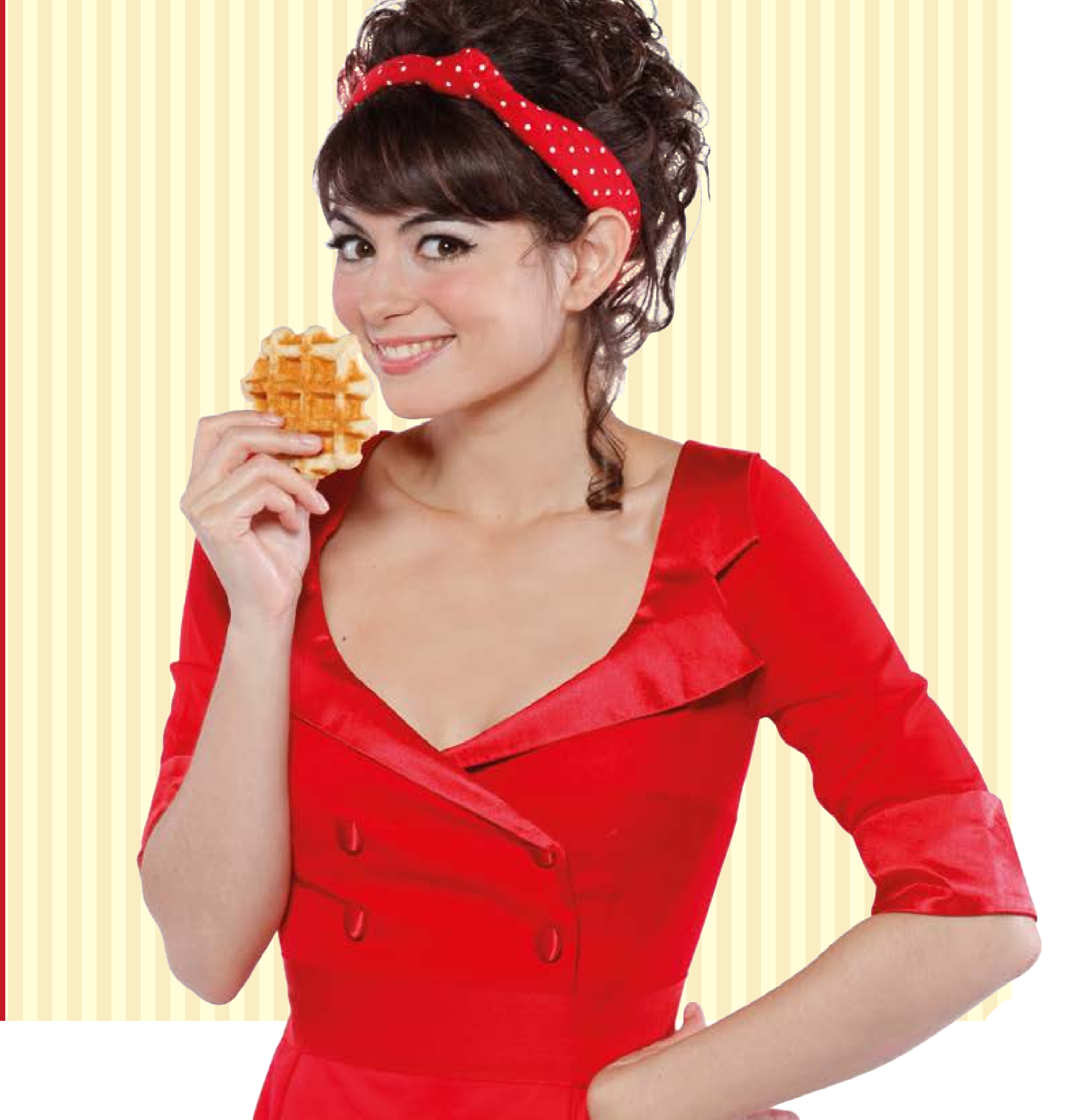
ANNUAL REVIEW
FINANCIAL SUPPLEMENT
2014



FINANCIAL SUPPLEMENT

The consolidated financial statements for 2014 shown below 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 Lotus Bakeries Group, the Board of Directors considers it appropriate to only present an abridged version of the statutory annual statements of Lotus Bakeries NV, in accordance with Article 105 of the Belgian Companies Code.

The full statutory annual 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 corporate website of Lotus Bakeries, www.lotusbakeries.com (Investor Relations) or can be obtained for free from the Corporate Secretary of Lotus Bakeries on simple request.

This financial supplement is a part of the 2014 annual review of Lotus Bakeries NV. This annual review is in two parts which are available on the Lotus Bakeries corporate website and also on simple request, separately and free of charge, from the Lotus Bakeries Corporate Secretary.

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

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

in thousands of EUR	NOTES	31/12/2014	31/12/2013
ASSETS			
Non current assets		**263,881**	**262,729**
Tangible assets	12	137,569	136,489
Goodwill	30	46,135	46,517
Intangible assets	11	74,674	75,744
Investment in other companies		22	27
Deferred tax assets	13	5,275	3,859
Other non current assets	15	206	93
Current assets		**73,108**	**71,375**
Stocks	16	17,898	16,665
Trade receivables	17	38,804	36,036
VAT receivables	17	3,333	3,721
Income tax receivables	17	421	1,707
Other amounts receivable	17	112	402
Cash and cash equivalents	19	11,855	11,933
Deferred charges and accrued income		685	911
TOTAL ASSETS		**336,989**	**334,104**

in thousands of EUR	NOTES	31/12/2014	31/12/2013
EQUITY AND LIABILITIES			
Equity		**200,629**	**171,375**
Share Capital	21	13,190	11,246
Retained earnings	14	196,147	167,099
Treasury shares	22, 25	(9,419)	(9,442)
Other reserves	14, 24	656	2,414
Non-controlling interests		55	58
Non-current liabilities		**39,506**	**43,984**
Interest-bearing loans and borrowings	20	325	7,925
Deferred tax liabilities	13	34,905	32,687
Pensions	24	3,558	2,793
Provisions	23	661	574
Other non-current liabilities		57	5
Current liabilities		**96,854**	**118,745**
Interest-bearing loans and borrowings	20	41,144	62,337
Pensions	24	56	56
Provisions	23	56	1,209
Trade payables	26	33,309	34,249
Remuneration and social security	26	12,357	12,525
VAT payables	26	126	750
Tax payables	26	7,097	4,376
Derivative financial instruments	26, 27	10	70
Other current liabilities	26	147	279
Accrued charges and deferred income	26	2,552	2,894
TOTAL EQUITY AND LIABILITIES		**336,989**	**334,104**

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in thousands of EUR	NOTES	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	6	(78,888)	(78,900)
Depreciation and amortization on formation expenses, intangible and tangible assets	7	(14,845)	(13,290)
Amounts written off stocks, contracts in progress and trade debtors	16, 17	(1,819)	(869)
Other operating charges	4	(4,034)	(2,636)
Other operating income	4	2,042	3,431
Recurrent operating result (REBIT) (1)		**49,433**	**41,371**
Non-recurrent operating result	8	(261)	(3,655)
Operating result (EBIT) (2)		**49,172**	**37,716**
Financial result	5	16	(1,740)
Financial income		5,402	2,576
Financial charges		(5,386)	(4,316)
Result before taxes		**49,188**	**35,976**
Taxes	9, 13	(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

in thousands of EUR	NOTES	2014	2013
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	24	(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 attibutable to:			
Non-controlling interests		(2)	(1)
Equity holders of Lotus Bakeries		35,017	27,748
Earnings per share	**10**		
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**

(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 STATEMENT OF CHANGES IN EQUITY

in thousands of EUR

	Issued capital	Share premium	Share Capital	Retained earnings	Treasury shares	Translation differences	Remeasurements of post employment benefit obligations	Hedging reserves	Other reserves	Equity - part of the group	Non-controlling interest	Total Equity
EQUITY as on 1 January 2013	**3,431**	**4,009**	**7,440**	**146,183**	**(11,061)**	**2,615**	**-**	**(29)**	**2,586**	**145,148**	**58**	**145,206**
Profit of the Financial Year	-	-	-	27,920	-	-	-	-	-	27,920	(1)	27,919
Currency translation differences	-	-	-	-	-	(610)	-	-	(610)	(610)	-	(610)
Remeasurements of post employment benefit obligations	-	-	-	-	-	-	448	-	448	448	-	448
Financial instruments	-	-	-	-	-	-	-	44	44	44	-	44
Taxes on items taken directly to or transferred from equity	-	-	-	-	-	-	(39)	(15)	(54)	(54)	-	(54)
Net income (expense) for the period recognised directly in equity	-	-	-	-	-	(610)	409	29	(172)	(172)	-	(172)
Total comprehensive income (expense) for the period	**-**	**-**	**-**	**27,920**	**-**	**(610)**	**409**	**29**	**(172)**	**27,748**	**(1)**	**27,747**
Dividend to shareholders	-	-	-	(7,641)	-	-	-	-	-	(7,641)	-	(7,641)
Increase in capital	68	3,738	3,806	-	-	-	-	-	-	3,806	-	3,806
Acquisitions/sale treasury shares	-	-	-	-	1,619	-	-	-	-	1,619	-	1,619
Share-based payments	-	-	-	296	-	-	-	-	-	296	-	296
Other	-	-	-	341	-	-	-	-	-	341	1	342
EQUITY as on 31 December 2013	**3,499**	**7,747**	**11,246**	**167,099**	**(9,442)**	**2,005**	**409**	**-**	**2,414**	**171,317**	**58**	**171,375**
Unavailable for distribution				31,791								
Available for distribution				135,308								
EQUITY as on 1 January 2014	**3,499**	**7,747**	**11,246**	**167,099**	**(9,442)**	**2,005**	**409**	**-**	**2,414**	**171,317**	**58**	**171,375**
Profit of the Financial Year	-	-	-	36,775	-	-	-	-	-	36,775	(2)	36,773
Currency translation differences	-	-	-	-	-	(1,194)	-	-	(1,194)	(1,194)	-	(1,194)
Remeasurements of post employment benefit obligations	-	-	-	-	-	-	(635)	-	(635)	(635)	-	(635)
Taxes on items taken directly to or transferred from equity	-	-	-	-	-	-	71	-	71	71	-	71
Net income (expense) for the period recognised directly in equity	-	-	-	-	-	(1,194)	(564)	-	(1,758)	(1,758)	-	(1,758)
Total comprehensive income (expense) for the period	**-**	**-**	**-**	**36,775**	**-**	**(1,194)**	**(564)**	**-**	**(1,758)**	**35,017**	**(2)**	**35,015**
Dividend to shareholders	-	-	-	(8,587)	-	-	-	-	-	(8,587)	-	(8,587)
Increase in capital	35	1,909	1,944	-	-	-	-	-	-	1,944	-	1,944
Acquisitions/sale treasury shares	-	-	-	-	23	-	-	-	-	23	-	23
Share-based payments	-	-	-	361	-	-	-	-	-	361	-	361
Other	-	-	-	499	-	-	-	-	-	499	(1)	498
EQUITY as on 31 December 2014	**3,534**	**9,656**	**13,190**	**196,147**	**(9,419)**	**811**	**(155)**	**-**	**656**	**200,574**	**55**	**200,629**
Unavailable for distribution				32,129								
Available for distribution				164,018								

Reserves are unavailable for distribution because of legal restrictions.

