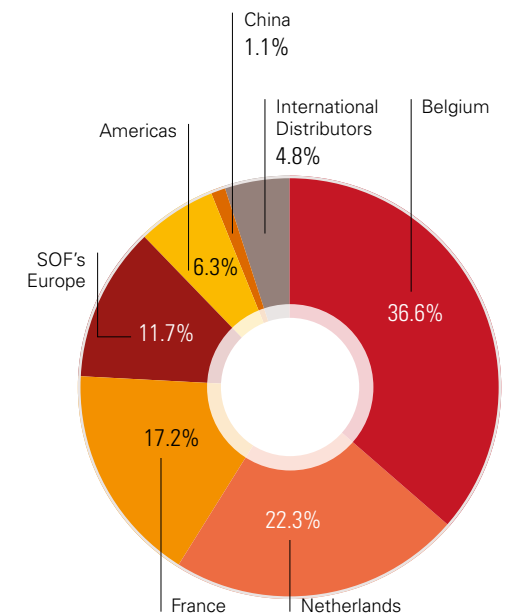
The overall category of sweet biscuits is a major category in Belgium, with a penetration of 99%, making almost every household a potential customer. This category has seen an average annual growth of over 2.4% in value during the past five years.

In 2014, the Lotus brand was the growth engine in this biscuit segment. In the process the Lotus brand has become the number one in volume in the cakes and sweet biscuits category.

The Lotus brand continues its positive growth through consistent application of its strategy of building penetration by focusing on superior product quality, strong communication and consumer-driven innovation.

2014 was a special year for Lotus Dinosaurus. Exactly one year after the introduction of the Dinosaurus biscuit in the Belgian and French markets, the entire production process was transferred to Lembeke. For this Lotus Bakeries invested in a new fully automated production and packaging line that guarantees superior product quality and flexibility.

GEOGRAPHICAL TURNOVER DISTRIBUTION



Right from the launch of Lotus Dinosaurus it was crucial to achieve optimal in-store presence. On top of this, Lotus Dinosaurus was strongly supported during the past year by television campaigns and in the social media. Just before year end the range was expanded with a new 'Dinosaurus filled' variety, consisting of the typical Dinosaurus biscuits sandwiching a layer of real Belgian chocolate or a layer of vanilla.

2014 was also an important year for waffles. The rebranding of the waffle category to 'Lotus Suzy' considerably strengthened the recognizability of the waffles of Lotus Bakeries, both on the shop shelf and in TV campaigns. With the 'Lotus Suzy lady' Lotus Bakeries is reverting to the original concept, but with a contemporary twist. With massive support, but also an improved recipe Lotus Bakeries gave a serious boost to the waffles category. The support consisted of several

“ If you placed in a row the Lotus caramelized biscuits that roll out of the oven each year, they would circle the world nine times. ”

elements: TV spots, attendance at events with the Lotus Suzy lady, in-store animations giving consumers an opportunity to taste the Lotus Suzy waffles, and a strong in-store presence with attractive displays bringing the Lotus Suzy world to life.

The Lotus original caramelized biscuit is the most international product and also crucial for the Belgian market. The basic caramelized biscuit products like the classic 250g, the fresh pack 700g and the family pack 1 kg continue their strong performance. Lotus Bakeries obviously wishes for every consumer to be able to find the Lotus original caramelized biscuit in the format most suitable for him or her. For this reason Lotus Bakeries has introduced a 125g pack, and in 2015 will be making mini-caramelized biscuits available in smaller retail packs. The iconic shape of the original caramelized biscuit with the typical jagged edge has been instated throughout the caramelized biscuit range.

Lotus original caramelized biscuits also remain an indispensable part of the feast of Saint Nicholas. Besides the classics Lotus Bakeries innovated in 2014 with the mini-Saint Nicholas biscuit. Lotus is and remains the proud purveyor of original caramelized biscuits to Saint Nicholas.

In the cakes category, Lotus frangipane and Lotus madeleine continue to top the list. A clear focus on product quality, combined with strong support in the media and in-store remain here the main drivers for growth. Last year a big cake festival was again successfully organized in retail outlets.

The Netherlands

The Dutch retail market in 2014 was generally difficult with a slight downturn in turnover and volume. Despite this, Lotus Bakeries maintained and even strengthened its market share. Peijnenburg stood out from the pack with its new brand campaign and the repositioning of its 'Luxe' gingerbread, as did Snelle Jelle with the

introduction of the new 'Tussendoor' ('in between' or quick snack) format. Lotus Koffieleetjes continued its positive development in terms of penetration and volume in 2014.

In 2014, Peijnenburg repositioned its 'Luxe' gingerbread, with an even richer filling and appearance. The new Peijnenburg TV campaign was launched with the theme 'Lekker Thuis met Peijnenburg' ('Happy Homes with Peijnenburg'). With this campaign Peijnenburg seeks to remind consumers that the main time of day to eat gingerbread is at breakfast and thus at home with the family. The first reactions are positive, and the new campaign was nominated in December for the 'Golden Loekie' prize, confirming consumers' appreciation of the commercial.

Snelle Jelle's penetration grew again in 2014 as a result of the new 'ice skater' commercial, on-pack actions, the intensive sampling program and the new smaller formats for quick-snack moments. As a result, Snelle Jelle's market share in the single segment increased further to over 50%.

2014 was another year of growth for Lotus Koffieleetjes in terms of penetration and volumes. TV commercials combined with in-store activities have further enhanced the prominence of the Lotus brand. The association of Lotus Koffieleetjes with coffee time was brought prominently to the fore and further expanded with an on-pack action enabling people to save up for the original Lotus coffee cup. Through billboarding, Lotus original caramelized biscuit spread too has benefited from this TV support.

Finally, in 2014 the company took a very good step forward in building up the distribution for Lotus Dinosaurus. Despite being a completely new brand on the Dutch market, within barely two months of its introduction, Lotus Dinosaurus could already be found in over 65% of supermarkets.

France

The Lotus brand in France again achieved double digit growth thanks to a consistent focus on the group's top products.

Lotus Bakeries strengthened its market leadership in the caramelized biscuit segment by intensive media support with a total of three TV campaigns, by greater in-store visibility, expanding the product range with a new entry format and a prominent presence of Lotus original caramelized biscuits in the out-of-home channel.

In terms of purchasing households, Lotus original caramelized biscuits are now the fifth strongest product on the entire French biscuit market. Original caramelized biscuit spread also achieved strong growth with the help of specific media support.

Lotus Bakeries strengthened its position as a market leader in waffles. Liège waffles were relaunched with new packaging formats, improved product quality, and supported for the first time with a national TV campaign and in-store promotions. The other waffle segments also performed well. The Lotus 'Tendre Gaufre' soft vanilla waffle, launched at end of 2013, gained a solid place in the market.

Lotus Dinosaurus too had a strong year with the combination of distribution growth, more in-store activation and its first national TV campaign.

The Le Glazik brand remains a strong local contender in its Brittany home area with a wide assortment of butter cakes and biscuits.

Sales Offices Europe

This year, all European countries where Lotus Bakeries has sales offices, apart from Belgium, France and the Netherlands, were brought together in a single 'Area Sales Offices Europe' division. In this way greater focus was placed on the sales and marketing activities, and a platform created to share best practices among the various sales offices.

In the UK the sale of both Lotus Biscoff original caramelized biscuits and Lotus Biscoff original caramelized biscuit spread grew hugely, increasing its penetration, i.e. the number of households buying the product at least once a year, by 1 percentage point.. Distribution was increased across the various supermarket chains, combined with a range broadening. Original caramelized biscuit spread is now available at all major supermarket chains with attractive rotation figures. An active PR program has ensured that Lotus Bakeries is featured very positively in the media, culminating in the 'Crack in a jar' article in the Daily Mail. Fully in line with the strategy, additional steps have been taken in the out-of-home channel, with increasing numbers of customers reached with Lotus Biscoff, as the biscuit for coffee.

In Germany and Austria the commercial organization was strengthened, enhancing the distribution of Lotus Biscoff original caramelized biscuits and biscuit spread in supermarkets. A very strong grower is the Czech Republic where a dynamic activities programme has significantly increased sales and penetration.

In the Nordics the pepparkakor season started a few weeks later this year, as a result of which the overall market fell slightly. However, by introducing a 'special edition' Annas pepparkakor collectors' box, Lotus Bakeries drew consumers' attention to the Annas brand, enabling Lotus Bakeries to capture additional market share. For original caramelized biscuits, sales were switched in 2014 from the Annas Lantkakor brand to Lotus Biscoff, marking a clear distinction between the Annas brand for the Scandinavian pepparkakor specialty and Lotus Biscoff for original caramelized biscuits.

In Spain too the commercial team changed and was strengthened to provide closer follow-up in retail and out-of-home but also in the various Spanish regions. At the end of last year the office relocated to a new location in Madrid and the logistics and the warehousing activities were outsourced.

This year Switzerland exhibits an attractive penetration and revenue growth. For the Swiss team a new colleague has been recruited with exclusive focus on and responsibility for the out-of-home channel. PR activities have also been launched in Switzerland.

Americas

For Lotus Bakeries US the longstanding cooperation with Delta Airlines remains important, with more than 60 million customers a year served with the Lotus Biscoff Filter biscuit on their flights. It has always been a basic strategic principle to use the out-of-home channel to acquaint consumers with Lotus original caramelized biscuits and so convince them to buy Lotus original caramelized biscuits in their home supermarkets.

Strong partnering with retail clients for in-store activations and shelf positioning is and remains crucial for further sales growth. Lotus Bakeries therefore decided to boost its US account and category management. This strengthening, combined with an optimization of logistic flows, provides a solid basis for further growth in the coming years in this market with significant potential.

The Chile sales office has been launched with the objective of getting Lotus Biscoff original caramelized biscuits known in South America. In 2014, further steps were undertaken and distribution agreements concluded for Lotus Biscoff original caramelized biscuits in Chile, Guatemala and Brazil.

International Distributors

The 'International Distributors' area covers all countries in which Lotus Bakeries does not operate through its own sales offices, but distributes Lotus products through commercial distribution partners. In 2014 the 'International Distributors' area was divided into three geographic segments (Middle East & Africa/Europe/Asia Pacific), each with its own dedicated account

management. In this way Lotus Bakeries provides the appropriate support and the commercial partners gain the necessary focus.

Within the 'International Distributors' area, 'Middle East & Africa' grew very strongly in 2014, with powerful sales growth in Israel for both Lotus Biscoff original caramelized biscuits and biscuit spread. This growth is based both on the distribution of additional caramelized biscuit references and the further emphasis on TV advertising and the social media. Given the current situation in the Middle East, it is all the more remarkable that Lotus Bakeries is able to continue to grow in most countries. The Middle East remains a region with many opportunities for Lotus Biscoff. For this reason a partner was appointed in 2014 for Bahrain.

In the 'Europe' segment it was decided to work in the Italian market with two different distribution partners, one for retail and one for the out-of-home channel. The management is confident that this focus will support the continued growth of Lotus Bakeries in Italy. Other countries in the 'Europe' segment such as Turkey, Greece, Cyprus and Russia also saw further growth.

In 'Asia Pacific' the switch to a new partner in Japan went ahead successfully. Significant growth was recorded in both South Korea and Australia. In the fourth quarter a new commercial partner was appointed to introduce Lotus Biscoff in the Philippines. The strong support and activation programs in both stores and in the social media have already shown to be a promising start.

China

The first sales of Lotus original caramelized biscuits in China date back to 2004, when a distribution partner was used for distributing the Lotus Bakeries products. To achieve even greater impact and to respond faster to customer needs it was decided in 2014 to start up a sales office in Shanghai.