CONSOLIDATED
CASH FLOW STATEMENT

in thousands of EUR	2014	2013
Operating activities		
Net profit	36,775	27,920
Amortization of (in)tangible assets	15,308	13,290
Valuation allowances against current assets	1,819	869
Provisions	(940)	791
Capital loss on disposal of fixed assets	371	45
Financial income	(5,402)	(2,576)
Financial charges	5,386	4,308
Income taxes	12,415	8,057
Employee stock option plan	361	296
Non-controlling interests	(2)	(1)
Gross cash provided by operating activities	**66,091**	**52,999**
Decrease/(Increase) in inventories	(2,669)	(1,324)
Decrease/(Increase) in trade accounts receivable	(2,598)	(289)
Decrease/(Increase) in other assets	1,155	(1,301)
Increase/(Decrease) in trade accounts payable	91	(1,907)
Increase/(Decrease) in other liabilities	(1,580)	2,723
Change in operating working capital	**(5,601)**	**(2,098)**
Income tax paid	(7,731)	(7,470)
Interest paid	(779)	(888)
Other financial income and charges received/paid	664	(906)
Net cash provided by operating activities	**52,644**	**41,637**

	2014	2013
Investing activities		
(In)tangible assets - acquisitions	(17,779)	(30,106)
(In)tangible assets - other changes	116	505
Acquisition of a subsidiary	-	(33,028)
Financial assets - other changes	5	5
Cash flow from investing activities	**(17,658)**	**(62,624)**
Net cash flow before financing activities	**34,986**	**(20,987)**
Financing activities		
Dividends paid	(8,465)	(7,562)
Treasury shares	313	1,723
Increase (+)/Reimbursement (-) of capital	1,944	3,806
Receivings (+)/Reimbursement (-) of long-term funding	(15,100)	8,025
Receivings (+)/Reimbursement (-) of short-term funding	(13,693)	20,561
Receivings (+)/Reimbursement (-) of long-term receivables	(128)	79
Cash flow from financing activities	**(35,129)**	**26,632**
Net change in cash and cash equivalents	**(143)**	**5,645**
Cash and cash equivalents on January 1	11,933	6,452
Effect of exchange rate fluctuations	65	(164)
Cash and cash equivalents on December 31	11,855	11,933
Net change in cash and cash equivalents	**(143)**	**5,645**

1 | CONSOLIDATED COMPANIES

1.1 LIST OF CONSOLIDATED COMPANIES

	Address	VAT or national number	2014	2013
			%	%
A. Full consolidation				
Cremers-Ribert NV	Gentstraat 52, B-9971 Lembeke	VAT BE 0427.808.008	100,00	100,00
Interwaffles SA	Rue de Liège 39, B-6180 Courcelles	VAT BE 0439.312.406	100,00	100,00
Lotus Bakeries NV	Gentstraat 1, B-9971 Lembeke	VAT BE 0401.030.860	100,00	100,00
Lotus Bakeries Corporate NV	Gentstraat 1, B-9971 Lembeke	VAT BE 0881.664.870	100,00	100,00
Lotus Bakeries België NV	Gentstraat 52, B-9971 Lembeke	VAT BE 0421.694.038	100,00	100,00
Biscuiterie Willems BVBA	Nieuwendorpe 33 Bus C, B-9900 Eeklo	VAT BE 0401.006.413	100,00	100,00
B.W.I. BVBA	Ambachtenstraat 5, B-9900 Eeklo	VAT BE 0898.518.522	100,00	100,00
Lotus Bakeries Schweiz AG	Baarerstrasse 135, 6301 Zug	VAT CH 482 828	100,00	100,00
Lotus Bakeries CZ s.r.o.	Praag 3, Slezská 844/96, CZ-130 00 Praag	VAT CZ 271 447 55	100,00	100,00
Lotus Bakeries GmbH	Schumanstrasse 33, D-52146 Würselen	VAT DE 811 842 770	100,00	100,00
Biscuiterie Le Glazik SAS	Zone Industrielle 2, F-29510 Briec-de-l'Odet	VAT FR95 377 380 985	100,00	100,00
Biscuiterie Vander SAS	Place du Château BP 70091, F-59560 Comines	VAT FR28 472 500 941	100,00	100,00
Lotus Bakeries France SAS	Place du Château BP 50125, F-59560 Comines	VAT FR93 320 509 755	100,00	100,00
Lotus Bakeries UK Ltd.	3000 Manchester Business Park, Aviator Way, Manchester, M22 5TG UK	VAT GB 606 739 232	100,00	100,00
Lotus Bakeries Réassurances SA	74, Rue de Merl, L-2146 Luxembourg	R.C.S. Luxembourg B53262	100,00	100,00
Koninklijke Peijnenburg BV	Nieuwendijk 45, 5664 HB Geldrop	VAT NL003897187B01	100,00	100,00
Peijnenburg's Koekfabrieken BV	Nieuwendijk 45, 5664 HB Geldrop	VAT NL001351576B01	100,00	100,00
WK Koek Beheer BV	Streek 71, 8464 NE Sintjohannesga	VAT NL006634199B01	100,00	100,00
WK Koek Bakkerij BV	Streek 71, 8464 NE Sintjohannesga	VAT NL006634151B01	100,00	100,00
Enkhuizer Koekfabriek BV	Oosterdijk 3e, NL-1601 DA Enkhuizen	VAT NL823011112B01	100,00	100,00
Lotus Bakeries Nederland BV	Nieuwendijk 45, 5664 HB Geldrop	VAT NL004458953B01	100,00	100,00
Lotus Bakeries Asia Pacific Limited	Room 2302, 23rd floor, Caroline Centre, Lee Garden Two, 28 Yun Ping road, Hong Kong	Inland Revenue Department file no. 22/51477387	100,00	100,00
Lotus Bakeries North America Inc.	50 Francisco Street, Suite 115, San Francisco, CA, 94133 USA	IRS 94-3124525	100,00	100,00
Lotus Bakeries Ibérica S.L.	C/ Severo Ochoa, 3, 2a Planta Oficina 8A, 28232 Las Rozas (Madrid), Spain	VAT ESB80405137	95,00	95,00
Annas - Lotus Bakeries Holding AB	Radiovägen 23, SE 135 48 Tyresö, Sweden	Registration no. 556757-7241	100,00	100,00
Annas Pepparkakor Holding AB	Radiovägen 23, SE 135 48 Tyresö, Sweden	Registration no. 556675-9030	100,00	100,00
AB Annas Pepparkakor	Radiovägen 23, SE 135 48 Tyresö, Sweden	VAT SE556149914501	100,00	100,00
Pepparkakshuset i Tyresö AB	Radiovägen 23, SE 135 48 Tyresö, Sweden	VAT SE556736094501	100,00	100,00
Lotus Bakeries North America Calgary Inc.	L.M. Gordon LAW Office, 2213 - 20th Street P.O. Box 586, Nanton, Alberta, Canada, T0L 1R0	GST 131 644 205	100,00	100,00
Lotus Bakeries Poland Sp z.o.o.	ul.Fordonska 199/304, 85-739 Bydgoszcz, Poland	VAT PL5542918754	100,00	100,00
Lotus Bakeries Chile SpA	La Capellania 1121 casa 2, CL 7690000 Lo Barnechea, Santiago	VAT (RUT) 76.215.081-6	100,00	100,00
Lotus Bakeries China Ltd	Unit 516/517, Front Hall of Shanghai Exhibition Centre, 1000 Yan An Middle Road, 200040 Shanghai, P.R. China	Registration no. 310000400722746 (Jingan)	100,00	100,00
B. Foreign branches				
Lotus Bakeries Asia Pacific Limited Shanghai	Units 401-404 Level 5 - 159 MadangRoad, 200021 Shanghai, China		100,00	100,00

1.2 CHANGES IN THE GROUP STRUCTURE IN 2014

In 2014 no changes took place in the group structure.

1.3 LEGAL STRUCTURE OF THE LOTUS BAKERIES GROUP AT 31 DECEMBER 2014

- LOTUS BAKERIES NV
  - BISCUITERIE WILLEMS BVBA (BE) 99.9%
  - B.W.I. BVBA (BE) 99.9%
  - LB BELGIË NV (BE) 99.9%
  - CREMERS-RIBERT NV (BE) 99.9%
  - INTERWAFFLES SA (BE) 99.9%
  - LB CORPORATE NV (BE) 99.9%
  - LB RÉASSURANCES SA (LU) 99.9%
  - LB NEDERLAND BV (NL) 100%
    - KONINKLIJKE PEIJNENBURG BV (NL) 100%
      - WK KOEK BEHEER BV (NL) 100%
        - WK KOEK BAKKERIJ BV (NL) 100%
      - PEIJNENBURG'S KOEKFABRIEKEN BV (NL) 100%
      - ENKHUIZER KOEKFABRIEK BV (NL) 100%
  - LB FRANCE SAS (FR) 100%
    - BISCUITERIE LE GLAZIK SAS (FR) 100%
    - BISCUITERIE VANDER SAS (FR) 100%
  - LB SCHWEIZ AG (CH) 100%
  - LB UK LTD. (UK) 99.9%
  - LB IBÉRICA S.L. (ES) 95%
  - LB POLAND SP.ZO.O. (PL) 100%
  - LB GMBH (DE) 100%
  - LB CZ S.R.O. (CZ) 100%
  - ANNAS-LB HOLDING AB (SE) 100%
    - ANNAS PEPPARKAKOR HOLDING AB (SE) 100%
      - AB ANNAS PEPPARKAKOR (SE) 100%
      - PEPPARKAKSHUSET I TYRESÖ AB (SE) 100%
  - LB NORTH AMERICA INC. (USA) 100%
  - LB NORTH AMERICA CALGARY INC. (CA) 100%
  - LB CHILE SPA (CL) 100%
  - LB ASIA PACIFIC LTD. (HK) 100%
    - LB ASIA PACIFIC LIMITED SHANGHAI REPR. OFFICE (CN) 100%
    - LOTUS BAKERIES CHINA LTD. (CN) 100%

2 | ACCOUNTING PRINCIPLES

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRS) as endorsed within the European Union. Lotus Bakeries has used IFRS as its only accounting norm since 1 January 2005. The IFRS opening balance sheet is that dated 1 January 2004. The figures for the 2004 financial year were revised from BGAAP (Belgian accounting standards) to IFRS. The last consolidated financial statements under BGAAP were for the 2004 financial year that ended on 31 December 2004.

2.2 BASIS OF PRESENTATION

The consolidated financial statements are presented in thousands of euros and present the financial situation as of 31 December 2014.

The accounting principles were consistently applied.

The consolidated financial statements are presented on the basis of the historical cost price method, with the exception of the evaluation at fair value of financial derivatives and financial assets available for sale.

The consolidated financial statements are presented before allocation of the parent company's result, as proposed to the General Meeting of Shareholders and approved by the Board of Directors on 12 February 2015 for publication.

Recent IFRS pronouncements
Endorsement status of the new standards as at 31 December 2014

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2014:

- IAS 27 Revised 'Separate financial statements', effective for annual periods beginning on or after 1 January 2014. The revised standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
- IFRS 10 'Consolidated financial statements', effective for annual periods beginning on or after 1 January 2014. The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements.
- IFRS 12 'Disclosure of interests in other entities', effective for annual periods beginning on or after 1 January 2014. This is a new standard on disclosure requirements for all forms of interests in other entities.
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 11 'Joint arrangements' and IFRS 12 'Disclosure of interests in other entities'. The amendments clarify the transition guidance in IFRS 10, and provide additional transition relief (for example by limiting the requirement to provide adjusted comparative information to only the preceding comparative period or, for disclosures related to unconsolidated structured entities, removing the requirement to present comparative information for periods before IFRS 12 is first applied). These amendments will be effective for annual periods beginning on or after 1 January 2014 which is aligned with the effective date of IFRS 10, 11 and 12.
- Amendments to IAS 32 'Offsetting financial assets and financial liabilities', effective for annual periods beginning on or after 1 January 2014. The amendments clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
- Amendments to IAS 39 'Financial instruments: Recognition and measurement', effective for annual periods beginning on or after 1 January 2014. These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. Similar relief will be included in IFRS 9 'Financial instruments'.

The following amendment to standard IAS 36 has been issued and been endorsed by the European Union. It was mandatory for the first time for the financial year beginning 1 January 2014, but this was applied in advance in the reporting of 2013:

- Amendments to IAS 36 'Impairment of assets', effective for annual periods beginning on or after 1 January 2014. The IASB made consequential amendments to the disclosure requirements of IAS 36 when it issued IFRS 13. One of the amendments was drafted more widely than intended. This limited scope amendment corrects this and introduces additional disclosures about fair value measurements when there has been impairment or a reversal of impairment.

The following new interpretation and amendments to standards have been issued and have been endorsed by the European Union, but are not mandatory for the first time for the financial year beginning 1 January 2014:

- IFRIC 21 'Levies', effective for annual periods beginning on or after 17 June 2014. IFRIC 21 sets out the accounting for a liability to pay a levy if that liability is within the scope of IAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain.
- 'Annual improvements (2010-2012 cycle)', effective for annual periods beginning on or after 1 February 2015. The amendments relate to IFRS 2 'Definition of vesting condition', IFRS 3 'Accounting for contingent consideration in a business combination', IFRS 8 'Aggregation of operating segments', 'IFRS 8 'Reconciliation of the total of the reportable segments' assets to the entity's assets', IFRS 13 'Short-term receivables and payables', IAS 7 'Interest paid that is capitalised', IAS 16/IAS 38 'Revaluation method-proportionate restatement of accumulated depreciation' and IAS 24 'Key management personnel'.
- 'Annual improvements (2011-2013 cycle)' in response to issues addressed during the 2011-2013 cycle, effective for annual periods beginning on or after 1 January 2015. The amendments include IFRS 1 'Meaning of effective IFRSs', IFRS 3 'Scope exceptions for joint ventures', IFRS 13 'Scope of paragraph 52 (portfolio exception)' and IAS 40 'Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property'.
- Amendment to IAS 19 'Defined benefit plans', effective for annual periods beginning on or after 1 February 2015. The amendment seeks clarification for the accounting of employee contributions set out in the formal terms of a defined benefit plan.

The following new standards and amendments to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2014 and have not been endorsed by the European Union:

- 'Annual Improvements (2012–2014 cycle)' with amendments to 4 standards, effective for annual periods beginning on or after 1 January 2016. The amendments include IFRS 5, 'Non-current assets held for sale and discontinued operations', IAS 19, 'Employee benefits', IFRS 7, 'Financial instruments: disclosures' and IAS 34, 'Interim financial reporting'.
- IFRS 15 'Revenue from contracts with customers'. The IASB and FASB have jointly issued a converged standard on the recognition of revenue from contracts with customers. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. Companies using IFRS will be required to apply the revenue standard for annual periods beginning on or after 1 January 2017, subject to EU endorsement.
- IFRS 9 'Financial instruments', effective for annual periods beginning on or after 1 January 2018. The standard addresses the classification, measurement and derecognition of financial assets and financial liabilities.
- Amendment to IFRS 9 'financial instruments' on general hedge accounting, effective for annual periods beginning on or after 1 January 2018. The amendment incorporates the new general hedge accounting model which will allow reporters to reflect risk management activities in the financial statements more closely as it provides more opportunities to apply hedge accounting. These amendments also impact IAS 39 and introduce new disclosure requirements for hedge accounting, thereby impacting IFRS 7, irrespective of the fact whether hedge accounting requirements under IFRS 9 or IAS 39 are used.
- Amendments to IAS 1 'Presentation of financial statements', effective for annual periods beginning on or after 1 January 2016. The amendments to IAS 1 are part of the initiative of the IASB to improve presentation and disclosure in financial reports and are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

Lotus Bakeries expects that the application of the above new standards, the amendments to the standards and the interpretation will not have a material impact on the consolidated financial statements.

2.3 CONSOLIDATION PRINCIPLES

The consolidated financial statements consist of the financial statements of Lotus Bakeries NV, its subsidiaries and its foreign branch (collectively referred to as the 'Group'). All material balances and transactions within the Group have been eliminated.

Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights, to variable results from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidation scope as from the date that the parent company gains control until the date such control ceases.

Acquisition of subsidiaries is accounted for according to the acquisition method. The financial statements of the subsidiaries follow the same financial year as that of the parent company and are prepared according to the same accounting principles.

Foreign branches

A foreign branch is not a separate legal entity, but an integral part of the parent company. This means that all transactions, assets, debts, income and costs etc. are recorded in the accounts of the parent company. The accounts of the foreign branch are maintained in the currency of the country itself.

The financial accounts of branches are included in the consolidation scope from the date on which the parent company gains control until the date on which such control ends.

The financial accounts of the branches have the same financial year as the parent company and are prepared using the accounting principles applicable to 'Subsidiaries' (see above), taken into account that the 'translation differences' are recorded in other comprehensive income.

Associated companies

Associated companies are companies in which the Group has significant influence but no control or joint control. This is generally the case if the Group holds between 20% to 50% of the voting shares. Associated companies are consolidated using the equity method from the date on which the significant influence begins until the date on which the significant influence ends.

These associated companies are presented in the balance sheet in the section entitled 'investments in associated companies'. The Group's share in the results for the period is reported in the income statement as 'share in the result of the enterprises accounted for using the equity method'.
When the Group's share in the losses of companies using the equity method exceeds the carrying amount of these participations, this value is reduced to zero and future losses are no longer acknowledged, except to the extent of the Group's commitments to these associated companies.

The Group currently has no shareholdings in entities where Lotus Bakeries has significant influence, but without control or joint control.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control over the arrangement are entitled to the net assets of the joint venture. Joint control is the contractually agreed sharing of control over an arrangement, and exists only when decisions on relevant activities require unanimity. Investments in joint ventures are accounted for using the equity method.

The Group currently has no arrangements involving joint control.

A list of subsidiaries and foreign branch of the Group is given in the notes.

2.4 USE OF ESTIMATES

In order to prepare the annual financial statements in accordance with IFRS, management has to make a number of estimates and assumptions which have an impact on the amounts declared in the financial statements and notes.

Valuations made on the date of reporting reflect existing conditions on that date (for example: market prices, interest rates and exchange rates). Though these estimates are made by management based on maximum knowledge of ongoing business and actions that the Group may undertake, the real results may vary in relation to these estimates.
The assumptions made for valuing the intangible fixed assets, post-employment benefits, financial derivatives and goodwill are given in notes 11, 24, 27 and 30.

2.5 FOREIGN CURRENCIES

The Group's presentation currency is the euro.

Transactions in foreign currencies

In the Group's companies, transactions in foreign currencies are converted using the exchange rate applicable on the date of the transaction. Monetary assets and liabilities in foreign currencies are converted to the closing rate on the balance sheet date.

Financial statements of foreign entities

For foreign entities using a different functional currency than the euro:

- assets and liabilities are converted to the euro using the exchange rate on the closing date.
- income statements are converted at annual average exchange rate.
- equity items are converted at the historic exchange rate.

Translation differences resulting from conversion of equity into euro using the rate at the end of the year are reported as translation differences under equity. Translation differences are kept in equity up to the disposal of the company. In case of disposal, the deferred cumulative amount included in equity is included in the results for the foreign activity in question.

Goodwill from the acquisition of a foreign entity and possible fair value changes of the acquired assets and liabilities at the moment of acquisition, are considered as assets and liabilities of the foreign activity and are converted using the closing rate.

The Group has no entities in hyper-inflationary economies.

Exchange rates

The following exchange rates were used in preparing the annual accounts:

	Closing rate		Average rate	
	2014	2013	2014	2013
EUR/CAD	1.4063	1.4671	1.4632	1.3771
EUR/CHF	1.2024	1.2276	1.2127	1.2290
EUR/CLP	736.366	722.909	755.894	662.749
EUR/CNY	7.5358	8.3491	8.1582	8.1733
EUR/CZK	27.7350	27.4270	27.5479	26.0270
EUR/GBP	0.7789	0.8337	0.8033	0.8501
EUR/PLN	4.2732	4.1543	4.1939	4.2134
EUR/SEK	9.3930	8.8591	9.1209	8.6692
EUR/USD	1.2141	1.3791	1.3217	1.3308

2.6 INTANGIBLE ASSETS

Intangible assets which are acquired separately are valued at cost price less cumulative amortization and impairment. The residual value of intangible assets is assumed to be zero. Intangible fixed assets acquired upon takeover of a subsidiary or as a result of the acquisition of a customer portfolio, are expressed separately in the balance sheet at their estimated fair value at the time of acquisition.

Costs for internally generated goodwill are recorded as costs in the income statement at the time they occur.

Amortization

Intangible assets are amortized on a straight-line basis over the estimated useful life. Amortization begins as soon as the intangible asset is ready for its intended use. The investments in software and licences are amortized over a period of three to five years.

The value of brands acquired in takeovers or the value of the customer portfolio obtained through acquisition is amortized on a straight-line basis over a maximum of ten years, except where the brand can be regarded as having an indefinite life. In the latter case, an annual analysis is carried out in order to determine whether events and situations are still supporting the assumption that the brand has an indefinite life. These assets will be examined for impairment on an annual basis or whenever there is an impairment indicator.

Goodwill

Goodwill arising from a business combination is valued at cost price at the time of the first record (i.e. the positive difference between the cost price of the business combination and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities). After the first recording, goodwill is valued at cost price after deduction of any cumulative impairment losses.

Goodwill is tested for impairment on a yearly basis or more often if events or changes in circumstances indicate that the carrying amount may have undergone impairment. For this impairment testing, the goodwill is attributed, from the date of takeover, to cash generating units of the Group or to groups thereof that are expected to benefit from the synergy of the business combination.

2.7 TANGIBLE ASSETS

Tangible assets are valued at historical cost price less cumulative depreciation and impairments. Land is not depreciated given that it has an undefined useful life.

The historical cost price covers the initial purchase price increased by other direct attributable acquisition costs (such as unclaimable taxes and costs related to transport and installation) and less possible discounts. The manufacturing price of self-produced assets covers the direct material costs and direct labour costs and a proportional part of the production overhead.

If the various parts of a tangible asset have different lifetimes, they are depreciated according to their respective lifetimes.

The residual value and lifetime of tangible fixed assets are annually verified against reality.

Post-acquisition costs

Subsequent expenses are only recorded as assets and are thus added to the carrying amount of the asset, if they increase the future economical advantages of the individual asset item to which they are related.

Costs of maintenance and repair of tangible assets that do not increase the future economical advantages or do not extend the useful life of the asset are reported as operating charges when they occur.

Depreciation

Depreciation is spread out over the expected useful life using the straight-line method. Depreciation of an asset begins once the asset is ready for its intended use.