In cooperation with a logistics partner Lotus Bakeries itself looks after importing and transporting Lotus products in China. The Lotus Biscoff biscuits are distributed across China via sub-distributors, national key accounts and by e-commerce customers. The China team is a good mix of experienced Lotus staff and local professionals, who together provide the necessary commercial support for our distribution partners.

The transition has gone to plan, and Lotus Bakeries is convinced that further growth will be achieved in the coming years in China by having its own local team. Currently Lotus Biscoff is available in the top 100 cities in China across some 30 provinces. The focus will be on strengthening penetration and improving the availability and visibility of the Lotus products. The catering market plays an important role here and the concept of Lotus Biscoff original caramelized biscuits accompanying coffee will be further introduced in China.

1.2 INVESTMENTS AND INDUSTRIAL OPERATIONS

In 2014 Lotus Bakeries invested a total of EUR 16.5 million. The largest investments were in Belgium, with the installation of a completely new automated production line for Lotus Dinosaurus and the building of a new headquarters in Lembeke.

Exactly one year after the introduction of the Dinosaurus biscuit on the Belgian and French markets, production was fully transferred to Lembeke. For this purpose Lotus Bakeries has invested in a new fully automated production and packaging line, on which other product varieties like Dinosaurus filled can also be produced.

Early in 2015 group management, along with the international and certain corporate departments, moved to a new location further along the Gentstraat. In doing so Lotus Bakeries has opted to keep its headquarters anchored in Lembeke, where the company originated in 1932.

The operational excellence programme remains the focal point for optimising the production branches with regard to safety, quality, continuity of deliveries and cost. An extensive strategy to increase safety awareness in all employees led to a drastic reduction of the number of occupational accidents by almost 50% in 2013. In 2014 this figure fell slightly, but there is now one additional production plant. Through teamwork, visual management, internal training and the '5 S's' (a tool aimed at order and tidiness under the keywords 'Sort, Set in order, Shine, Standardize, Sustain') all production employees are closely involved in the daily control of the production lines.

An internal questionnaire has also shown that the engagement and satisfaction of production employees has further increased as a result of this strategy.

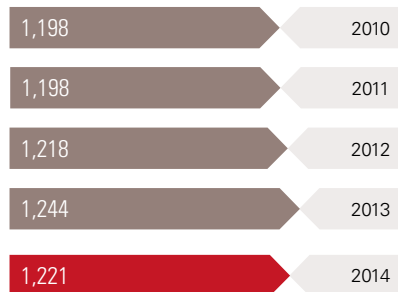
The training policy was further streamlined with induction days for new employees, training checklists, visual work instructions and 'train-the-trainer' sessions.

INVESTMENTS in millions of EUR





PERSONNEL



1.3 PERSONNEL AND ORGANISATION

Evolution of personnel

The number of employees fell during the year to 1,221 at 31 December 2014 as against 1,244 at the end of 2013.

The table below shows the number of employees per area and the evolution in comparison to last year.

Area /Organisation	Number of employees	Evolution
Belgium	695	-6
Netherlands	240	-30
France	120	+2
Sales Offices Europe	67	+3
Americas	20	-4
China	11	+8
International Distributors	6	+1
Corporate	62	+3
Totaal	1,221	-23

The reduced headcount in the Netherlands is explained mainly by the further optimization of production.

The proportion of men and women in the total is 49.55% and 50.45% respectively.

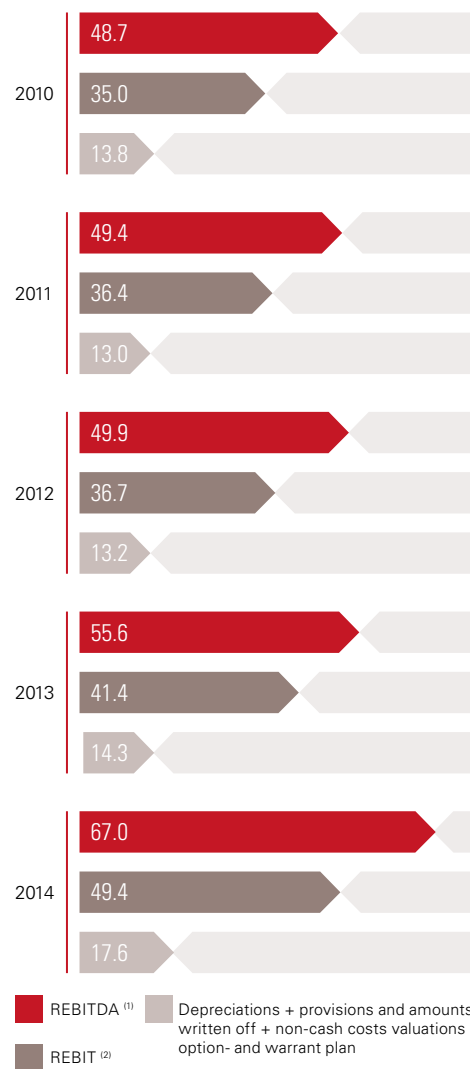
Take Care week

In September 2014, employees at the Belgian sites (area Belgium and Corporate) enthusiastically participated in the 'Take Care week'.

The interaction and involvement of everyone with the 'Care for today - Respect for tomorrow' program is actively illustrated here (see also p. 76-77).

“ We have clear expectations of our employees. They need to be team-oriented and open. And above all they must be passionate about their profession. ”

EVOLUTION OF REBITDA⁽¹⁾ AND REBIT⁽²⁾ in millions of EUR



(1) REBITDA is defined as recurrent operating result + depreciations + provisions and amounts written off + non-cash costs valuations option- and warrant plan.

(2) REBIT is defined as recurrent operating result, consisting of all the proceeds and costs relating to normal business.

2 | FINANCIAL INFORMATION

2.1 EVOLUTION OF COSTS

The increase in costs in 2014 is linked to additional sales volumes and the associated commercial efforts. On top of this all areas undertook additional investments in marketing, in line with Lotus Bakeries' active branding policy which will also be pursued in the future.

The Lotus Bakeries policy of passing on changes in raw materials and packaging prices and other cost elements, in combination with production efficiencies, will be consistently continued.

2.2 PROFITABILITY

The recurrent operating result (EUR 49.4 million) and recurrent operating cash flow (EUR 67 million) increased by respectively EUR 8.1 million (19.5%) and EUR 11.4 million (20.5%) compared to last year.

Operational efficiencies resulting from the investment programs of recent years are making a significant positive contribution to operating profit. In particular, the restructuring of the gingerbread factories in the Netherlands and the continued focus on efficiency gains in the Belgian, French and Swedish factories, specializing in original caramelized biscuits, pepparkakor biscuits, waffles and cakes, have increased profitability.

Furthermore, the increased turnover of Lotus Dinosaurus, waffles, original caramelized biscuits and spread results in an increase of the operating result. Lotus Bakeries has chosen to further increase its marketing efforts in 2014 in its three largest countries. In France, three television campaigns were launched for original caramelized biscuits, along with a new commercial for waffles.

In Belgium, in addition to original caramelized biscuits, frangipane and Lotus Dinosaurus, Lotus Bakeries invested heavily in a new Lotus Suzy commercial. As for the Netherlands, in autumn Lotus Bakeries launched a new 'Lekker thuis' ('Home's best') TV campaign for the Peijnenburg brand, while continuing the Snelle Jelle campaign. In 2013, a non-recurrent operating loss of EUR 3.7 million was recorded, due mainly to restructuring costs in the gingerbread factories in the Netherlands. With the restructurings in the Netherlands now complete, the non-recurrent operating loss only amounts to EUR 0.3 million. The financial result in 2014 is slightly positive, partly reflecting the further reduction of financial debt and the low funding costs, but mainly due to positive results on exchange rates. The tax expense is EUR 12.4 million or 25.2% of the result before taxes. The net result increases by 31.7% compared with 2013 to stand at EUR 36.8 million. The low financial and non-recurrent costs explain why the percentage growth in net result is even higher than that of the operating result.

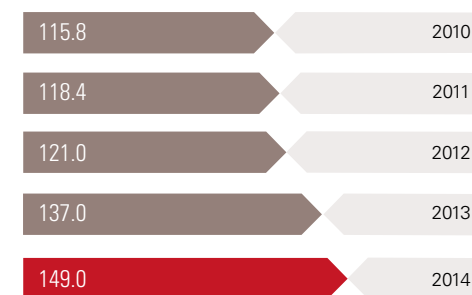
2.3 PRINCIPAL RISKS AND UNCERTAINTIES

The Lotus Bakeries Group's greatest market risks are fluctuations in raw material and packaging prices, exchange rates and interest rates.

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.

EVOLUTION OF ADDED VALUE⁽¹⁾ in millions of EUR



(1) Added value is defined as operating income minus commercial goods, raw materials, services and miscellaneous goods.

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, CZK and SEK. 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.

3. Interest rate risk

Part of Lotus Bakeries' financial obligations (kEUR 425) with a variable interest rate is hedged based on the Euribor.

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.

5. Liquidity risk

Given the significant size of operating and net cash flow in relation to the net financial debt position, the Lotus Bakeries Group's liquidity risk is limited.

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 financial debt - cash investments - liquid assets - treasury shares) and the recurrent operating cash flow (REBITDA) at what is considered to be a normal healthy level in the financial market.

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.

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.

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.

Because of the Belgian legislation applicable to second pillar pension plans (so-called 'Law Vandenbroucke'), all Belgian defined contribution plans have to be considered under IFRS as defined benefit plans.

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.

FINANCIAL RATIOS

	2014	2013	2012	2011	2010
Days customer credit	41	40	38	35	32
Solvency ratio (%)	59.5	51.3	53.7	53.3	48.9
Liquidity ratio (Current ratio)	0.8	0.6	0.6	0.8	0.7
Gross sales margin (%)	18.9	16.1	17.1	17.6	17.9
Net cash flow/Net financial debts (%)	298.0	92.9	177.9	334.6	160.6
Net profitability of equity (%)	18.3	16.3	17.7	18.8	21.0

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.

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.

2.4 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.

2.5 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 in Belgium and the Netherlands, 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.

Consumers also ask for an assortment aimed at certain consumption moments. These questions are plotted into the innovation funnel, and lead to interesting new developments.

Sustainability

The 'Care for today - Respect for tomorrow' programme represents in a clear way how Lotus Bakeries is handling sustainability. Last year 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 in the chapter 'Care for today - Respect for tomorrow'.

2.6 SIGNIFICANT FACTS AFTER 31 DECEMBER 2014

No significant events have occurred after 31 December 2014.

FINANCIAL RATIOS

	2014	2013	2012	2011	2010
In % of operating income					
Added value	42.8	41.2	42.0	43.0	43.7
REBITDA	19.3	16.7	17.3	17.9	18.4
Net cash flow	17.3	13.7	14.9	13.2	14.4
REBIT	14.2	12.5	12.7	13.2	13.2
Net profit	10.6	8.4	8.9	8.6	8.7
In % of added value					
Personnel expenses	52.9	57.6	57.8	58.1	56.6
Depreciations ⁽¹⁾	10.0	9.7	9.7	9.4	9.8
Taxes	8.3	5.9	6.1	7.7	7.0
Net financial charges ⁽²⁾	-	1.3	1.3	0.6	2.6
Net profit	24.7	20.4	21.3	20.1	19.9

(1) Not included depreciations on consolidation differences.

(2) Net financial charges is defined as financial result excluding depreciations on consolidation differences.

3 | PROSPECTS FOR 2015

In 2014, Lotus Bakeries was able to produce an attractive turnover growth of over 5.2% on its branded products. Profitability grew even more strongly, with recurrent operating cash flow up 20.5% to EUR 67 million and net result up 31.7% to EUR 36.8 million.

The strong internal turnover growth, linked to the consistent application of the Lotus Bakeries commercial and marketing strategy, is contributing significantly to the increased profitability.