Useful life is assigned as follows:

Buildings and warehouses	25-30 years
Plant and equipment	15 years
Basic machines	20-25 years
Common machines, tools	10-15 years
Furniture	15 years
Office equipment	5 years
Computer equipment	3-5 years
Passenger vehicles	4-5 years
Trucks	10 years

2.8 LEASING

Financial leases

A financial lease is a lease that transfers substantially all risks and rewards incident to ownership of an asset to the lessee. When a fixed asset is held under a financial lease, its value is recorded as an asset at the present value, at the beginning of the lease term, of the future minimum lease payments during the lease term. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in order to obtain a constant rate of interest on the debt over the lease term.
Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.9 GOVERNMENT GRANTS

Government grants are recorded at their fair value when it is practically certain that they will be received and when it is practically certain that the Group will fulfil the conditions related thereto. If the grant is connected with a cost item, the grant is systematically recorded as income over the periods required to attribute these grants to the costs for which they are intended to compensate. When the grant is connected with an asset, it is presented in the balance sheet deducted from the asset. Grants are taken into income net of the depreciation of the related asset.

2.10 IMPAIRMENT OF FIXED ASSETS

For the Group's fixed assets, other than deferred tax assets, the Group verifies at each closing date whether there are signs that an asset has undergone impairment. If there are such signs or if annual testing for impairment is required, an estimate of the realizable value of the asset is made. For an asset that by and of itself generates no cash flows from continued use that to a large extent are independent of those from other assets, the realizable value is defined from the cash generating unit to which the asset belongs. The realizable value is the greater of the fair value less costs to sell and the value in use of the asset or cash generating unit in question. When defining the value in use, the estimated future cash flows are discounted using a pre-tax discount rate based on current market appraisal of the time value of money and the specific risks of the asset or cash generating unit.

When the carrying amount exceeds the estimated realizable value, an impairment loss is recorded as an operating charge to the income statement.

Reversal of impairments

Impairments for financial assets normally held by the Group until maturity or receivables are reversed if a subsequent increase in their net asset value can be objectively associated with an event arising after the recording of the loss.

A loss recorded earlier through an impairment for other assets is reversed where there has been a change in the estimates used to determine the net asset value. An increase in the carrying amount of an asset resulting from the reversal of an impairment can not be higher than the carrying amount (after depreciation) which would have been obtained if no impairment loss had been recorded during previous years.

An impairment loss recognised on goodwill shall not be reversed in a subsequent period.

2.11 FINANCIAL ASSETS AVAILABLE FOR SALE

Shares in companies in which the Group does not exercise control or significant influence are recorded in this section.

Financial assets are initially valued at cost price. This is composed of the fair value of the compensation provided including acquisition costs associated with the investment.

After the initial recording, the financial assets are recorded at their fair value and changes therein are directly recorded in a separate part of equity. For listed companies, the share price is the best valuation criterion. Participations for which no fair value can be defined, are recorded at their historical cost price.

An impairment is recorded if the carrying amount exceeds the expected recovery value.

If the financial asset is sold or an impairment loss is recorded, the cumulative profits or losses formerly recorded in equity are included in the financial results.

An impairment loss on a financial asset available for sale is not reversed through the income statement, unless it concerns a debt instrument.

2.12 OTHER LONG-TERM RECEIVABLES

Long-term receivables are valued at their actual net value based on an average market interest rate in accordance with the useful life of the receivable.

2.13 STOCKS

Raw materials, consumables and goods for resale are recorded at purchase price on a FIFO basis.

Finished products are recorded at the standard manufacturing cost price. This includes, in addition to direct production and material costs, a proportional part of the fixed and variable overhead costs based on the normal production capacity.

If the purchase price or the manufacturing price is greater than the net realisable value, the valuation is applied to the lower net realisable value.

The net realisable value is defined as the estimated selling price under normal market conditions less the estimated costs required for further finishing and sale of the product.

2.14 TRADE RECEIVABLES AND OTHER AMOUNTS RECEIVABLE

Trade receivables and other amounts receivable are recorded at their nominal value less any potential valuation allowance.

Such valuation allowances are recorded at the expense of the operating results if the Group will likely not be able to collect all outstanding amounts.

An estimate of valuation allowances to be recorded is made on the date of the balance sheet by evaluating all outstanding amounts individually. The valuation allowance loss is recorded in the results in the period in which it was identified as such.

2.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include liquid assets and bank balances (current and deposit accounts). In general, investments are held until the expiration date. Profits and losses are recorded in the results when the investment is realized or written down.

For the cash flow statement, cash and cash equivalents include cash and bank balances. Possible negative cash is recorded under short-term debt with credit institutions.

2.16 PROVISIONS

Provisions are recorded in the balance sheet if the Group has a present obligation (legal or de facto) resulting from a past event and if it is likely that fulfilment of these commitments will incur expenses that can be reliably estimated on the balance date.
No provisions are recorded for future operating costs.

If the effect of the time value of money is material, the provisions will be discounted.

Restructuring

A provision for restructuring will be recorded when a formal, detailed restructuring plan is approved by the Group and if this restructuring has either begun or is announced to the entities concerned.

2.17 INTEREST-BEARING FINANCIAL DEBTS

All interest-bearing financial debts are initially recorded at fair value less direct attributable transaction costs. After this first recording, the interest-bearing financial debts will be recorded at amortized cost price based on the effective interest method.

2.18 TRADE DEBTS AND OTHER DEBTS

Trade and other debts are recorded at their nominal value.

A financial obligation is no longer recorded in the balance sheet once the performance related to the obligation is completed, settled or lapsed.

2.19 SHARE CAPITAL AND TREASURY SHARES

For the purchase of treasury shares, the amount paid, including any directly attributable costs, is recorded as a change in this section. Treasury shares purchased are considered as a reduction of equity.

2.20 FINANCIAL DERIVATIVES

The Group uses financial derivatives to limit risks from adverse exchange rate and interest rate fluctuations. No derivatives are used for trading purposes.

Financial derivatives are initially recorded at cost price. After initial recognition, these instruments are included in the balance sheet at fair value.

Changes in fair value of those of the Group's derivatives contracts that do not fulfil the criteria of IAS 39 to be viewed as hedges are recognized in the income statement.

The effective portion of the change in fair value of derivative financial instruments that are identified as cash flow hedges is recognized in other comprehensive income. The gain or loss on the ineffective portion is immediately reported in the income statement. Amounts accumulated in equity are re-classified to the income statement in the periods in which the hedged position in question impacts the income statement.

All regular purchases and sales of financial assets are recorded on the date of transaction.

2.21 REVENUES

Revenues are included in the income statement once it is likely that the Group will reap economic advantages from the transaction and the revenues can be reliably defined.

Sale of goods and delivery of services

Turnover is deemed to have been earned when the advantages and risks of the sale are payable by the purchaser and any uncertainty has been removed in terms of the collection of the agreed amount, transaction costs and any return of the goods.

Financial income
Financial income (interests, dividends, royalties, etc.) are considered to be realized once it is likely that the company will reap the economic advantages from the transaction and the revenues can be reliably defined.

2.22 INCOME TAX

Income tax on the results of the year includes current and deferred taxes. Both taxes are recorded in the income statement except in respect of items which have been directly recorded in equity. In such cases, the taxes are directly charged against equity.

Current tax includes the amount of taxation payable on the taxable earnings for the period calculated at the tax rate applicable on the reporting date. They also include adjustments of fiscal liabilities for previous years.

Deferred taxes are defined in accordance with the balance sheet method and result mainly from temporary differences between the carrying amount of both assets and liabilities in the consolidated balance sheet and their respective taxable base. Deferred tax is calculated using the tax rates and laws that are expected to be in place at the time such deferred taxes are realized or the deferred tax liability is settled.

Deferred taxes are recorded at their nominal value and are not discounted for.

Deferred tax assets from deductible temporary differences and unused tax loss carry forwards are only recorded if it is probable that sufficient taxable profits will be generated in the future and be compensated by the deductible temporary difference or unused tax losses.

Deferred tax assets are reduced when it is no longer probable that the related tax savings can be generated. Unrecorded deferred tax assets are re-assessed per balance sheet date and recorded insofar as it is probable that there will be fiscal profits in the future against which the deferred tax asset can be deducted.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entitites where there is an intention to settle the balance on a net basis.

2.23 EMPLOYEE BENEFITS

Pension plans
There are a number of defined-contribution plans within the Group. These pension plans are funded by members of personnel and the employer and are recorded in the income statement of the year to which they refer.
In addition, there is also a defined benefit pension plan in the subsidiary in Germany and the Netherlands.

There are also provisions in some companies for early retirement (Belgium) and pension obligations arising from legal requirements (France). These are treated as employment benefits of the defined benefit pension plans.
For the defined benefit pension plans, provisions are established by calculating the present actuarial value of future amounts to the employees concerned.

Defined benefit costs are split into 2 categories:
- Current-service cost, past-service cost, gains and losses on curtailments and settlements;
- Net-interest expense or income.

The total service cost, the net interest expense, the remeasurement of other long term personnel expenses, administrative expenses and taxes for the year are included in the personnel expenses in the consolidated financial statement. The remeasurement on the net defined benefit liability as a consequence of actuarial gains or losses is included in the statement of comprehensive income as part of other comprehensive income.

For these defined benefit plans, the corridor approach was applied including 2012. In 2013, this was aligned with the amended IAS 19.

Benefits from shares

The stock option plan and the warrant plan allow employees to acquire shares in the company at relatively advantageous conditions. The exercise price of the option is equal to the average closing stock market price of the underlying share during the thirty calendar days prior to offering date. The exercise price of the warrant is equal to the average stock market closing price of the Lotus Bakeries share during the thirty calendar days preceding the date of offering. A personnel cost is recorded for options and warrants granted to employees as part of the stock option plan or warrant plan. The cost is calculated based on the fair value of the stock options and warrants on the grant date and, together with a similar increase in equity, is spread out in the results over the vesting period, ending on the date when the employees concerned receive full right to the options. When the options or warrants are exercised, equity is increased by the amount of the proceeds.

Bonuses

Bonuses for employees and management are calculated based on key financial objectives and individual objectives. The estimated amount of the bonuses is recorded as a charge for the financial year based on an estimate on the reporting date.

2.24 DIVIDENDS

Dividends payable to shareholders of the Group are included as a liability in the consolidated balance sheet in the period in which the dividends were approved by the shareholders of the Group.

2.25 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

A component of an entity is considered to be discontinued if the criteria for classification as held for sale are fulfilled or if it is divested and if it

- represents a significantly different activity or geographical area;
- is part of a single coordinated plan to dispose of a separate and significant line of business or geographical area of operations; or
- is a subsidiary and has been acquired with the sole purpose of being resold.

Fixed assets and groups of assets are classified as held for sale if the carrying value will mainly be generated in a sales transaction and not by the continued use thereof.

Fixed assets and groups of assets that are no longer used and are held for sale are stated at the lower of their carrying amount and fair value less estimated selling costs.
An impairment test is performed on these assets at the end of each closing date of the book year.

2.26 EARNINGS PER SHARE

The Group calculates the ordinary profit per share on the basis of the weighted average of the number of outstanding shares during the period. For the diluted profit per share, the dilutive effect of stock options during the period is also taken into account.

2.27 SEGMENT REPORTING

Group turnover is centralised around a number of products that are all included in the biscuit sector. For these products, the Group is organized according to geographical regions for sales, production and internal reporting. As a result, segment reporting presents the geographical markets.

The Group's geographical segments are based on the location of the assets. The results of a segment include the income and charges directly generated by a segment. To this is added the portion of the income and charges to be allocated that can be reasonably attributed to the segment. Intersegment price-fixing is defined based on the 'at arms length' principle.

Four segments have been defined:

1. Belgium
2. France
3. Netherlands
4. Other: Northern and Eastern Europe, North America, the United Kingdom & Export.

The assets and liabilities of a segment are reported excluding taxes and after deduction of deprecia-tion, impairments and valuation allowances.

3 | SEGMENT REPORTING BY GEOGRAPHICAL REGION

Segment reporting by geographical region (2014)

For the purpose of sales, production and internal reporting, the Group is organized according to geographical regions.

The regions presented in the segment reporting, which are based on the internal reporting system are composed as follows:

- Belgium: sales by Sales Office Belgium and intra-group sales by factories in Belgium
- France: sales by Sales Office France and intra-group sales by factories in France
- The Netherlands: sales by Sales Office Netherlands and intra-group sales by factories in the Netherlands
- Other: sales from Belgium to countries without own Sales Offices (such as South Korea, Japan, etc.) and by own Sales Offices in Germany/Austria, Switzerland, the Czech Republic/Slovakia, the United Kingdom, North America and Chile, China, Spain and Northern and Eastern Europe plus production in Sweden.

Sales between the various segments are carried out at arms length.

(1) 'Other' segment: there are no geographical regions representing more than 10% of total sales

Year ended 31 December 2014

	Continuing operations					
in thousands of EUR	Belgium	France	Netherlands	Other [(1)]	Eliminations + Corporate companies	Total
Revenue						
Sales to external customers	127,198	59,845	77,613	83,234		347,890
Inter-segment sales	72,227	14,641	1,741	2,607	(91,216)	-
Total revenue	**199,425**	**74,486**	**79,354**	**85,841**	**(91,216)**	**347,890**
Results						
Segment result REBIT	23,075	1,254	12,817	3,641	8,646	49,433
Non-recurrent operating result	430	-	(678)	(13)	-	(261)
Segment result EBIT	23,505	1,254	12,139	3,628	8,646	49,172
Result before tax, finance charges and finance income	23,505	1,254	12,139	3,628	8,646	49,172
Net finance costs						16
Result before income tax and non-controlling interest						49,188
Income tax expense						(12,415)
Net profit for the year						**36,773**
Assets and liabilities						
Non-current assets	103,197	7,141	105,844	25,355	16,979	263,881
Segment assets	103,197	7,141	105,844	25,355	16,979	258,516
Unallocated assets:						5,365
Deferred tax assets						5,275
Financial receivables						90
Current assets	22,464	11,202	6,942	13,744	3,139	73,108
Segment assets	22,464	11,202	6,942	13,744	3,139	57,491
Unallocated assets:						15,617
VAT receivables						3,333
Income tax receivables						421
Financial receivables						8
Cash and cash equivalents						11,855
Total assets						**336,989**
Non-current liabilities	1,542	803	1,034	325	515	39,506
Segment liabilities	1,542	803	1,034	325	515	4,219
Unallocated liabilities:						35,287
Deferred tax liabilities						34,905
Financial liabilities						382
Current liabilities	18,534	7,660	5,004	10,491	6,798	96,854
Segment liabilities	18,534	7,660	5,004	10,491	6,798	48,487
Unallocated liabilities:						48,367
VAT payables						126
Tax payables						7,097
Financial liabilities						41,144
Total liabilities						**136,360**
Other segment information						
Capital expenditure:						
Tangible fixed assets	8,676	949	1,668	677	3,993	15,963
Intangible fixed assets	-	-	53	-	530	583
Depreciation	8,576	1,220	2,941	1,023	1,085	14,845
Decrease/(increase) in amounts written off stocks, contracts in progress and trade debtors.	1,115	104	390	206	4	1,819

Segment reporting by geographical region (2013)

For the purpose of sales, production and internal reporting, the Group is organized according to geographical regions.

The regions presented in the segment reporting, which are based on the internal reporting system are composed as follows:

- Belgium: sales by Sales Office Belgium and intra-group sales by factories in Belgium
- France: sales by Sales Office France and intra-group sales by factories in France
- The Netherlands: sales by Sales Office Netherlands and intra-group sales by factories in the Netherlands
- Other: sales from Belgium to countries without own Sales Offices (such as South Korea, Japan, etc.) and by own Sales Offices in Germany/ Austria, Switzerland, the Czech Republic/ Slovakia, the United Kingdom, North America and Chile, Spain and Northern and Eastern Europe plus production in Sweden.

Sales between the various segments are carried out at arms length.

(1) 'Other' segment: there are no geographical regions representing more than 10% of total sales

Year ended 31 December 2013

	Continuing operations					
in thousands of EUR	Belgium	France	Netherlands	Other (1)	Eliminations + Corporate companies	Total
Revenue						
Sales to external customers	121,289	52,116	79,723	79,191		332,319
Inter-segment sales	67,940	13,329	1,876	2,939	(86,084)	-
Total revenue	**189,229**	**65,445**	**81,599**	**82,130**	**(86,084)**	**332,319**
Results						
Segment result REBIT	22,993	583	11,368	2,590	3,837	41,371
Non-recurrent operating result	(476)	2	(2,494)	(178)	(509)	(3,655)
Segment result EBIT	22,517	585	8,874	2,412	3,328	37,716
Result before tax, finance charges and finance income	22,517	585	8,874	2,412	3,328	37,716
Net finance costs						(1,740)
Result before income tax and non-controlling interest						35,976
Income tax expense						(8,057)
Net profit for the year						**27,919**
Assets and liabilities						
Non-current assets	103,172	7,421	107,527	26,937	13,798	262,729
Segment assets	103,172	7,421	107,527	26,937	13,798	258,855
Unallocated assets:						3,874
Deferred tax assets						3,859
Financial receivables						15
Current assets	22,259	10,151	6,379	11,763	3,458	71,375
Segment assets	22,259	10,151	6,379	11,763	3,458	54,010
Unallocated assets:						17,365
VAT receivables						3,721
Income tax receivables						1,707
Financial receivables						4
Cash and cash equivalents						11,933
Total assets						**334,104**
Non-current liabilities	1,399	747	385	368	473	43,984
Segment liabilities	1,399	747	385	368	473	3,372
Unallocated liabilities:						40,612
Deferred tax liabilities						32,687
Financial liabilities						7,925
Current liabilities	19,106	6,589	7,995	11,454	6,138	118,745
Segment liabilities	19,106	6,589	7,995	11,454	6,138	51,282
Unallocated liabilities:						67,463
VAT payables						750
Tax payables						4,376
Financial liabilities						62,337
Total liabilities						**162,729**
Other segment information						
Capital expenditure:						
Tangible fixed assets	17,162	945	11,966	229	1,970	32,272
Intangible fixed assets	-	-	-	-	883	883
Depreciation	7,334	1,197	2,492	924	1,343	13,290
Decrease/(increase) in amounts written off stocks, contracts in progress and trade debtors.	452	41	179	186	11	869

4 | OTHER OPERATING INCOME AND CHARGES

iin thousands of EUR	2014	2013
Other costs		
Other taxes	2,000	1,782
Other operating charges	2,034	854
Total	**4,034**	**2,636**
Other revenues		
Transport charges	(14)	(52)
Fixed assets - own construction	(564)	(1,082)
Other operating income	(1,464)	(2,297)
Total	**(2,042)**	**(3,431)**
Other operating income and charges (net)	**1,992**	**(795)**

The other costs are mainly local indirect taxes (property taxes, municipal taxes, etc.), losses on sales of fixed assets and compensation amounts paid.

The other revenues consist primarily of, various costs recovered at the time of sale, contributions to the cost of training, and damage compensation payments.

5 | FINANCIAL RESULTS

in thousands of EUR	2014	2013
Financial charges		
Interest charges	850	1,288
Exchange rate losses	4,408	3,153
Valuation to the fair value of the financial instruments	(60)	(393)
Other	188	268
Total	**5,386**	**4,316**
Financial income		
Interest income	(18)	(75)
Exchange rate gains	(5,381)	(2,497)
Other	(3)	(4)
Total	**(5,402)**	**(2,576)**
Financial results	**(16)**	**1,740**

On an annual basis, the Group reports a net financial income of kEUR 16 as against a net financial charge of kEUR 1,740 in 2013. The limited financial result in 2014 partly reflects the further reduction of financial debt and the low funding costs, but particularly foreign exchange gains. These relate mainly to realized foreign exchange results, but also partly to unrealized exchange differences on outstanding loans and receivables within the Lotus Bakeries Group.

The financial instruments relate to the hedging of the foreign exchange risk on foreign currencies (USD, GBP, SEK, CHF and CZK). End-December 2014, there were no financial instruments hedging the currency risk.

For the temporary short-term loans with variable interest rates a two-year interest rate swap was concluded in 2012, maturing in 2014 with a positive income effect of kEUR 57. In 2013 a positive income effect of KEUR 265 was recorded, reflecting the positive development of the market value of this hedging instrument.

To finance the acquisition of Koninklijke Peijnenburg BV, the interest rate risk on the investment credits at variable interest rates was hedged by means of interest rate swaps. The final repayment on the financing took place in June 2013. The financial instruments for hedging the interest risk also ended in 2013 with a positive income effect of kEUR 173.

6 | PERSONNEL COSTS

in thousands of EUR	2014	2013
Salaries and wages	51,896	51,418
Social security contributions	11,922	11,990
Contributions for company pension plans with fixed contribution	2,752	1,570
Other personnel costs	12,318	13,922
Total personnel costs	**78,888**	**78,900**
Average number of members of personnel	1,227	1,210
Number of members of personnel as at the end of the year	**1,221**	**1,244**

The other personnel costs include among other things the costs of temporary staff and compensation for directors.

Personnel costs remained stable in 2014 compared to 2013, with the effect of higher production volumes offset by operational efficiencies resulting from the investment programmes of recent years.

7 | DEPRECIATION AND AMOUNTS WRITTEN DOWN ON (IN)TANGIBLE ASSETS

in thousands of EUR	2014	2013
Depreciation of intangible assets	706	670
Depreciation of property, plant & equipment	14,139	12,620
Total	**14,845**	**13,290**

See notes 8, 11 and 12 concerning non-recurrent operating result, intangible and tangible assets.

8 | NON-RECURRENT OPERATING RESULT

Grouped under non-recurrent operating result are those operating income items and charges that do not belong to or derive from the recurrent operating activities of the Group. This category includes primarily results from the disposal of fixed assets, any goodwill impairment losses, write-downs or impairment losses on brands as a result of takeovers, provisions and costs for restructuring and takeovers.

In 2014 the non-recurrent operating result was a loss of kEUR -261, mainly due to the write-down of the Wieger Ketellapper brand related to the acquisition of Koninklijke Peijnenburg.

The non-recurrent operating result for 2013 amounted to EUR -3.7 million. These costs can notably be attributed to (1) the restructuring costs in the gingerbread factories in Geldrop and Sintjohannesga, (2) costs for the take-over of Biscuiterie Willems BVBA and the brand Dinosaurus and (3) the depreciation on the brand Wieger Ketellapper relating to the takeover of Koninklijke Peijnenburg.