“ In 2015, we are going for growth. In particular with the Lotus Dinosaurus biscuit we are bringing to market in seven countries. ”

Lotus Bakeries will continue to invest heavily in marketing & sales in order to support and further develop its brands and the associated specialties.

The waffle category will continue to be supported in France and Belgium. The gingerbread category in the Netherlands experienced a slight decrease compared to last year. Various initiatives are being taken to support the category of gingerbread and healthy snacks: a new commercial, product innovations in terms of improved packaging and new product varieties.

Lotus Bakeries is focusing heavily on the further growth of Lotus Dinosaurus. In Belgium and France, where the brand is well established, Lotus Bakeries is expanding distribution by introducing 'Lotus Dinosaurus filled'. An additional focus is further internationalization with the introduction of the Lotus Dinosaurus range in a number of European countries like the Netherlands, UK, Sweden, Finland and the Czech Republic. As Lotus Bakeries will be giving these introductions maximum support both in-store and through appropriate marketing efforts, their contribution to turnover and profitability in the startup phase will be very limited.

As for China, 2014 was a transition year, in which Lotus Bakeries laid the foundations for the new sales office, which will enable Lotus Bakeries to continue growing in an interesting market. The combination of local professionals and expats with long-time Lotus Bakeries experience will enable Lotus Bakeries to focus on the appropriate marketing and sales strategy for China.

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.



4 | RESULTS AND PROPOSAL FOR APPROPRIATION OF RESULTS

CONSOLIDATED

The consolidated net profit of the year 2014 amounted to EUR 36.8 million as compared to EUR 27.9 million in 2013.

STATUTORY

The results of the year 2014 of the parent company Lotus Bakeries NV are as follows:

in EUR

- Profit of the financial year	11,964,660.23
- Transfer from untaxed reserves	-
- Transfer to untaxed reserves	-
- Profit for the year available for appropriation	11,964,660.23

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

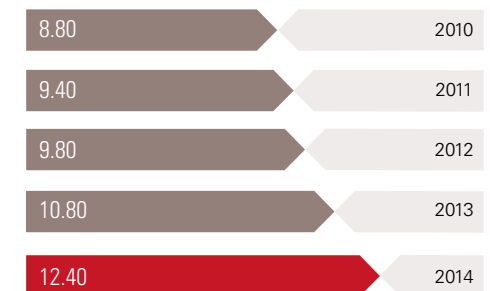
- Allocation to legal reserves	3,476.01
- Addition to other reserves	1,417,997.02
- Distribution of a gross dividend ⁽¹⁾	10,293,187.20
- Distribution of emoluments to directors	250,000.00
TOTAL	11,964,660.23

(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 presented for the approval of the shareholders has been drawn up based on this distribution.

If the Ordinary General Meeting of Shareholders of 8 May 2015 accepts the Board of Directors' proposal, the net dividend per share will amount to EUR 9.3, after deducting a withholding tax of 25%. This net dividend will be payable as from 18 May 2015 on surrender of coupon no. 27 at Bank Degroof, BNP Paribas Fortis, Belfius, ING Bank, KBC Bank and Petercam.

EVOLUTION OF GROSS DIVIDEND PER SHARE in EUR





5 | CORPORATE GOVERNANCE DECLARATION

Lotus Bakeries has adopted a Corporate Governance Charter which can be consulted on the website (www.lotusbakeries.com). This charter is adapted whenever this is deemed suitable or necessary in relation to the development of the policy regarding corporate governance and the changes in applicable regulations.

Through this charter Lotus Bakeries commits to applying the principles of the Corporate Governance Code of 12 March 2009 and to respecting the legal norms and regulations of corporate governance.

The charter describes the main aspects of Lotus Bakeries' corporate governance and the internal rules of procedure of the Board of Directors, the Committees and the Executive Committee.

This annual review gives the data on the application of Lotus Bakeries' corporate governance policy. 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 7 April 2014 by EUR 34,760.00 from EUR 3,499,223.65 to EUR 3,533,983.65. On April 3, 2015, through the exercise of warrants, the share capital of Lotus Bakeries NV was again increased by EUR 37,180 from EUR 3,533,983.65 to EUR 3,571,163.65.

4 REPORT OF THE BOARD OF DIRECTORS

5.1.2 Shares

Through the exercise of warrants and subsequent capital increases, 7,900 new shares of Lotus Bakeries NV were issued on 7 April 2014, and on 3 April 2015 another 8,450 new shares. This first transaction took the total number of Lotus Bakeries shares increased from 795,113 to 803,013 and afterwards to 811,463.

On 31 December 2014 the number of shares in Lotus Bakeries NV amounts to 803,013.

The shares are registered or dematerialised.

5.1.3 Share options

In the context of the Lotus Bakeries share option scheme, 6,160 share options were issued in 2014. Per 31 December 2014 the total number of unexercised share options was 19,722.

Year of issue of the options	Number of allocated options ⁽¹⁾	Number of options exercised ⁽²⁾	Total of available options
2007	11,950	9,900	2,050
2010	2,400	1,600	800
2011	1,200	-	1,200
2012	5,238	-	5,238
2013	4,339	-	4,339
2014	6,095	-	6,095

(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. 25 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 a period of 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 not lower 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 no higher than this average increased by 20 percent.

In 2014 1,218 treasury shares were purchased. The total number of purchased treasury shares in the portfolio at the end of the financial year is 21,416, which represents an accounting par value of EUR 94,230.40 or 2.67% of the issued capital.

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

5.2 SHAREHOLDERS AND SHAREHOLDING STRUCTURE

The shareholding structure of Lotus Bakeries NV as of 31 December 2014 is as follows:

	No. of voting rights	% voting rights
Stichting Administratiekantoor van Aandelen Lotus Bakeries ⁽¹⁾	455,323	56.70%
Lotus Bakeries NV ⁽²⁾	21,416	2.67%
Total held by Stichting Administratiekantoor van Aandelen Lotus Bakeries and Lotus Bakeries	476,739	59.37%
Holding Biloba BVBA ⁽³⁾	27,000	3.36%
Christavest Comm.VA ⁽⁴⁾	20,298	2.53%
Publicly held	278,976	34.74%
Total	803,013	100.00%

(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 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. The interest of Christavest Comm.VA in Lotus Bakeries NV appears in the transparency notification that Lotus Bakeries NV received on 3 July 2014*.

(*) Pursuant to article 6 of the Law of 2 May 2007 on disclosure of major holdings.

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

On 31 August 2010 Lotus Bakeries NV received a communication from Stichting Administratiekantoor van Aandelen Lotus Bakeries in the context of article 74§7 of the Law of 1 April 2007 on public takeover bids.

This communication shows that on 31 August 2010 Stichting Administratiekantoor van Aandelen Lotus Bakeries held 446,378 voting shares in Lotus Bakeries, corresponding to a participation of 55.59% on 31 December 2014.

Since then no updates of this communication have been received pursuant to article 74§7 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, from 1 January 2014 is as follows:

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

Matthieu Boone (68) holds a degree in Commercial Engineering (KUL). He has been an executive director of Lotus Bakeries since 1970. He became a managing director in 1989, succeeding Karel Boone as CEO in 2006 until May 2011. Since May 2012 he is Chairman of the Board of Directors of Lotus Bakeries. He is also a member of the Board of Directors of ACG Gent, Crop's NV, Odiseer (previously HUB-KAHO) and Chairman of VKW Oost-Vlaanderen.

The term of office of Beukenlaan NV, represented by its permanent representative Matthieu Boone, as a director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2017.

Mercuur Consult BVBA, represented by its permanent representative Jan Boone**CEO**

Jan Boone (43) holds a Master in Applied Economics (KUL), as well as a Master in Audit (UMH). He started his career in the Audit department of PwC. In 2000 he started at Omega Pharma. Until May 2005 he was Head of Corporate Controlling and a member of the Executive Committee and Board of Directors. Since May 2005, he has been active at Lotus Bakeries as managing director and, currently, as CEO. Since May 2005, he has also been a member of the Board of Directors of Lotus Bakeries and, since May 2011, a managing director. In addition he is a director of Omega Pharma (Chairman), Durabrik and Club Brugge.

The term of office of Mercuur Consult BVBA, represented by its permanent representative Jan Boone, as a managing director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2017.

Vasticom BVBA, represented by its permanent representative Jan Vander Stichele**Executive Director**

Jan Vander Stichele (51) holds a degree in Civil Engineering (KUL) and has a Candidate degree in Applied Economics (KUL). His previous most important function was as technical director of the Verlipack Group. Since the end of 1996 he has been active in the Lotus Bakeries Group, initially as General Manager Lotus Bakeries France, thereafter as General Manager Operations and currently as Executive Director. He has been a member of the Board of Directors since May 2005 and a managing director since May 2010. In addition he holds a directorship of Team Industries (Chairman) and Fevia Vlaanderen/Flanders' Food (Chairman).

The term of office of Vasticom BVBA, represented by its permanent representative Jan Vander Stichele, as a managing director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2017.

PMF NV, represented by its permanent representative Johan Boone**Non-executive director**

Johan Boone (63) graduated in dentistry (KUL) and is a practising dentist. He has been a member of the Board of Directors of Lotus Bakeries since 1996.

The term of office of PMF NV, represented by its permanent representative Johan Boone, as a non-executive director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2017.

Anton Stevens**Non-executive director**

Anton Stevens (38) holds a Master's degree in Law (RUG) and in Notarial Law (RUG). He has been a director of Lotus Bakeries since 2002.

The term of office of Anton Stevens as a non-executive director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2017.

Bene Invest BVBA, represented by its permanent representative Benedikte Boone**Non-executive director**

Benedikte Boone (43) has a degree in Applied Economic Sciences (KUL). She has held positions at Creyf's Interim and Avasco Industries. She is a director in various family companies, including Bene Invest BVBA, Holve NV and Harpis NV. She is also a director of Deceuninck NV.

The term of office of Bene Invest BVBA, represented by its permanent representative Benedikte Boone as a non-executive director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2016.

Herman Van de Velde NV, represented by its permanent representative Herman Van de Velde**Independent director**

Herman Van de Velde (60) has a Master's degree in Economics (KUL) and a post-graduate degree in Business Management (UFSIA). From 1989 to 2014 he was managing director of the listed lingerie group Van de Velde. Currently he is a director of Van de Velde, Top Form International (Hong Kong), the Arteveldehogeschool and a commissioner at Brabantia in the Netherlands. He is also Chairman of Ondernemersplatform VKW.

The term of office of Herman Van de Velde NV, represented by its permanent representative Herman Van de Velde, as an independent director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2017.

Benoit Graulich BVBA, represented by its permanent representative Benoit Graulich**Independent director**

Benoit Graulich (49) has Master's degrees in Law, Business and Finance from the Catholic University of Leuven (KUL). He began his professional career at PwC and then Artesia Bank. In 2000 he became a partner at Ernst & Young and is currently a managing partner at Bencis Capital Partners. He is also a director of a.o. Van de Velde, Omega Pharma and Xeikon. He has been a director of Lotus Bakeries since 2009.

The term of office of Benoit Graulich BVBA, represented by its permanent representative Benoit Graulich, as an independent director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2017.

Dominique Leroy**Independent director**

Dominique Leroy (50) has a commercial engineering degree from Solvay Business School. She has a 24-year career with Unilever, beginning in finance and followed by various sales and marketing functions. She was nominated as Country Manager of Unilever Belgium in 2007 and was also member of the Unilever Benelux Board. In October 2011 she began working at Belgacom as Vice President Sales for the consumer division. In June 2012, she was responsible as Executive Vice President for the Consumer Business Unit and was also a member of the management committee of Belgacom Group. In January 2014, she became delegated director of Belgacom NV and president of the Executive Committee. She has been a director of Lotus Bakeries since 2009.

The term of office of Dominique Leroy as an independent director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2017.