9 | INCOME TAXES ON THE RESULTS

Nominal tax rose by 54.1%. This is explained by a higher nominal profit before taxation.

in thousands of EUR	2014	2013
Income taxes on the results		
Income taxes on the results of the current year	11,347	7,958
Tax adjustments for previous years	(88)	(219)
Deferred taxation of the current year	1,156	318
Total tax charge reported in the income statement	12,415	8,057
Profit before tax	**49,188**	**35,976**
Effective tax rate of the year	25.2%	22.4%
Reconciliation between theoretical and effective tax rate		
Results before taxation	49,188	35,976
Theoretical tax rate	33.99%	33.99%
Theoretical income tax expense	16,719	12,228
Effect of different taxation rates in other countries + deduction notional interest	(4,193)	(3,354)
Tax adjustments for previous years	(88)	(219)
Disallowed items, including taxes on dividend income	1,176	301
Tax free income, including reductions in taxable income (various tax credits)	(1,018)	(769)
Tax losses for which no deferred tax asset has been recorded: (use)/non-recognition	(76)	(101)
Change tax rate: effect on prior years	(4)	-
Other	(101)	(29)
Actual income tax expense	12,415	8,057
Effective tax rate	25.2%	22.4%

The average effective tax rate in 2014 was 25.2% versus 22.4% in 2013. The increase of the effective tax percentage is mainly related to the lower relative importance of various tax deductions following the higher nominal pre-tax profit, as well as higher withholding taxes on dividend payments between group entities.

10 | EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's share in net profit by the weighted average number of outstanding shares over the year (total number of shares - treasury shares).

Diluted earnings per share is calculated by dividing the Group's share in net profit by the weighted average number of outstanding shares over the year, both adjusted for the potential dilution of ordinary shares as a result of options and warrants granted under the stock option plan for management (see note 25 hereafter).

Year ended 31 December

in thousands of EUR	2014	2013
EARNINGS PER SHARE		
Net result: Group share	36,775	27,920
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 under option	32,495	43,512
Weighted average number of shares which should be issued at average market rate	(15,019)	(21,170)
Dilutive effect	**17,476**	**22,342**
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	803,013	795,113
Earnings per share: Group share (EUR)	**45.80**	**35.11**
Total number of shares less treasury shares	781,597	770,565
Earnings per share: Group share (EUR)	**47.05**	**36.23**

11 | INTANGIBLE ASSETS

Intangible assets refer to brands, software and an acquired customer portfolio.

The brands relate to:
- the brands Peijnenburg and Wieger Ketellapper
- the Annas brand
- the intellectual property rights in the Dinosaurus brand.

The value of these brands was established as part of the valuation at fair value of the asset and liability components upon first consolidation.

As the Peijnenburg brand serves as the base brand in the Netherlands, it is not amortized. In accordance with the valuation rules, its fair value is tested annually, using the DCF method. The Wieger Ketellapper brand, which serves as a second brand in the Netherlands, is being amortized over a 10-year period. The fair value of this brand is also tested annually. The 'Netherlands' segment is defined here as a cash generating unit.

The Annas brand is used as the base brand for the Nordic region and as the base brand for its pepparkakor products outside the Nordic region. This brand is not being amortized. Here too, the fair value is tested annually using the DCF method. The activity in the Nordic region plus the pepparkakor activity outside this region are defined here as a cash generating unit. This cash generating unit was part of the segment 'Other' in note 3.

In 2012 the intellectual property rights in the Dinosaurus brand were acquired. Based on an analysis of all relevant factors, there is no foreseeable limit to the period of time over which this brand is expected to generate cash flows. The Dinosaurus brand has been assigned indefinite useful life and therefore is not amortized.

At year-end 2014, the Group tested the value of these brands for possible impairment. Taking into account the assumptions used, the value in use of the unit exceeds its carrying amount and no impairment loss was recognized.

The main judgements, assumptions and estimates are:
- Revenue and gross profit margin: revenue and gross profit margin reflect management's expectations based on past experience and taking into account the risks specific to the reportable business unit.
- The first year of the model is based on the budget for the year and is management's best estimate, taking account historical results, of the free cash flow outlook for the current year;
- In years two to five of the model, free cash flows are based on Lotus Bakeries' long-term plan. The long-term plan of Lotus Bakeries is prepared country by country, based on realistic internal plans that takes into account the specific market situation and the past.
- Cash flows beyond the first five years are extrapolated by applying a growth rate of 2% to free cash flows.
- Projections are discounted at the weighted average pre-tax cost of capital, which lies between 8 and 10%. The pre-tax discount rate is calculated by dividing the discount rate after tax by one minus the applicable tax rate. This result is not materially different from an iterative calculation method as described in IAS36.

As a part of the valuation test, Lotus Bakeries carried out a sensitivity analysis for important assumptions used, including the weighted average capital costs, free cash flow and long term growth percentage.
For each of the brands a long term growth percentage varying between 1% and 2%, weighted average capital costs before taxes varying up to 12% and free cash flow between 95% and 100% of the long term plan were applied in order to take into account possible fluctuations in volumes and margins.
A change in the used estimates, as included above, does not lead to a possible impairment.
Although Lotus Bakeries believes that its assessments, assumptions and estimates are suitable, actual results may differ from these estimates in the event of changed assumptions and conditions.

Software relates mainly to the capitalized external and internal costs connected with the further basic implementation of the ERP information system SAP.

In 2011 a portfolio of out-of-home customers was purchased in Spain.

in thousands of EUR

on 31 December 2013	Indefinite life brands	Definite life brands	Software	Customer portfolio	Total
Acquisition cost					
At the end of the preceding year	72,789	4,627	6,698	1,030	85,144
Acquisition during the year	-	-	883	-	883
Translation differences	(259)	-	(6)	-	(265)
Acquisition through business combinations	-	-	24	-	24
TOTAL ACQUISITION COST	**72,530**	**4,627**	**7,599**	**1,030**	**85,786**
Depreciation and amounts written down					
At the end of the preceding year	-	(3,008)	(5,759)	(129)	(8,896)
Depreciation during the year	-	(462)	(576)	(103)	(1,141)
Translation differences	-	-	8	-	8
Acquisition through business combinations	-	-	(13)	-	(13)
Total depreciation and amounts written down	-	**(3,470)**	**(6,340)**	**(232)**	**(10,042)**
NET BOOK VALUE	**72,530**	**1,157**	**1,259**	**798**	**75,744**

on 31 December 2014	Indefinite life brands	Definite life brands	Software	Customer portfolio	Total
Acquisition cost					
At the end of the preceding year	72,530	4,627	7,599	1,030	85,786
Acquisition during the year	-	-	583	-	583
Sales and disposals	-	-	(30)	-	(30)
Translation differences	(455)	-	(3)	-	(458)
TOTAL ACQUISITION COST	**72,075**	**4,627**	**8,149**	**1,030**	**85,881**
Depreciation and amounts written down					
At the end of the preceding year	-	(3,470)	(6,340)	(232)	(10,042)
Depreciation during the year	-	(463)	(603)	(103)	(1,169)
Sales and disposals	-	-	2	-	2
Translation differences	-	-	2	-	2
Total depreciation and amounts written down	**-**	**(3,933)**	**(6,939)**	**(335)**	**(11,207)**
NET BOOK VALUE	**72,075**	**694**	**1,210**	**695**	**74,674**

12 | TANGIBLE ASSETS

Tangible assets are purchased by and are the full property of Lotus Bakeries.
This includes land and buildings, machines and office equipment. The tangible assets are unencumbered with the exception of the notes included in 31.4. For cars, the Group switched at the end of 2006 mainly to operating leasing.

The largest investments were in Belgium, with the installation of a completely new automated production line for Lotus Dinosaurus and the extension of a new headquarters building in Lembeke.

in thousands of EUR

on 31 December 2013	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Assets under construction	Total
Acquisition cost					
At the end of the preceding year	77,448	188,392	13,108	5,714	284,662
Acquisition during the year	4,465	16,520	535	10,752	32,272
Sales and disposals	(2,854)	(682)	(340)	-	(3,876)
Transfers from one heading to another	2,630	3,079	109	(5,818)	-
Translation differences	(281)	(297)	(27)	(9)	(614)
Acquisition through business combinations	5,567	10,896	496	450	17,409
TOTAL ACQUISITION COST	**86,975**	**217,908**	**13,881**	**11,089**	**329,853**
Depreciation and amounts written down					
At the end of the preceding year	(31,544)	(132,889)	(10,974)	(191)	(175,598)
Depreciation during the year	(1,912)	(9,393)	(815)	(4)	(12,124)
Sales and disposals	1,929	460	211	-	2,600
Translation differences	23	234	20	6	283
Acquisition through business combinations	(1,765)	(6,477)	(283)	-	(8,525)
Total depreciation and amounts written down	**(33,269)**	**(148,065)**	**(11,841)**	**(189)**	**(193,364)**
NET BOOK VALUE	**53,706**	**69,843**	**2,040**	**10,900**	**136,489**

on 31 December 2014	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Assets under construction	Total
Acquisition cost					
At the end of the preceding year	86,975	217,908	13,881	11,089	329,853
Acquisition during the year	1,001	9,973	381	4,608	15,963
Sales and disposals	-	(322)	(694)	(7)	(1,023)
Transfers from one heading to another	2,339	8,374	114	(10,827)	-
Translation differences	(304)	(465)	23	(15)	(761)
TOTAL ACQUISITION COST	**90,011**	**235,468**	**13,705**	**4,848**	**344,032**
Depreciation and amounts written down					
At the end of the preceding year	(33,269)	(148,065)	(11,841)	(189)	(193,364)
Depreciation during the year	(2,535)	(10,865)	(739)	-	(14,139)
Sales and disposals	-	153	487	-	640
Transfers from one heading to another	(637)	710	(73)	-	-
Translation differences	6	404	(21)	11	400
Total depreciation and amounts written down	**(36,435)**	**(157,663)**	**(12,187)**	**(178)**	**(206,463)**
NET BOOK VALUE	**53,576**	**77,805**	**1,518**	**4,670**	**137,569**

During 2014 kEUR 95 of capital grants were taken into the income statement, giving at year end a remaining balance of kEUR 718, which is deducted from the net book value as reported in the above tables of movements.

Investment grants

on 31 December	2014	2013
At the end of the preceding year	(813)	(639)
Taken into the income statement	95	194
Acquisition through business combinations	-	(369)
At the end of the year	**(718)**	**(813)**

Capital subsidies were deducted from the net book value, as included in the above movement tables.