Sabine Sagaert BVBA, represented by its permanent representative Sabine Sagaert**Independent director**

Sabine Sagaert (48) has a degree in Commercial Engineering from the KUL, a Master's in Economic Legislation (UCL) and an MBA (KUL). She started her career at CBR cement companies, where she held various logistics and commercial positions in the Benelux. She has spent most of her business career at AB InBev, most recently as Business Unit President Belux, and CEO Dental Division at Arseus. She is currently General Manager Europe and Global Commercial Manager for Cargill's malting activities. She is also a director of Miko and Spullenhulp. She has been a director of Lotus Bakeries since 2011.

The term of office of Sabine Sagaert BVBA, represented by its permanent representative Sabine Sagaert, as an independent director of Lotus Bakeries NV ends at the Ordinary General Meeting of 2015.

During the entire financial year 2014 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 article 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 526ter of the Companies Code.

The secretary of the Board of Directors is 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 2014. All directors were present at all meetings, except for Dominique Leroy who was absent once and Sabine Sagaert BVBA, represented by its permanent representative Sabine Sagaert, which was not present twice at a 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 releases
- investment budget and global budget
- reports and recommendations of the Committees
- Lotus (OCB) strategy and IP strategy, Dinosaurius rollout
- real estate and M&A projects
- product developments and product innovations
- Lotus Competition Compliance Program
- proposed appointments of directors
- agenda of General Meetings.

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

In 2014, 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 the course of 2014 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, Benoit Graulich BVBA, represented by its permanent representative Benoit Graulich (Chairman) and Dominique Leroy, and one non-executive director, Beukenlaan NV, represented by its permanent representative Matthieu Boone. All three members have accounting and audit experience.

The Audit Committee met three times in 2014 and all members were present at all meetings.

The Auditor participated in all three meetings, at which he presented his findings to the Audit Committee.

The subjects examined were:

- risk management
- transfer pricing methodology
- status of the Business Continuity Plan
- CSR 'Global Reporting Initiative' (GRI-G4)
- discussion of the Statutory Auditor's reporting/ recommendations.

5.3.3 Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of two independent directors, 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, and one non-executive director, 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 2014, with all members present.

The subjects examined were:

- remuneration of directors
- remuneration policy and its application
- organization of external salaries measurement
- changes in the composition and appointment of new members of the Executive Committee
- application of new legal rules.

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 functioning of the Board of Directors as a whole, the way meetings are prepared, the actual contribution of each individual director to the work of the Board of Directors, 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, with the CEO not present at his own evaluation.

5.4 EXECUTIVE COMMITTEE

The Executive Committee has the following members:

- Mercuur Consult BVBA, represented by its permanent representative Jan Boone, CEO
- Vasticom BVBA, represented by its permanent representative Jan Vander Stichele, Executive Director
- Isabelle Maes, CFO
- John Van de Par, COO.

The Executive Committee met seventeen times in 2014. All members were present at all meetings.

5.5 REMUNERATION REPORT

5.5.1 Introduction

The objective of the 2014 remuneration report is to provide specific data in a transparent manner concerning Lotus Bakeries' remuneration policy for its directors and executives. The remuneration report below will be submitted to the General Meeting of 8 May 2015 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 listed companies to enable Lotus Bakeries to attract directors with relevant 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.

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. For members of the Executive Committee, the consultant reports directly to the Remuneration and Nomination Committee and elucidates its report at its meeting.

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 2014

5.5.3.1 NON-EXECUTIVE AND EXECUTIVE DIRECTORS

Policy Criteria

The non-executive director receives 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.

In this way Lotus Bakeries wishes to pay 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 relevant competences according to its ambitions.

Remuneration

Members of the Board of Directors each receive EUR 20,000 a year. The Chairman receives double this amount, i.e. 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 2014 to each member of the Board of Directors.

Name	Board of Directors	Audit Committee	Remuneration and Nomination Committee	Total remuneration 2014
Beukenlaan NV, represented by its permanent representative Matthieu Boone	Non-executive director	Member	Member	50,000 EUR
Mercuur Consult BVBA, represented by its permanent representative Jan Boone	Managing director	-	-	20,000 EUR
Vasticom BVBA, represented by its permanent representative Jan Vander Stichele	Managing director	-	-	20,000 EUR
PMF NV, represented by its permanent representative Johan Boone	Non-executive director	-	-	20,000 EUR
Anton Stevens	Non-executive director	-	-	20,000 EUR
Bene Invest BVBA, represented by its permanent representative Benedikte Boone	Non-executive director	-	-	20,000 EUR
Herman Van de Velde NV, represented by its permanent representative Herman Van de Velde	Independent director	-	Chairman	25,000 EUR
Benoit Graulich BVBA, represented by its permanent representative Benoit Graulich	Independent director	Chairman	Member	30,000 EUR
Dominique Leroy	Independent director	Member	-	25,000 EUR
Sabine Sagaert BVBA, represented by its permanent representative Sabine Sagaert	Independent director	-	-	20,000 EUR

The Chairman of the Board of Directors shall be provided with the necessary material resources to perform his task properly.

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 remuneration in Belgium in order to facilitate an external comparison of key functions. In defining the concrete remuneration level for each function, account is taken of the actual job content and the way the function is filled at Lotus Bakeries, in order to ensure an internal logic between remuneration levels.

In addition to their fixed remuneration, executive managers receive a variable compensation based on well-defined criteria, depending on the results of Lotus Bakeries with a one year evaluation period but also evaluation periods of two and three years.

The evaluation criteria used to determine the variable compensation in 2014 are the main performance indicators based on the objectives for 2014. 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 two and three-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 after approval by the Remuneration and Nomination Committee.

5.5.4 Evaluation criteria for the performance-based remuneration of executive managers

The objectives for 2014 were presented to the Remuneration and Nomination Committee. The evaluation criteria used to determine the variable compensation in 2014 are the main performance indicators based on the objectives for 2014. 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 after its approval 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 period is two and three years.

In 2014, bonuses were paid as part of the long-term remuneration policy.

5.5.5 CEO's remuneration in 2014

The remuneration of the 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 2014 amounts to EUR 672,722. The variable portion based on the 2014 targets amounts to EUR 353,633 and will be paid in 2015. 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 2014 (excluding CEO)

The remuneration is, for one of the members, paid through a management company and several director mandates. The amounts mentioned herein are the total cost. The other members are paid through employment contracts. For the two members with employee status, the amounts given are before social security contributions.

The remuneration for all executive managers together on a full year's basis, are the following for 2014.

The fixed annual salary in 2014 amounts to EUR 910,905. The variable portion based on the 2014 targets amounts to EUR 418,936 and will be paid in 2015. The contributions to the pension scheme amount to EUR 145,030. Other components of the remuneration amount to EUR 62,965. 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

5.5.8.1 ALLOCATIONS IN 2014

In 2014, share options were granted to members of the Executive Committee.

Name	Year of allocation	Number of options	Exercise price
Jan Boone	2014	500	802.55 EUR
Jan Vander Stichele	2014	500	802.55 EUR
Isabelle Maes	2014	250	802.55 EUR
John Van de Par	2014	250	802.55 EUR

5.5.8.2 EXERCISE OF STOCK OPTIONS IN 2014

The members of the Executive Committee have exercised the following share options or warrants in 2014.

Date	Name	Transaction	Amount	Price	Tot. value
01/04/2014	Jan Vander Stichele	Exerc. warrants	3,500	246.020 EUR	861,070 EUR
24/03/2014	Jan Boone	Exerc. options	750	232.820 EUR	174,615 EUR

In 2014 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 2014 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 100% in the same ERP package (SAP), which offers comprehensive capabilities for internal control and management. This facilitates the internal audits carried out by the Corporate Finance department.

5.6.2 Risk Management Process

Lotus Bakeries has implemented an ongoing process of risk management, aimed at ensuring that this is organized so that the risks of possible events 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, with responsibility for coordinating the risk management process lying with the Executive Director.

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 will be directly communicated, by means of written reports in prescribed formats, to the Executive Director.

There is one formal occasion a year when the entire risk management process is 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. All this will be included in the annual plans for the coming year. The outcome of this process and the progress of the actions are reported to the Audit Committee.

In 2014, 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. In the coming years these will be implemented in all parts of the Lotus Bakeries organization.

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 Controlling department directs this process.

For this Lotus Bakeries has developed various reports and KPIs (key performance indicators) for its sales operations, for the financial reporting of each area and for the consolidated results, and other KPIs for personnel, for factory operations, and for purchasing and logistics. These 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, such as Corporate Controlling for proper compliance with accounting principles or the investment procedure, Corporate Treasury for the authorisation of payments, and 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) which offers extensive opportunities for internal reporting and communication. It also offers the ability to manage and audit access rights and authorisation management in general on a centralised basis.

Each month the results of each area are reported in writing 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 Controlling department directs the information and communication process.

For both internal and external information reporting and communication there exists an annual financial calendar which is communicated to all parties involved and in which all reporting dates are set out.

For the provision of information Lotus Bakeries has developed various reports for its sales operations, for the financial reporting, as well as reports for 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 existing

procedures and practices and continually suggest improvements.

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, 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 11 May 2012.
2. By resolution of the Extraordinary General Meeting of Shareholders of 11 May 2012 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 5 June 2012 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 38 of the financial supplement.

Audit fee for the Group audit 2014	in thousands of EUR
Lotus Bakeries NV	64
Lotus Bakeries Group	296
Total	360



^ TV commercial Lotus Suzy

4 REPORT OF THE BOARD OF DIRECTORS

5

STOCK MARKET INFORMATION



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

3 | LIQUIDITY AND VISIBILITY OF THE SHARE

Lotus Bakeries has appointed the stock market company Petercam NV as 'liquidity provider'. The liquidity and market activation agreement that was agreed with 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 2014, market capitalization of Lotus Bakeries amounted to EUR 749.21 million.

5 | EVOLUTION OF THE LOTUS BAKERIES SHARE

The graph on page 48 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 3 and 47 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.

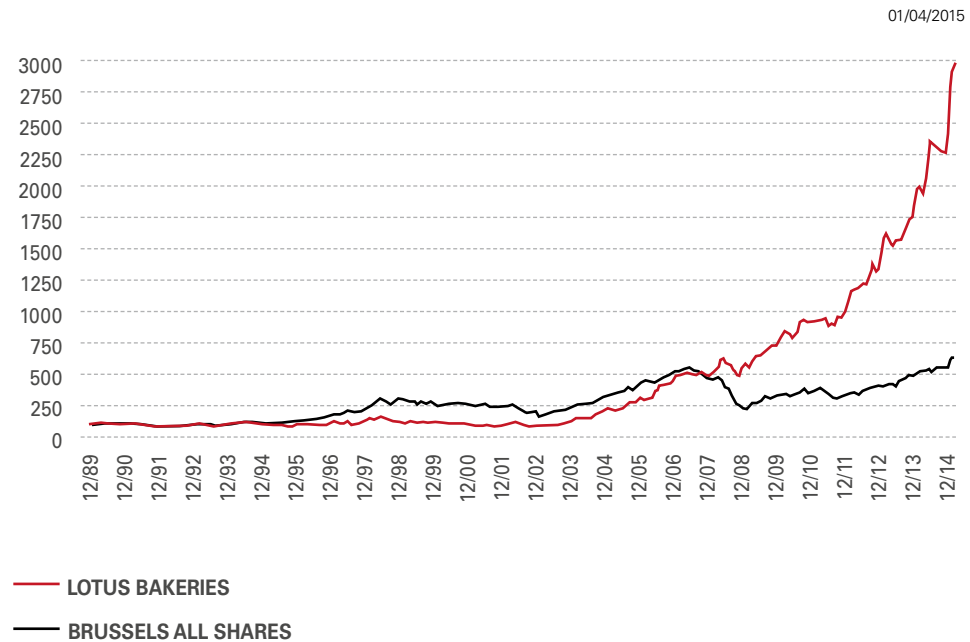
STOCK DATA ABOUT THE LOTUS BAKERIES SHARE

in EUR	2015	2014	2013	2012	2011	2010
Highest price till 31/03 in 2015	1,299.00	989.95	725.00	615.00	423.00	411.50
Lowest price till 31/03 in 2015	926.10	711.00	555.00	407.00	325.00	310.00
Price per 31/12 - per 31/03 in 2015	1,220.00	933.00	713.63	555.00	416.00	404.94
Market capitalization per 31/12 - per 31/03 in 2015 in millions of EUR	979.68	749.21	567.42	432.70	321.40	312.84
Number of shares per 31/12 - per 31/03 in 2015	803,013	803,013	795,113	779,643	772,563	772,563
Ratio price/earning (PER) ⁽¹⁾	26.64	20.37	20.32	16.81	13.50	13.56
Ratio price/cash flow (PCF) ⁽²⁾	16.28	12.45	12.50	10.07	8.83	8.20

(1) PER: Price Earnings Ratio: The price at the end of the year (per 31 March in 2015 respectively) divided by net result, per share at the end of the year.