13 | DEFERRED TAXES

No deferred tax assets are recorded for the tax losses carried forward of Interwaffles SA given the remaining uncertainty as to whether sufficient taxable revenues will be generated in the future. At the end of 2014 these tax losses carried forward amounted to kEUR 8,517 compared with kEUR 9,889 at the end of 2013.

in thousands of EUR	on 31 December 2012	Charged/ credited to the income statement	Charged/ credited to equity	Charged/ credited acquisition	Exchange differences	on 31 December 2013
(In)tangible assets	(28,546)	(550)	-	(1,227)	61	(30,262)
Stocks	(70)	(79)	-	34	(4)	(119)
Employee benefits	742	(48)	(39)	-	-	655
Tax effect of tax loss carry-forwards	2,747	996	-	-	(143)	3,600
Provisions	(3,214)	(332)	-	59	-	(3,487)
Financial instruments	168	(136)	(15)	4	-	21
Other	541	88	-	134	1	764
Total deferred tax	**(27,632)**	**(61)**	**(54)**	**(996)**	**(85)**	**(28,828)**
to be recovered or settled within 12 months	(785)					(1,123)
to be recovered or settled after more than 12 months	(26,847)					(27,705)

in thousands of EUR	on 31 December 2013	Charged/ credited to the income statement	Charged/ credited to equity	Charged/ credited acquisition	Exchange differences	on 31 December 2014
(In)tangible assets	(30,262)	(1,938)	-	-	125	(32,075)
Stocks	(119)	(144)	-	-	10	(253)
Employee benefits	655	176	(71)	-	-	760
Tax effect of tax loss carry-forwards	3,600	169	-	-	261	4,030
Provisions	(3,487)	83	-	-	-	(3,404)
Financial instruments	21	(18)	-	-	-	3
Other	764	383	-	-	162	1,309
Total deferred tax	**(28,828)**	**(1,289)**	**(71)**	**-**	**558**	**(29,630)**
to be recovered or settled within 12 months	(1,123)					(1,790)
to be recovered or settled after more than 12 months	(27,705)					(27,840)

Deferred tax assets are included for the companies which have a loss at the end of the year, except for Interwaffles SA. The recognition of these deferred tax assets is supported by profit expectations in the foreseeable future.

At the balance sheet date the aggregate amount of deferred taxes associated with the investments in subsidiaries amounts to EUR 1.9 million. No deferred tax liability has been recognized in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. It should also be noted that the reversal of these differences, for example by way of distribution of dividends by the subsidiaries to the Parent, would generate no (or a marginal) current tax effect.

14 | DIVIDENDS

in thousands of EUR		
Dividend payments in	2014	2013
Gross dividend per ordinary share (EUR)	10.80	9.80
Gross dividend on ordinary shares	8,587	7,641
Proposed dividend per ordinary share (EUR)	**12.40**	**10.80**
Gross dividend on ordinary shares	10,293	8,587

The Board of Directors will propose to the Ordinary General Meeting of Shareholders of 8 May 2015 that the company declares for 2014 a net dividend of EUR 9.30 per share (gross dividend of EUR 12.40), compared with EUR 8.10 (EUR 10.80 gross) for 2013.

This amount is not recognised as a debt on 31 December. The gross dividend takes into account warrants exercised prior to the Ordinary General Meeting of Shareholders of 8 May 2015.

15 | OTHER LONG-TERM RECEIVABLES

in thousands of EUR	2014	2013
Other receivables	79	16
Cash guarantees	127	77
Total	**206**	**93**

16 | STOCKS

in thousands of EUR	2014	2013
Raw materials and consumables	8,860	8,572
Work in progress	304	193
Finished goods	8,588	7,369
Goods purchased	146	531
Total	**17,898**	**16,665**

The value reductions recorded as costs amount to kEUR 1,766 and relate mainly to packaging (kEUR 739) and finished products (kEUR 728). In 2013, kEUR 869 of value reductions were recognized.

17 | TRADE RECEIVABLES AND OTHER AMOUNTS RECEIVABLE

The amount of the bad debt allowances entered as costs in 2014 is kEUR 53.
In 2013, kEUR 15 was entered as bad debt allowances.
The trade receivables represent an average of 41 days of customer credit (2013: 40 days).

in thousands of EUR	2014	2013
Trade receivables	**38,804**	**36,036**
Tax receivables		
VAT receivables	3,333	3,721
Income tax receivables	421	1,707
Total	**3,754**	**5,428**
Other amounts receivable	**112**	**402**

The other current amounts receivables include inter alia the proportion of long-term receivables that are due within one year, empties in custody and capital subsidies to be received.

Movements on the bad debt allowance for trade receivables are as follows:

Amounts written off on 1 January	**973**	**933**
increase of amounts written off	53	23
changes in consolidation scope	-	25
reversal of unutilized amounts written off	-	(3)
amounts written off used during the year	(26)	(5)
Amounts written off on 31 December	**1,000**	**973**

With regard to trade debts there are no indications that debtors will not meet their payment obligations. More information regarding the credit risk is included in note 35.

18 | NET CASH POSITION

The net cash position is defined as cash and cash equivalents net of current interest-bearing liabilities. The net cash position increased by kEUR 21,115 compared with 2013, primarily due to lower amounts of short-term loans for the financing of investments.

in thousands of EUR	2014	2013
Cash and cash equivalents	11,855	11,933
Short term interest-bearing liabilities	(41,144)	(62,337)
Total	**(29,289)**	**(50,404)**

19 | CASH AND CASH EQUIVALENTS

Cash and cash equivalents include balances on bank accounts remunerated at market conditions. The market value of these cash and cash equivalents is therefore equal to the carrying amount.

in thousands of EUR	2014	2013
Cash	11,855	11,933
Cash equivalents	-	-
Total	**11,855**	**11,933**

20 | INTEREST-BEARING LIABILITIES

The long-term financial debt with a remaining maturity of more than one year decreased by kEUR 7,600. All financial liabilities, both long term and short term, are denominated in euro.

All interest-bearing liabilities were contracted at market conditions and therefore the carrying amount approximates the fair value.

in thousands of EUR	Due within 1 year	Due between 1 to 5 years	Due after 5 years	Total
Non current interest-bearing liabilities	15,100	7,900	25	23,025
Current interest-bearing liabilities	47,237	-	-	47,237
Total on 31 December 2013	**62,337**	7,900	25	**70,262**
Interests due on non current interest-bearing liabilities	233	51	-	284
Non current interest-bearing liabilities	7,600	325	-	7,925
Current interest-bearing liabilities	33,544	-	-	33,544
Total on 31 December 2014	**41,144**	**325**	**-**	**41,469**
Interests due on non current interest-bearing liabilities	39	4	-	43

The interests due on the loans with variable interest rate are calculated at the actual interest rate. The unused credit amounts came to kEUR 71,339 on 31 December 2014.

21 | ISSUED CAPITAL

All shares are ordinary shares, registered, bearer or dematerialized. The treasury shares have been bought in within the context of the share option plans mentioned in note 25.

Ordinary shares, issued and fully paid	2014	2013
in thousands of EUR		
on 1 January	3,499	3,431
Increase	35	68
on 31 December	3,534	3,499
Number of ordinary shares		
on 1 January	795,113	779,643
Increase	7,900	15,470
on 31 December	803,013	795,113
Less: treasury shares held at 31 December	(21,416)	(24,548)
Shares outstanding at 31 December	781,597	770,565
Amounts of authorized capital, not issued		
in thousands of EUR	999	1,034

Structure of shareholdings

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

	No. of voting rights	% of 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 NV	**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.

22 | TREASURY SHARES

Treasury shares purchased as part of the stock option plans and declared in note 25 were subtracted from equity.

in thousands of EUR	2014	2013
on 1 January	9,442	11,061
Purchased during the year	1,032	-
Sold during the year	(1,055)	(1,619)
on 31 December	9,419	9,442
Number of treasury shares		
on 1 January	24,548	30,698
Purchased during the year	1,218	-
Sold during the year	(4,350)	(6,150)
on 31 December	21,416	24,548

23 | PROVISIONS

The use of the provision for integration and restructuring in 2013 and 2014 relates to the costs associated with production optimization and further investments in the Koninklijke Peijnenburg plants. The other provisions mainly relate to contractual or legal obligations towards personnel and for research.

in thousands of EUR	Integration and restructuring	Environment	Other	Total
Provisions on 1 January 2013	**1,006**	**237**	**605**	**1,848**
Increase of provisions	1,375	-	3	1,378
Acquisition through business combinations	-	-	173	173
Reversal of unutilized provisions	(34)	(115)	(97)	(246)
Provisions used during the year	(1,277)	(47)	(45)	(1,369)
Provisions on 31 December 2013	**1,070**	**75**	**639**	**1,784**
Long term	-	-	574	574
Short term	1,070	75	65	1,210
Provisions on 1 January 2014	**1,070**	**75**	**639**	**1,784**
Increase of provisions	-	-	164	164
Reversal of unutilized provisions	-	(75)	(73)	(148)
Provisions used during the year	(1,070)	-	(13)	(1,083)
Provisions on 31 December 2014	**-**	**-**	**717**	**717**
Long term	-	-	661	661
Short term	-	-	56	56

Current provisions are expected to be settled within 12 months.

24 | POST-EMPLOYMENT BENEFITS

Defined contribution plan

As part of the defined contribution plan, the Group pays contributions to well-defined insurance institutions. Management of the pension plan is outsourced to an insurance company. These employer contributions are subtracted from the results for the year concerned. The Group has no further payment obligations in addition to these contributions.

Because of the Belgian legislation applicable to 2nd pillar pension plans (so-called 'Law Vandenbroucke'), all Belgian defined contribution plans have to be considered under IFRS as defined benefit plans. 'Law Vandenbroucke' states that in the context of defined contribution plans, the employer must guarantee a minimum return of 3.75% on employee contributions and 3.25% on employer contributions.
Because of this minimum guaranteed return for defined contributions plans in Belgium, the employer is exposed to a financial risk (there is a legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods). These plans should therefore be classified and accounted for as defined benefit plans under IAS 19.
In the past the company did not apply the defined benefit accounting for these plans because higher interest rates were applicable and the return on plan assets provided by insurance companies was sufficient to cover the minimum guaranteed return. As a result of continuous low interest rates offered by the European financial markets, the employers in Belgium effectively assumed a higher financial risk related to the pension plans with a minimum fixed guaranteed return than in the past, requiring them to measure the potential impact of defined benefit accounting for these plans.
We made an estimate of the potential additional liabilities as at 31 December 2014 and these are assessed as not significant. For information the employer's contribution related to the plans is given below: 2014: kEUR 1,004.

In the Netherlands a defined benefit pension plan has been concluded with BPF ('Stichting Bedrijfstakpensioenfonds voor de Zoetwarenindustrie' (collective schemes of several employers in the sector)). The employer pays an annual fixed percentage on a part of the salary (pension base) of the year in which pension is accrued. Because employers pay a fixed contribution, the scheme falls under the defined contribution scheme.

The Group expects to pay around kEUR 2,925 of contributions to these defined contribution plans in respect of 2015.

Defined benefit pension plan

There is a defined benefit pension plan in the subsidiaries in Germany and the Netherlands.

For the Belgian companies, there are provisions for early retirement in accordance with the valid Collective Work Agreement.

In France, there are pension requirements deriving from legal requirements.

Defined benefit costs are split into 2 categories:
- Current-service cost, past-service cost, gains and losses on curtailments and settlements;
- Net-interest expense or income.

The total service cost, the net interest expense, the remeasurement of other long term personnel charges, administrative expenses and taxes for the year are included in the personnel charges in the consolidated income statement. The remeasurement on the net defined benefit liability is included in the statement of comprehensive income as part of other comprehensive income.

The provisions for early retirement pensions ('bridging pensions') of the Belgian companies make up the largest part of the defined benefit pension liabilities. For the defined benefit pension plan, provisions are formed by calculating the actuarial value of future interventions to the employees in question. No investments are held in respect of these pension plans.

The actuarial calculation is based on the following assumptions:

	2014	2013
Discount rate:	1.10%	2.50%
Inflation rate:	2.00% p.a.	2.00% p.a.

The portion of short-term liabilities in the global provision for pensions is not significant.
No major adaptations were required in the past for pension liabilities.

The Group expects to pay out around kEUR 90 in 2015 under defined benefit pension schemes for Germany and France.