(2) PCF: Price Cash Flow Ratio: The price at the end of the year (per 31 March in 2015 respectively) divided by net cash flow, per share at the end of the year.

EVOLUTION OF THE LOTUS BAKERIES SHARE IN COMPARISON TO THE BASR-INDEX



Both share evolutions are with reinvested net dividend.

8 | FINANCIAL CALENDAR

Wednesday 8 April 2015

Annual review 2014 available on
www.lotusbakeries.com

Friday 8 May 2015

Ordinary and Extraordinary General Meeting of
Shareholders at 4.30 p.m.

Monday 18 May 2015

Payment of dividend for the 2014 financial year

Monday 24 August 2015

Announcement of the half-year results for 2015

Friday 12 February 2016

Announcement of the year results for 2015

Friday 13 May 2016

Ordinary General Meeting of Shareholders

9 | AGENDA OF THE ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 8 MAY 2015

1. Reading and discussion of the statutory and consolidated annual reports of the Board of Directors with respect to the financial statements of the company for the year ending 31 December 2014.
2. Reading and discussion of the statutory and consolidated audit reports of the Statutory Auditor with respect to the above-mentioned financial statements of the company for the year ending 31 December 2014.
3. Approval of the company's financial statements closed as of 31 December 2014 and allocation of the results as detailed on page 31. Taking note of the consolidated financial statements as of the same date.
4. Discharge of directors.
5. Discharge of the Statutory Auditor.
6. Approval of the remuneration report concerning the financial year of the company ended on 31 December 2014.
7. Renewal of the term of office as director of Sabine Sagaert BVBA, represented by its permanent representative Ms Sabine Sagaert.
8. Taking note of the resolution of the Board of Directors dd. 12 February 2015 to relocate the company's registered office to the present address, and amendment of article 2, first sentence of the Coordinated Articles of Association dd. 9 May 2014
9. Renewal of the empowerment in article 18/bis of the Coordinated Articles of Association dd. 9 May 2014 with regard to the authorization of the Board of Directors to acquire shares of the company in the event of a threat of serious and imminent harm to the company.
10. Taking note of the reasoned report of the Board of Directors prepared in accordance with Article 604, second paragraph read together with Article 607 of the Companies Code regarding the renewal of the authorization of the Board of Directors within the framework of the authorized capital as mentioned in items 11 and 12 below.
11. Renewal of the empowerment given in transitional provision B, a) of the Coordinated Articles of Association dd. 9 May 2014 concerning the authorization of the Board of Directors to increase the issued share capital in one or more instalments up to a specified maximum amount.
12. Renewal of the empowerment given in transitional provision B, b) of the Coordinated Articles of Association dd. 9 May 2014 concerning the authorization of the Board of Directors to increase the issued share capital in the event of a public takeover bid.
13. Empowerment to the Board of Directors to implement the decisions taken.
14. Power of attorney for the coordination of the articles of association.

The agenda, including the proposed resolutions, can be consulted on www.lotusbakeries.com/corporate/investor-relations/doclist/shareholder-meetings.

Situation May 2015

EXECUTIVE COMMITTEE

Jan Boone	Chief Executive Officer
Jan Vander Stichele	Executive Director
Isabelle Maes	Chief Financial Officer
John Van de Par	Chief Operating Officer

CORPORATE DEPARTMENTS

Corporate Finance

Michiel Bloemen	Corporate Controlling & Reporting
Denis Pieters	Consolidation
Joseph Bultynck	Corporate Treasury

Global Brand & Customer Development

Twan Thorn	Global Brand & Customer Development
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Corporate HR

Katia Dobbelaere	HR International & Corporate Departments
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Corporate ICT

Tom De Corte	ICT
Monique Huijsmans	Enterprise Content Management
Thierry Polfliet	IT Service Delivery
Cindy Storme	SAP Operations
Patrick Van Cleemput	SAP Administrative Solutions

Legal, IP & Corporate Communication

Sofie Dumarey	General Counsel
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Corporate Services Operations

Roel de Jong	Corporate Procurement Raw Materials
Etienne Geirnaert	Food law & Nutrition
Els Rutsaert	Quality
Xavier Speeleveld	Corporate Procurement Packaging
Els Van Parys	Research & Development
Dirk Verstraeten	Engineering Services Building & Facilities

COUNTRIES AND AREAS

Belgium

William Du Pré	General Manager Belgium
Pascal Deckers	Category Development
Sabien Dejonckheere	Marketing
Els De Smet	Sales
Jos Destrooper	Finance & Group HR
Hein Bonte	Controlling
Charlotte Castele	Head of Accounting 'Shared Service Center'
Mia Desmet	Human Resources
Katja Maerschalc	Controlling
Filip Vanthienen	Customer Brand Business
Ivo Vermeiren	Operations
Yves Boisdenghien	Plant Courcelles
Johan Claerhout	Logistics
Christophe Laureys	Plant Oostakker
Dries Mermuys	Plant Eeklo
Eddy Thijs	Engineering Services
	Equipment & Automation
Jean-Paul Van Hoydonck	Plant Lembeke
Bart Vanterwyngen	Plant Meise

Netherlands

René Groen	General Manager Netherlands
Leon Broer	Marketing
Nathalie Lambrechts	Sales
Dick Pouwels	Supply chain & NPD
Mattias Andersson	Plant Tyresö
Michel Boelen	Plant Sintjohannesga
Rik Houtman	Plant Enkhuizen
Marloes Kramer	Plant Geldrop
Annelies Santens	HR, Finance & Administration

France

Ignace Heyman	General Manager France
Virginie Catteau	Human Resources
Christine Franssen	Marketing
Jean-Philippe Kloutz	Sales
Lucie La Folie	Finance & Administration
Ludovic Valente	Operations
Marc Berger	Plant Briec-de-l'Odé

Sales Offices Europe

Han van Welie	General Manager Sales Offices Europe
Martin Birrer	Switzerland
Paul Hunter	United Kingdom & Ireland
Pelle Karlson	Nordics
Ton Kooi	Central Europe / Germany & Austria
Tomáš Zborílek	Czech Republic/Slovakia
Alfonso Oña Vazquez	Ibérica

Americas

Michael Bannister	General Manager Americas
Michelle Singer	Sales & Marketing
Johan Wilms	Finance & Supply Chain
Angel López	Latin America

International Distributors

Bart Bauwens	General Manager International Distributors
Martin-Frederic Eeckhout	South Europe/Middle East/Africa
Alexander van Assouw	Europe

China

Ronald Drieduite	General Manager China
Suzanne Gong	Marketing
Jeff Wu	Sales

7

FINANCIAL STATEMENTS



In this section of the 2014 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 all the financial data, including the consolidated external Auditor's report, and is available in Dutch and English.

The consolidated financial statements for 2014 shown hereafter have been prepared in accordance with IFRS rules as adopted by the EU with comparative IFRS figures for 2013.

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 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 BALANCE SHEET

in thousands of EUR

ASSETS

	31-12-14	31-12-13
Non current assets	263,881	262,729
Tangible assets	137,569	136,489
Goodwill	46,135	46,517
Intangible assets	74,674	75,744
Investment in other companies	22	27
Deferred tax assets	5,275	3,859
Other non current assets	206	93
Current assets	73,108	71,375
Stocks	17,898	16,665
Trade receivables	38,804	36,036
VAT receivables	3,333	3,721
Income tax receivables	421	1,707
Other amounts receivable	112	402
Cash and cash equivalents	11,855	11,933
Deferred charges and accrued income	685	911
TOTAL ASSETS	336,989	334,104
EQUITY AND LIABILITIES		
Equity	200,629	171,375
Share Capital	13,190	11,246
Retained earnings	196,147	167,099
Treasury shares	(9,419)	(9,442)
Other reserves	656	2,414
Non-controlling interests	55	58
Non-current liabilities	39,506	43,984
Interest-bearing loans and borrowings	325	7,925
Deferred tax liabilities	34,905	32,687
Pensions	3,558	2,793
Provisions	661	574
Other non-current liabilities	57	5
Current liabilities	96,854	118,745
Interest-bearing loans and borrowings	41,144	62,337
Pensions	56	56
Provisions	56	1,209
Trade payables	33,309	34,249
Remuneration and social security	12,357	12,525
VAT payables	126	750
Tax payables	7,097	4,376
Derivative financial instruments	10	70
Other current liabilities	147	279
Accrued charges and deferred income	2,552	2,894
TOTAL EQUITY AND LIABILITIES	336,989	334,104

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in thousands of EUR

	2014	2013
Turnover	347,890	332,319
Raw materials, consumables and goods for resale	(104,430)	(111,425)
Services and other goods	(96,483)	(87,259)
Personnel costs	(78,888)	(78,900)
Depreciation and amortization on formation expenses, intangible and tangible assets	(14,845)	(13,290)
Amounts written off stocks, contracts in progress and trade debtors	(1,819)	(869)
Other operating charges	(4,034)	(2,636)
Other operating income	2,042	3,431
Recurrent operating result (REBIT) ⁽¹⁾	49,433	41,371
Non-recurrent operating result	(261)	(3,655)
Operating result (EBIT) ⁽²⁾	49,172	37,716
Financial result	16	(1,740)
Financial income	5,402	2,576
Financial charges	(5,386)	(4,316)
Result before taxes	49,188	35,976
Taxes	(12,415)	(8,057)
Result after taxes	36,773	27,919
NET RESULT	36,773	27,919
Net result: non-controlling interests	(2)	(1)
Net result: Group share	36,775	27,920
Other comprehensive income:		
Items that may be subsequently reclassified to profit and loss	(1,194)	(581)
Currency translation differences	(1,194)	(610)
Financial instruments	-	29
Items that will not be reclassified to profit and loss	(564)	409
Defined benefit plans	(564)	409
Other comprehensive income for the year	(1,758)	(172)
Total comprehensive income for the year	35,015	27,747
Total comprehensive income for the year attributable to:		
Non-controlling interests	(2)	(1)
Equity holders of Lotus Bakeries	35,017	27,748
Earnings per share		
Weighted average number of shares	778,944	764,828
Basic earnings per share: Group share (EUR)	47.21	36.50
Weighted average number of shares after effect of dilution	796,420	787,170
Diluted earnings per share: Group share (EUR)	46.18	35.47
Total number of shares ⁽³⁾	803,013	795,113
Earnings per share: Group share (EUR)	45.80	35.11

CONSOLIDATED FINANCIAL STATEMENTS

(1) REBIT is defined as the recurrent operating 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.



CONSOLIDATED BALANCE SHEET

in thousands of EUR	2014	2013	2012	2011	2010
Non current assets	263,881	262,729	214,154	184,861	178,257
Tangible assets	137,569	136,489	109,064	95,052	90,233
Goodwill	46,135	46,517	25,960	25,710	25,670
Intangible assets	74,674	75,744	76,248	61,859	61,576
Deferred tax assets	5,275	3,859	2,691	2,045	637
Other non current assets	206	93	159	163	109
Current assets	73,108	71,375	56,461	53,025	46,474
Stocks	17,898	16,665	14,917	14,285	12,998
Trade receivables	38,804	36,036	29,751	26,305	23,360
Cash and cash equivalents	11,855	11,933	6,452	7,369	6,302
TOTAL ASSETS	336,989	334,104	270,615	237,886	224,731
Equity	200,629	171,375	145,206	126,760	109,795
Non-current liabilities	39,506	43,984	34,041	41,312	50,571
Interest-bearing loans and borrowings	325	7,925	-	6,632	17,902
Deferred tax liabilities	34,905	32,687	30,323	29,187	28,700
Current liabilities	96,854	118,745	91,368	69,814	64,365
Interest-bearing loans and borrowings	41,144	62,337	41,675	19,474	19,319
Trade payables	33,309	34,249	30,886	29,430	23,509
Remuneration and social security	12,357	12,525	10,792	10,690	9,081
TOTAL EQUITY AND LIABILITIES	336,989	334,104	270,615	237,886	224,731

CONSOLIDATED INCOME STATEMENT

in thousands of EUR	2014	2013	2012	2011	2010
Turnover	347,890	332,319	288,455	275,598	264,823
Recurrent operating result (REBIT)	49,433	41,371	36,680	36,363	34,955
Non-recurrent operating result	(261)	(3,655)	(1,953)	(2,695)	(874)
Operating result (EBIT)	49,172	37,716	34,727	33,668	34,081
Financial result	16	(1,740)	(1,569)	(688)	(2,960)
Result before taxation	49,188	35,976	33,158	32,980	31,121
Income taxes	(12,415)	(8,057)	(7,408)	(9,165)	(8,055)
Result after taxation	36,773	27,919	25,750	23,815	23,066
Results from discontinued operations	-	-	-	-	-
NET RESULT	36,773	27,919	25,750	23,815	23,066
Net result: non-controlling interests	(2)	(1)	13	13	11
Net result: Group share	36,775	27,920	25,737	23,802	23,055



8 | GENERAL INFORMATION

REGISTERED OFFICE

Lotus Bakeries NV
Gentstraat 1
B- 9971 Lembeke

Tel.: + 32 9 376 26 11
Fax: + 32 9 376 26 26
www.lotusbakeries.com

Register of legal persons of Ghent,
Enterprise number 0401.030.860

ANNUAL REVIEW

This annual review is also available on the
internetsite: 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 original
Dutch annual review will prevail.

Contact

For further information about the data of the
annual review or more information
about the Lotus Bakeries Group, please contact:
Sofie Dumarey
Corporate Secretary
Gentstraat 1
9971 Lembeke
Tel.: + 32 9 376 26 11
Fax: + 32 9 376 26 26
sofie.dumarey@lotusbakeries.com

Colofon

Concept and realization:
Blue Matters BVBA
www.bluematters.be

Translation
Lomax BVBA



CARE FOR TODAY

Respect for
tomorrow





CARE FOR TODAY

Respect for tomorrow

FROM ITS GENESIS TILL TODAY

Corporate Social Responsibility. This has been of paramount importance to Lotus Bakeries right from when the company was founded in 1932. Care for our products, our environment, our partners, our employees and our consumers is part of our DNA. It is also our way to offer a company an attractive today and an equally attractive tomorrow, and to enable our consumers to enjoy fully our superb range, both today and tomorrow.

In recent years, the company has pursued a policy based on four pillars: people, environment, society and employees. These form the starting point for our own 'Care for today - Respect for tomorrow' programme.

Care and respect are crucial. They line up entirely with our long-term vision. Care and respect represent our underlying

conviction of how we should conduct our business.

In last year's report we already indicated that we would be continuing on this path. We have worked very carefully with the latest version of the Global Reporting Initiative (GRI), supplemented by the G4 Sector Disclosure for food processing. GRI-G4 is today seen as the international reporting standard for non-financial information.

Simultaneously we tested the sustainability objectives in the 'Care for today - Respect for tomorrow' programme with representatives of our stakeholders.

In the diagram opposite below we group our key stakeholders, selected based on the stakeholder's importance for Lotus Bakeries and the influence the stakeholder can in turn exercise on Lotus Bakeries.

In fact, this dialogue with our stakeholders is something we do every day. We are constantly consulting with colleagues, customers, suppliers....



Corporate social responsibility is like setting out on a journey, one that started already long ago. It is a journey we shall continue into the future. Since 1988 Lotus Bakeries has published every year an analysis of its financial results in its annual report. Today our ambition extends further. For this reason, in the specific context of our sustainability objectives, we prepared a questionnaire in which we asked representatives of our stakeholders how relevant and important they consider certain topics for Lotus Bakeries. In framing these questions, we took as our primary basis the GRI guidelines, both the basic guidelines and the specific 'Food Processing Guidelines'. To these we have added the topics from our 'Care for today - Respect for tomorrow' sustainability program, supplemented by information from the most recent trend analyses.

48 stakeholder representatives were interviewed, 45 of whom contributed either in interesting roundtables or in writing, at times with additional information provided by telephone.

During these discussions, the results were discussed with the stakeholders in order to assess the issues and to validate their

WHAT STAKEHOLDERS
CONSIDER IMPORTANT
FOR LOTUS BAKERIES

materiality for us as a company. This led to the positioning of a number of topics on the y-axis of the materiality matrix. We then discussed the same questionnaire in the Executive Committee, weighted by importance for Lotus Bakeries, plotting the key concerns, this time on the X axis. We also clustered a number of linked themes. The result of all this analysis work is the 'materiality matrix', indicating the topics that impinge on the strategies and objectives of Lotus Bakeries and its stakeholders.

The upper right frame displays the most important topics within the four pillars of our 'Care for today - Respect for tomorrow' programme (people 🧑, environment 🌿, society 🏘️, employees 👤).

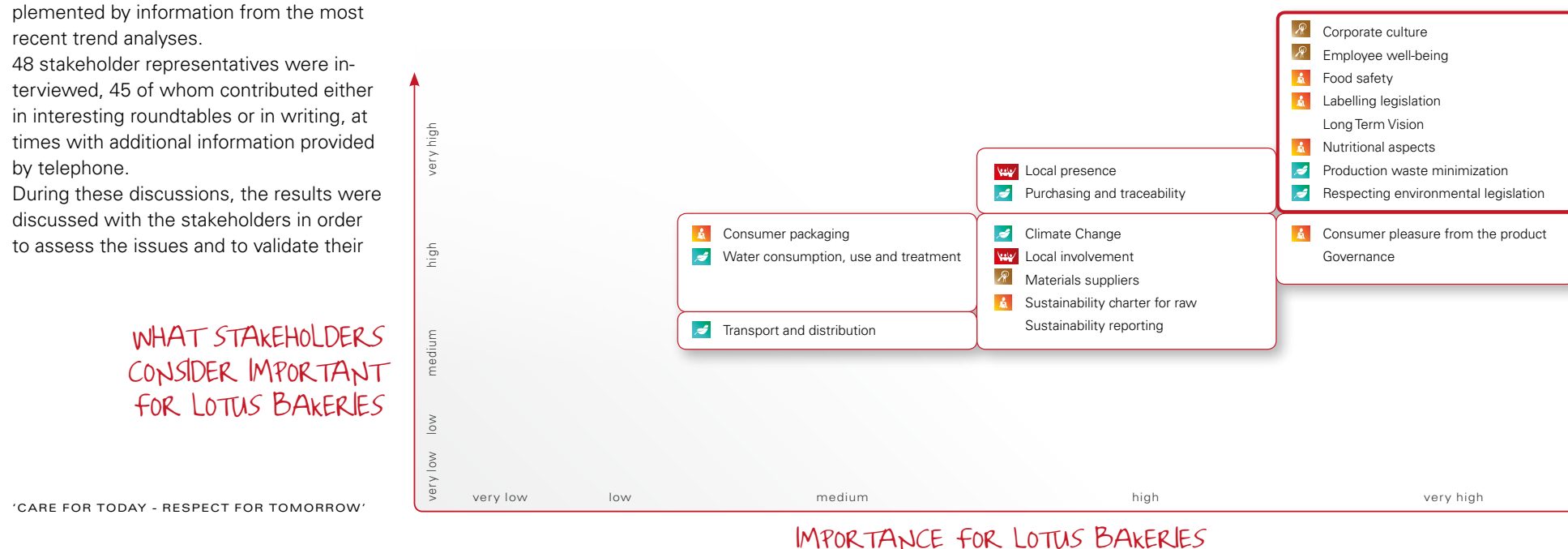
It has been a very intense process, with strong involvement of all participants. At the same time it remains an ongoing process, in which, when appropriate, we shall need to consider further steps.

Now we can already focus on the materiality matrix shown below. We are going to pay special attention to this, in order to be able to play our part and make a difference, a difference that through this approach we will now be better positioned to monitor, and which allows us to continue to grow in this maturation process.

And we are confident that together we shall be able to make this difference.

Thank you.

Jan Boone,
CEO, Lotus Bakeries





sustainability, the best ingredient

We want to Prepare each Lotus Bakeries Product in an increasingly sustainable manner. This sustainable approach also extends beyond production itself to people, the environment, and society, and our employees, all of whom we treat with care and respect.

'CARE FOR TODAY - RESPECT FOR TOMORROW'



PEOPLE



We shun no challenge in ensuring the most responsible way that consumers can enjoy products that have been sustainably produced by ourselves.

ENVIRONMENT



Nature provides us with all we need to prepare 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.

EMPLOYEES



Our motivated and committed colleagues enable us to make the difference. For this reason every employee deserves our respect.

PEOPLE



To ensure that every consumer can enjoy our products in full and as responsibly as possible, both today and in the future. That is what we strive for at Lotus Bakeries, every single day.

Enjoyment &
Health

'CARE FOR TODAY - RESPECT FOR TOMORROW'

Nutritional aspects

Our R&D department picks up the nutritional challenges on a daily basis, ensuring that the great majority of our raw materials are of natural origin and that virtually no colourings and flavourings are added.

Also good to know: Lotus Bakeries invests twice as much in R&D than the European food industry average.

We are constantly looking to reduce the salt, sugar and fat in our products. This we really achieve, whenever possible, with small recipe changes that importantly must not change the familiar taste of the product. On the use of fats: these are completely free of trans fatty acids. And more importantly, we are working all the time to reduce the levels of saturated fats.

But the most important thing is that the consumer can choose between a 'standard format' and a 'mini version'. They can already enjoy two formats of our original caramelized biscuits, frangipanes, Liège waffles, (Breton) madeleines, Jodekoeken, gingerbread and Snelle Jelle bars.



food safety

The quality of all Lotus Bakeries products is an absolute priority. All employees are heavily involved in the continuous pursuit of high quality products and processes, which are audited both internally and externally.

Lotus Bakeries has its own QMS⁽¹⁾ quality manual with specific procedures, instructions and controls. These are audited at agreed points in time by a specialist team of eight internal auditors. The goal: good compliance in the various operational units. In 2014, over 110 audit days were organized on-site.

We also bring in external auditors. In this way each production unit has at least one external audit certificate (IFS or BRC (high level)), a GMP⁽²⁾ certificate and, in addition, for the Belgian plants, the 'auto-control guide'.

Perfect hygiene in the workplace is vital. For this Lotus Bakeries has developed a sophisticated checklist with which we can measure - uniformly in each plant - hygiene and cleanliness in production and adjacent areas. Units are scored monthly and special initiatives agreed on. In this way we are working all the time to optimize hygiene in each plant.

Product traceability is essential for food safety. We need to know exactly when and with what ingredients each product was produced. In 2014, each plant again passed these controls with flying colours.

We also measure ourselves the quality of our products. For this we use our 'quality number' methodology, consisting of standardized (visual and analytical) checks on products and packaging. At the same time our trained taste panels regularly undertake sensory and organoleptic evaluations of the products.

Any consumer complaints are registered in a uniform manner, answered and followed up. From these complaints we always try to draw as much information as possible in order to avoid potential problems in the future.

All this is intended to guarantee to our consumers that at all times we offer them the Lotus Bakeries products in optimal conditions.



(1) QMS : Quality Management System

(2) GMP : Good Manufacturing Practices



Labelling LegisLation

At the end of 2014, the new European FIC ⁽³⁾ foods labelling legislation came into force, aimed at better consumer information, including about allergens and the composition of fats and certain other ingredients. Lotus Bakeries met the requirements of this legislation long before it became mandatory.

Consumers like very much to know what they are putting into their shopping cart. We also take this into account. In Europe we mention - voluntarily - the extended RI values ⁽⁴⁾ on our packaging. On our website consumers can find appropriate responses to questions concerning allergens and specific ingredients in our products.

	100 g	1 mini frangipane 32,5 g	%*
Energie/Brennwert	1867 kJ/446 kcal	607 kJ/145 kcal	7 %
Vetten/Matières grasses/Fett waarvan verzadigd/dont saturées/davon gesättigte Fettsäuren	23,6 g 10,7 g	7,7 g 3,5 g	11 % 17 %
Koolhydraten/Glucides/Kohlenhydrate waarvan suikers/dont sucres/davon Zucker	54,3 g 32,2 g	17,7 g 10,5 g	7 % 12 %
Vezels/Fibres alimentaires/Ballaststoffe	0,9 g	0,3 g	
Eiwitten/Protéines/Eiweiß	4,6 g	1,5 g	3 %
Zout/Sel/Salz	0,63 g	0,21 g	3 %

1 mini
frangipane
607 kJ
145 kcal
7%*
100g
1867 kJ/446 kcal

(3) FIC: Food Information to Consumer

(4) RI: Reference Intake

ECOLOGICAL Right Down the Line

0%

definitively lost waste

When it comes to respect for the environment, Lotus Bakeries leaves nothing to chance. Our energy consumption is precisely measured for achieving our objective of using each year 2% less energy per kilogram produced (ref. year 2011). In recent years we have met this objective.

ENVIRONMENT



DID YOU KNOW?

That Lotus Bakeries is working on a 'sustainability agreement' with its suppliers aimed at encouraging them to work towards a better environment and to commit to fair and ethical working conditions.

We want to limit our carbon footprint as much as possible. Since 2012, all the electricity we use is CO₂ neutral. The efforts we have made over the last three years are now producing an attractive drop in CO₂ emissions per kilogram of product produced.

Another way we protect nature is by limiting our water consumption. In fact water consumption in our processes is already low. In our processes we use rain and well water as far as possible. In addition, waste water is optimally treated.

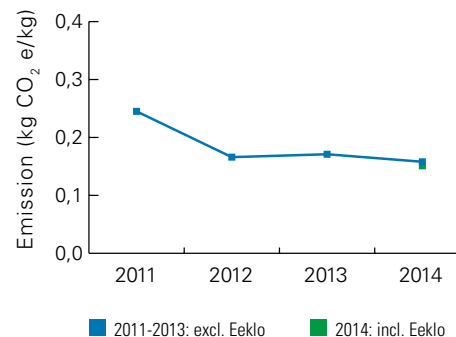
It goes without saying that we scrupulously comply with all environmental regulations. Here we underwent various controls in 2014. We received only one observation from the controlling authority, for which we are now taking the necessary actions.

Talking of waste, nothing at Lotus Bakeries is finally lost. We sort as far as we can for optimal re-use. A careful segregation of waste streams allows us to reuse a maximum of production waste as animal feed.

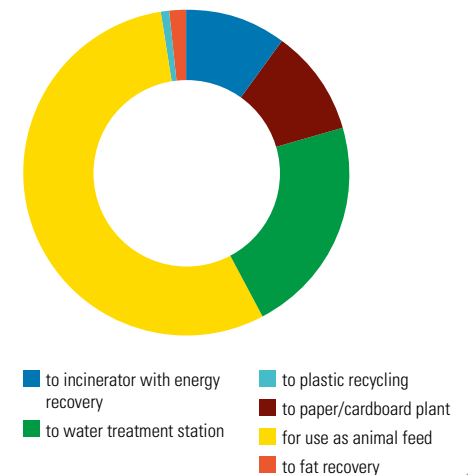
The figure below shows that none of all our external waste is 'definitively' lost.

This sustainable approach we also apply right through our entire production process. We use only non-genetically modified raw materials that are grown and produced as sustainably as possible.

Evolution emissions (scope 1,2) per kg produced



Overview of external waste flux



With respect for nature

WHAT IS THE LATEST STORY ABOUT PALM OIL?

Palm oil is obtained by hot pressing the pulp of the palm fruit, a process that is more than 10,000 years old. Palm oil is next to rapeseed oil, the main vegetable oil in our margarines.

Palm oil is not per se environmentally damaging, but the intensification and expansion of plantations can have environment consequences. We have in mind here deforestation, especially in Malaysia and Indonesia.

For this reason, a few years ago the RSPO (5) was set up, in which all production chain players commit to produce palm oil in a responsible manner, to end deforestation and to support local economic development.

As a member of the RSPO, Lotus Bakeries started in September 2011 using 'GreenPalm'-certificates, so as to support the sustainable palm oil production according to the Book & Claim principle.

Since May 2014 all palm oil that Lotus Bakeries buys directly for its own margarine factory is 100% RSPO segregated. This is the highest sustainability level in the RSPO certification and represents full traceability back to the plantation. All other sustainable palm oil (found in some margarines and ingredients we purchase externally) is at least at the RSPO Mass Balance level.

In the course of 2015, these remaining 5% of the total have to be 100% RSPO segregated.

Lotus Bakeries fully endorses the principles of using traceable palm oil that cannot be associated with deforestation, peat bog clearing and human exploitation.

For this reason we have set a target of achieving, in close cooperation with our suppliers, full traceability back to plantation level by the end of 2015. The goal is to ensure that all relevant suppliers can guarantee that the palm oil they buy is unassociated with deforestation, peat bog clearing and exploitation.



(5) RSPO: Round table for Sustainable Palm Oil

A background image showing three young girls of diverse ethnicities looking intently at a globe. The girl on the left is a young Black girl with her hair in a bun. The girl in the middle is a young Hispanic girl with a white flower hair clip. The girl on the right is a young white girl. They are all focused on the globe, which is partially visible on the right side of the frame. The image is framed with white curved borders.

SOCIETY



Sustainability means more for Lotus Bakeries than just environmental friendliness. For us, there is also a social aspect that is inextricably bound up with this. Put in other words, we are **aware of our role in** society.

This role we fulfil in the first place at the local level, where we are present with our production plants and sales organizations.

For years **we have supported various social (development) projects, activities and organizations**, both locally and internationally.

Local initiatives

Sport and exercise are very important in our eyes. For this reason we regularly support local initiatives, where participants also enjoy our products. We also sponsor the various FC Lembeke football teams.

Special Olympics

2014 was also the year of the Special Olympics Summer Games in Antwerp. Lotus Bakeries developed special packaging in support of these 'Games of the Heart', and a special action with some 13 million 'personalized' biscuits.

Internationally, we support various social (development) activities and organizations, preferably those where there is a link to nutrition.

Through 'Entrepreneurs for Entrepreneurs' we have after 11 years completed the attractive 'Boat to Kinshasa' project. The related investment in road and water infrastructure, coupled with training of farmers and partner organizations, means that today over 5,500 families in and around the Mai Ndombe lakes district can better provide for their own needs.

Meanwhile, we are supporting two new projects:

- In Tanzania we are training young start-up entrepreneurs in the food industry
- In Bolivia, we are developing a program to promote quinoa growing and the processing of quinoa to biscuits



OUR RESPONSIBILITIES,
today & tomorrow

OUR PEOPLE show FULL commitment, and so do we

Lotus Bakeries wants to be a committed employer that offers its employees challenging work in a pleasant working environment. We realize this promise in four ways:

1

OUR 'TOP' CULTURE

We give high priority to team spirit, open dialogue and passion, and invest continuously in the development and the well-being of our people.



2

SAFETY

To work safely is to work well. '**Safety first**' is therefore a top priority theme.



3 COMMUNICATION

Involving our people maximally in our activities calls for open, clear communication. Our people are kept rapidly updated by our managers, and via departmental and workfloor meetings and communications platforms.

4 DEVELOPMENT

Investing in all our employees is good for the whole company. This is something we experience every day, because our people set to work with passion and commitment. And we want to keep it like that into the future by continuing to offer **training, coaching** and **'on the job' learning**.

EMPLOYEES

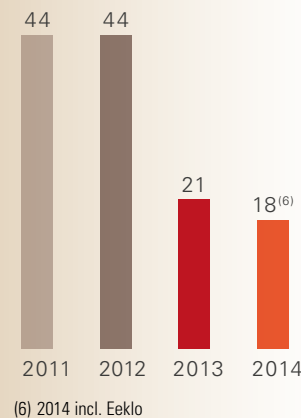


DID YOU KNOW?

Lotus Bakeries operates a 'code of principles' aimed at a fair and ethical work environment.

These principles apply to everyone, in every country, at every level and in every workplace

Number of work accidents per year



This result reflects in particular the increased attention to all aspects of safe working. All managers and team members are involved in this right through the organization. In everything we do, the safety aspect is prominent.

An inbuilt 'safety reflex' has come into being. We maintain our priority focus on increased safety.



Take Care week

An enthusiastic working group (members from the Belgium area and corporate departments), organized 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 2014, the emphasis on Monday was on our products 🍪, on Tuesday on the environment 🌿, on Wednesday on society 🧑🏻 and on Thursday on employees 👤.

The various testimonials indicate the extent of the impact in the various facilities in Belgium.

Each day included daily reporting Take Care mail, the Take Care boards at the plant entrance and the Take Care Link page. A week in which every employee worked on sustainability.



PATRICK "The electric bicycle makes it possible to cycle to and from work. I'm happy the company supports us with charging points."

'CARE FOR TODAY - RESPECT FOR TOMORROW'



LOTUS: CREATIVITY WITH ORIGINAL CARAMELIZED BISCUITS

EVELIEN "In R&D, we develop new products, but during the Take Care week we put a smile on our colleagues' faces with our caramelized biscuit cake and smoothie."



MARINA "I cycle to work every day. During the Take Care week it was beautiful weather and it was great to see how many cyclists we were."



15 september PEOPLE

We do everything possible to ensure that consumers can enjoy our products which have been sustainably produced, in a responsible way. This day the R&D department showed the developments that have already been implemented.

16 september ENVIRON- MENT



CO₂, waste, energy, ... We want to keep our ecological footprint as small as possible. On 16 September we organized a car-free day. Each plant's car parks had to be as empty as possible. Walking shoes were taken off the shelf, bicycle tires inflated and colleagues living nearby invited to carpool. Each participant went home with a gadget.



BULLETIN BOARD IN ECKLO



KRIS "The Take Care week got people moving. On a sunny day dozens of colleagues went rambling through the green surroundings of Lembeke."



17 september SOCIETY

September was also the month of the Special Olympics, the Olympics for athletes with mental disabilities. Lotus Bakeries played an active part and on this day we focused on this event.



18 september EMPLOYEES

TOP values, communication, development, health and safety were the key words for this day with information and activities focused on stopping smoking, exercise moments, a "working with Lync" workshop ... etc.

VISIT TO SHELTERED WORKSHOP



SPECIAL OLYMPICS



BICYCLE ROLLERS AT EEKLO



JEFFREY "The Take Care week in Eeklo was centred on cycling on rollers. On being the fastest, but sometimes in fancy dress and then the craziest! Yes, I won the competition, but the real winners were team spirit and fun."



FRUIT

NELE "Since the Take Care week, we have offered our employees various fruits twice a week. A healthy variety that is very much appreciated."



COMPUTERS IN CAMEROON

PATRICK "I'm pleased to see that the PCs and laptops that are collected here and formatted are still used. I also note that the South Cluster voluntary association is very grateful to Lotus Bakeries."



ERGONOMICS AT COURCELLES

LINDA "During the Take Care week we received joint training in ergonomic lifting and raising. Tips & tricks that I still use daily."



INDEPENDENT LIMITED ASSURANCE REPORT ON CARE FOR TODAY – RESPECT FOR TOMORROW SECTION OF THE ANNUAL REPORT 2014 OF LOTUS BAKERIES AND ITS SUBSIDIARIES

This report has been prepared in accordance with the terms of our engagement contract dated 26 February 2015, 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 2014 in the accompanying Annual Report 2014 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:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the information and data presented in the Subject Matter Information;
- conducting interviews with responsible officers;
- inspecting internal and external documents.

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 2014 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 2014 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.

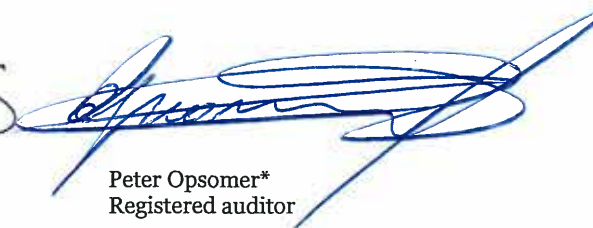
Sint-Stevens-Woluwe, 2 April 2015

PwC Bedrijfsrevisoren bcvba
Represented by



Marc Daelman*
Registered auditor

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



Peter Opsomer*
Registered auditor

*Peter Opsomer BVBA
Board Member, represented by its fixed
representative, Peter Opsomer

GRI - G4 REPORTING		IN ACCORDANCE - OPTIE "CORE"			
Strategy and analysis		where in AR 2014	*	**	***
G4-1	Statement from the CEO about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	p. 62-63			✓
G4-2	Description of key impacts, risks, and opportunities	p. 27-28; p. 42-44; p. 62-63			✓
Organizational Profile		where in AR 2014	*	**	***
G4-3	Name of the organization	frontpage			✓
G4-4	Primary brands, products, and services	p. 13-14; p. 21-24			✓
G4-5	Location of the organization's headquarters	p. 59			✓
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations	p. 14-16			✓
G4-7	Nature of ownership and legal form	p. 33-34			✓
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	p. 19-23			✓
G4-9	Scale of the organization, including number of employees, number of operations, net sales, total capitalization broken down in terms of debt and equity, quantity of products or services provided	p. 11; p. 25-26; p. 53-55; p. 57			✓
G4-10	Workforce	p. 25; p. 50-51		(note 1)	✓
G4-11	Percentage of total employees covered by CBA (collective bargaining agreements)	> 90%		(note 2)	✓
G4-12	Organization's supply chain	p. 14		(note 3)	✓
G4-13	Changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	p. 4-5; p. 19-23			✓
G4-14	Precautionary approach or principle= approach taken to address potential environmental impacts	p. 42-44			
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives	p. 61-84			
G4-16	Memberships of associations	p. 35			
Identified Material Aspects and Boundaries		where in AR 2014	*	**	***
G4-17	All entities included in the organization's consolidated financial statements	p. 14-16, part 2			✓
G4-18	Process for defining the report content and the Aspect Boundaries, Explain how the organization has implemented the Reporting Principles for Defining Report Content	p. 62-63			✓
G4-19	Material Aspects identified in the process for defining report content	p. 62-63			✓
G4-20	Aspect Boundary within the organization	p. 62-63			
G4-21	Aspect Boundary outside the organization	p. 62-63			
G4-22	Restatements of information provided in previous reports	p. 3; p. 7; p. 19-28; p. 31			
G4-23	Changes from previous reporting periods in the Scope and Aspect Boundaries	p. 62-63			✓

Stakeholder Engagement		where in AR 2014	*	**	***
G4-24	List of stakeholder groups engaged by the organization	p. 62	●		✓
G4-25	Basis for identification and selection of stakeholders with whom to engage	p. 62-63	●		✓
G4-26	Approach to stakeholder engagement	p. 62-63	●		✓
G4-27	Key topics and concerns that have been raised through stakeholder engagement	p. 62-63	●		✓
Report Profile		where in AR 2014	*	**	***
G4-28	Reporting period	year 2014	●		✓
G4-29	Date of most recent previous report	year 2013, 09/04/2014	●		✓
G4-30	Reporting cycle	yearly	●		✓
G4-31	Contact point for questions regarding the report or its contents	Jan Vander Stichele	●		✓
G4-32	In accordance, GRI Content Index, External Assurance	p. 78-79; p. 80-84	●		✓
G4-33	Policy and current practice with regard to seeking external assurance for the report	p. 78-79	●		✓
Governance		where in AR 2014	*	**	***
G4-34	Governance structure	p. 33-44	●		✓
G4-35	Delegating authority for economic, environmental and social topics to senior executives and other employees	p. 38-39	●		✓
G4-36	Executive-level position	p. 39	●		✓
G4-38	Composition of the highest governance body and its committees	p. 35-37	●		✓
G4-39	Chair of the highest governance body is also an executive officer	p. 35-36	●		✓
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	p. 38-39	●		✓
G4-51	Remuneration policies for the highest governance body and senior executives	p. 39-42	●		✓
G4-52	Process for determining remuneration	p. 39	●		✓
Ethics and Integrity		where in AR 2014	*	**	***
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	p. 9; p.74-75	●		✓

Legend

* how is it reported



** 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. 78-79)

Material Aspects		DMA and indicators					
CATEGORY	ECONOMIC			where in AR	*	comment	***
Long Term Vision		DMA (°/°°)	(° : very high/°° : very high)	p. 62-63			✓
		G4-EC1	Coverage of the organization's results, financial performance, taxes paid, dividends paid, investments, salaries	p. 18-45	●		✓
Sourcing and traceability		DMA (°/°°)	(° : high/°° : very high)	p. 62-63			✓
		FP1	Percentage of purchasing volume from suppliers compliant with the companies sourcing policy		○	we will start up analysis in 2015	
		FP2	Percentage of purchasing volume which is verified as being in accordance with credible, international recognised responsible production standards		○	we will start up analysis in 2015	
CATEGORY	ENVIRONMENTAL			where in AR	*	comment	***
Climate Change		DMA (°/°°)	(° : high/°° : high)	p. 62-63			✓
	Materials					Fost+, Eco-Emballages, Dutch covenant, ...	
	Energy						
		G4-EN3	Energy consumption within the organization	p. 70	◐	is expressed in total as our ambition to decrease YoY	✓
		G4-EN6	Reduction of energy consumption	p. 70	◐	is expressed in total as our ambition to decrease YoY	✓
	Emissions						
		G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1)	p. 70	◐	external report ⁽¹⁾ , disclosed in total and relative to production as this is the most relevant information	✓
		G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2)	p. 70	◐	external report ⁽¹⁾ , disclosed in total and relative to production as this is the most relevant information	✓
		G4-EN18	Greenhouse gas (ghg) emissions intensity		●	external report ⁽¹⁾	✓
		G4-EN19	Reduction of greenhouse gas (ghg) emissions	p. 70	◐	external report ⁽¹⁾ , disclosed in total and relative to production as this is the most relevant information	✓
		G4-EN20	Emissions of ozone-depleting substances (ods)	p. 70	●	external report ⁽¹⁾ , disclosed in total and relative to production as this is the most relevant information	✓
	Effluents and Waste						
		G4-EN22	Total water discharge by quality and destination	p. 70	◐	water discharge is limited, all waste water is treated	
		G4-EN23	Total weight of waste by type and disposal method	p. 70	◐	figures are presented relatively	✓
Environmental compliance		DMA (°/°°)	(° : very high/°° : very high)	p. 62-63			✓
		G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	0 euro	●		✓
CATEGORY	SOCIAL			where in AR	*	comment	***
SUB-CATEGORY: LABOR PRACTICES							
Employee well being		DMA (°/°°)	(° : very high/°° : very high)	p. 62-63			✓
	Occupational Health & Safety						

	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.75		100% on labor accidents ⁽²⁾ , no fatalities and no breakdown given the limited numbers	✓
Company culture	DMA (°/°°)	(° : very high/°° : very high)	p. 62-63			✓
Training & Education			p. 74		TOP-values	
	G4-LA9	Average hours of training per year and per gender, and by employee categorie			External training hours are registred in area Be, area Fr and Corporate (total : 5,758 hours)	✓
SUB-CATEGORY: HUMAN RIGHTS						
Sustainability charter suppliers raw materials	DMA (°/°°)	(° : high/°° : high)	p. 62-63			✓
Freedom of association collective bargaining						
	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. 70		100% for operations, for the "others" we will start ip analysis in 2015	
Child Labor						
	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. 70		we will start up analysis in 2015	
Forced or Compulsory Labor						
	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. 70		we will start up analysis in 2015	
SUB-CATEGORY: SOCIETY						
Community engagement	DMA (°/°°)	(° : high/°° : high)	p. 62-63			✓
Local Communities						
	G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	p. 72-73		100% on community engagement nearby our plants, for the "others" we will start up analysis in 2015	✓
Anti-corruption						
	G4-S04	Communication and training on anti-corruption policies and procedures	p. 42-43		100 % as included in the general directives	✓
Public Policy						
	G4-S06	Total value of political contributions by country and recipient/beneficiary	0 euro			✓
Compliance						
	G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	0 euro			✓
Animal Welfare						
	FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type			relevant animal welfare is limited to the bought eggs : 100% barn eggs	

SUB-CATEGORY: PRODUCT RESPONSIBILITY						
Food security & safety	DMA (°/°°)	(° : very high/°° : very high)		p. 62-63		✓
Customer Health and Safety						
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		p. 28; p. 67-68	●	
	FP5	External Quality-certification (HACCP, BRC, IFS, ACG)		p. 68	●	✓
Nutritional aspects	DMA (°/°°)	(° zeer hoog/°° zeer hoog)		p. 62-63		✓
Customer Health and Safety						
	FP6	Percentage of total sales volume of consumer products, by category, lowered in fat, trans fat, sodium, added sugars		p. 28; p. 67	○	internal development of most relevant KPI will be started in 2015
	FP7	Percentage of total sales volume of consumer products, by category, containing increased nutritious ingredients (fiber, vitamins, minerals, phytochemicals or functional food additives)		p. 28; p. 67	○	internal development of most relevant KPI will be started in 2015
Labelling regulation	DMA (°/°°)	(° : very high/°° : very high)		p. 62-63		✓
Product and Service Labeling						
	G4-PR3	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		p. 69	●	✓
Product's pleasure	DMA (°/°°)	(° : very high/°° : high)		p. 62-63		✓
Compliance						
	G4-PR5	Results of surveys measuring consumers satisfaction		p. 28; p. 68	◐	
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		0 euro	●	✓

Legend

* how is it reported

- fully
- ◐ partially
- not

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

*** external validation

✓ external assurance by PwC (p. 78-79)

references

- (1) according to the "Bilan Carbone"-methodology
- (2) accident is counted as accident if = a leave from work of minimum 24 hours



Colophon

Design and implementation
Blue Matters BVBA
in collaboration with Studio Lotus Bakeries
www.bluematters.be

Photos
Blue Matters BVBA
Foto davidplas.be