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 for benefits for the life of the plan members, so increases in life expectancy will result in an increase in the plan's liabilities.

in thousands of EUR	2014	2013
Net periodic cost		
Retirement charges imputed to the period	90	209
Interest charges	85	70
(Gains) / losses	(5)	(171)
Net periodic cost	**170**	**108**
Remeasurements (recognised in OCI)		
Remeasurements on the defined benefit obligation	635	(448)
Remeasurements	**635**	**(448)**
Movement in the net liability		
Net debts as at 1 January	2,849	3,271
Retirement charges imputed to the period	90	209
Interest charges	85	70
Remeasurements	635	(448)
Employers contribution	(44)	(82)
(Gains) / losses	(5)	(171)
Other	4	-
Net debts as at 31 December	**3,614**	**2,849**

25 | SHARE-BASED PAYMENTS

Stock option plans

The stock option plans ratified by the Board of Directors of May and July 1999 and February 2005 stipulate that options were granted to management, until 2004 partially based on category and partially based on results and evaluation. Starting in 2005, a specific number of options is granted per category.
One option gives the holder the right to purchase one normal Lotus Bakeries share at the fixed exercise price.
The exercise price is equal to the average closing stock market price of the underlying share during the thirty calendar days prior to grant date.
The standing options have a term of five years. After the exercise period, the options are no longer valid. The exercise period of the options granted in 2007 has been extended by five years under the terms of the Economic Recovery Act ('Herstelwet').
To retain their exercise rights, option holders must remain attached to Lotus Bakeries or an Affiliated Company as an employee or executive director. These rights remain in their entirety in the event of pension retirement, early pension retirement, invalidity or death. Options are exercised via equity.
In 2014, 6,160 share options were granted to Lotus Bakeries employees. In 2013, 5,133 share options were granted to Lotus Bakeries employees.

Warrant plan

To replace the option plans for the coming years, a warrant plan was issued in 2007 for executives and senior management, with a term of seven years. Each warrant entitles the warrant holder to subscribe one Lotus Bakeries share at the established exercise price. This exercise price is equal to the average stock market closing price of the Lotus Bakeries share during the thirty calendar days preceding the date of offering. After the expiry of the exercise period the warrants become worthless. Upon exercise the company will issue shares in favour of the warrant holder.
Warrants are definitively acquired only three years after the date of the offering, viz. 19 July 2010. All warrants that have been allocated become null and void if the employment contract or directorship is terminated before the end of this three-year period, except where the warrant holder takes retirement pension, early retirement pension, or in the event of definitive disability or death. Where the warrant holder's employment contract or directorship ends in the period between the third and fifth anniversaries of the date of offering, only half of the warrants that have been definitively acquired at that time may be exercised, and the other half of the definitively acquired warrants become null and void and lose all value.
No new warrants were allocated in 2014 and 2013. The warrants run for seven years, with the exercise period of the warrants granted in 2007 extended for five years by the Economic Recovery Act.

The share options and warrants outstanding at the end of 2014 have a weighted average term of three years and eight months (2013: four years and five months).

The fair value of the options and warrants is estimated at the time of allotment, using the binomial valuation method. This valuation model is based on the following market data and assumptions: the share price at the time of allotment, the exercise price, the exercise arrangements, the estimated volatility, the dividend expectations and the risk-free interest rate. The fair value of the share options and warrants is charged to the vesting period.

For all allotted options, a charge of kEUR 361 was recorded in the income statement in 2014 (kEUR 296 in 2013).
For share options exercised during 2014, the weighted average share price at exercise date was EUR 835.53 (2013: EUR 641.06). For the exercised warrants, the weighted average share price at the exercise date was EUR 873.85 (2013: EUR 662.64).

Number of options and warrants

	2014	2013
Outstanding at January, 1	**39,669**	**57,613**
Options granted during the year	6,160	5,133
Options exercised during the year	(4,350)	(6,150)
Options expired during the year	(857)	(1,457)
Warrants exercised during the year	(7,900)	(15,470)
Outstanding at 31 December	**32,722**	**39,669**
Exercisable at 31 December	15,850	25,700
Charge recorded in the income statement (kEUR)	361	296

The weighted average exercise price of options and warrants is as follows:

Amounts in EUR	2014	2013
Outstanding at January, 1	**343.70**	**286.89**
Options granted during the year	802.55	650.31
Options exercised during the year	309.18	280.20
Options expired during the year	615.28	482.66
Warrants exercised during the year	246.02	246.02
Outstanding at 31 December	**451.14**	**343.70**
Exercisable at 31 December	250.46	248.08

Weighted average term of the share options and warrants outstanding at the end of the period.	2014	2013
number of years	3	4
and number of months	8	5

Alloted in		Number alloted [1]	Number exercised [2]	Available balance	Exercise price	Exercise period
2007	Options	11,950	9,900	2,050	232.82	01/01/2011 - 10/05/2017
2007	Warrants	43,450	30,450	13,000	246.02	15/09/2012 - 30/09/2012
						15/03/2013 - 31/03/2013
						15/09/2013 - 30/09/2013
						15/03/2014 - 31/03/2014
						16/06/2014 - 30/06/2014
						15/09/2014 - 30/09/2014
						15/03/2015 - 31/03/2015
						15/09/2015 - 30/09/2015
						15/03/2016 - 31/03/2016
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						15/03/2017 - 31/03/2017
						15/09/2017 - 30/09/2017
						15/03/2018 - 31/03/2018
						15/09/2018 - 30/09/2018
						15/03/2019 - 31/03/2019
						16/06/2019 - 30/06/2019
2010	Options	2,400	1,600	800	367.72	01/01/2014 - 17/05/2015
2011	Options	700	-	700	405.12	01/01/2015 - 12/05/2016
2011	Options	500	-	500	387.12	18/03/2015 - 29/07/2016
2012	Options	5,238	-	5,238	496.77	01/01/2016 - 10/05/2017
2013	Options	4,339	-	4,339	650.31	01/01/2017 - 13/05/2018
2014	Options	6,095	-	6,095	802.55	01/01/2018 - 08/05/2019
	Total	**74,672**	**41,950**	**32,722**		

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

The weighted fair value of the options and assumptions used in applying the option pricing model are as follows:

	2014	2013
Fair value of options granted	96.08	81.17
Share price	819.35	661.50
Exercise price	802.55	650.31
Expected volatility	18.35%	17.56%
Expected dividends	1.82%	2.37%
Risk-free interest rate	0.79%	2.40%

The volatility measured at the standard deviation is based on daily share prices of Lotus Bakeries over the last three years.

26 | TRADE PAYABLES AND OTHER LIABILITIES

in thousands of EUR	2014	2013
Trade payables	33,309	34,249
Remuneration and social security	12,357	12,525
Tax payables		
VAT payables	126	750
Tax payables	7,097	4,376
Total	**7,223**	**5,126**
Derivative financial instruments	10	70
Other current liabilities	147	279
Accrued charges and deferred income	2,552	2,894
Total	**55,598**	**55,143**

The trade and other payables remained stable compared to last year, with the higher tax liabilities offset by lower trade and VAT debts.

27 | FINANCIAL DERIVATIVES

The Lotus Bakeries Group uses financial derivatives to cover risks from adverse exchange rate and interest rate fluctuations. No derivatives are used for trading purposes. Derivatives are initially valued at cost price and thereafter at fair value.

Interest rate hedges:

The interest rate contracts cover the interest rate risk of the financial liabilities with variable interest rates based on the Euribor.
The fair value of the interest rate derivatives is calculated using a model that takes into account the available market information on current and expected interest rates.

Current contracts do not meet the requirements for hedge accounting (cf. IAS 39). The changes in the fair value of these current contracts are recognized in the income statement.

The interest hedging contract at the company Bisinvest, which has been merged with Lotus Bakeries, was eligible for hedge accounting (cf. IAS 39). On this contract, that ended mid-2013, the change in fair value was taken through other comprehensive income.

Exchange rate hedges:
Purchasing and selling takes place predominantly in euro. The main foreign currency transactions related to buying and selling take place in USD, GBP, CZK, CHF and SEK. The net foreign exchange risk of these currencies is hedged by forward and/or option contracts whenever there exists a material uncovered net risk for the Group.

The fair value of the foreign currency derivatives is calculated using a valuation model based on the available market data on exchange rates and interest rates.

Fair value and result outcome

in thousands of EUR	2014	2013
Interest rate derivatives		
Fair value	(10)	(70)
Cost/(revenue) in results	(60)	(393)
Decrease/(increase) in equity	-	(31)

The financial instruments are level 2 instruments. The real value is calculated on the basis of the available market information.

28 | INVESTMENTS IN ASSOCIATED COMPANIES

In 2014 and in 2013 there were no investments by Lotus Bakeries in associated companies.

29 | ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

In 2014, no subsidiaries were acquired, established or sold.
The following transactions took place in 2013:

Biscuiterie Willems BVBA and B.W.I. BVBA
At the beginning of 2013, Lotus Bakeries NV purchased all shares in Biscuiterie Willems BVBA and B.W.I. BVBA.
Both companies are included in the consolidation as from January 1st, 2013, since Lotus Bakeries NV gained control from this date.

The limited costs related to the acquisition of Biscuiterie Willems BVBA and B.W.I. BVBA have been included in the non-recurrent operating result.

The final value of the assets and liabilities acquired has been determined within the period of 12 months following the date of acquisition. The required adjustments to the real value have been included in the consolidated annual financial statements for the year ending on December 31st, 2013.

The purchase price of Biscuiterie Willems BVBA and B.W.I. BVBA is composed as follows:

kEUR	**Biscuiterie Willems BVBA + B.W.I. BVBA**		
in thousands of EUR	Belgian GAAP 31/12/2012	Fair value adjustments	Fair value
PURCHASE PRICE			35,000
Property, plant and equipment	5,827	2,060	7,887
Intangible assets	11	-	11
Financial assets	1,000	(1,000)	-
Inventories	1,519	(100)	1,419
Trade and other receivables	5,699	(7)	5,692
Cash and cash equivalents	3,730	-	3,730
Deferred tax assets	-	313	313
Bank loans and overdrafts	(2,758)	1,000	(1,758)
Trade and other payables	(2,398)	(72)	(2,470)
Deferred tax liabilities	-	(901)	(901)
Other liabilities	-	(486)	(486)
TOTAL NET ASSETS	**12,630**	**807**	**13,437**
Net value of revaluation of land			**790**
GOODWILL			**20,773**

The goodwill of kEUR 20,773 generated by the acquisition can be contributed to the following components. Firstly, at Lotus Bakeries, speculoos is produced at only one site. The goodwill can therefore be partially apportioned to guaranteeing the continuity for speculoos. It is, after all, an opportunity for the Group to have another speculoos factory, besides Lembeke. Secondly, due to the acquisition of Biscuiterie Willems BVBA, Lotus Bakeries will be able to continue to grow in the catering and food service sector, where Biscuiterie Willems BVBA has a strong position, within as well as outside Europe. Thirdly, Lotus Bakeries has a strategy to also commercialise speculoos outside Europe and to expand it into a worldwide product in the long term. In important growth markets, such as Asia, the Middle East and America, where Lotus Bakeries has already booked successes, this acquisition offers a strengthening of the position. Goodwill is not eligible for tax relief. There are no further liabilities associated with the sale.

The results of Biscuiterie Willems BVBA and B.W.I. BVBA have been included in the consolidation as from January 1st, 2013. During 2013 Biscuiterie Willems BVBA contributed kEUR 25,119 to the revenue and kEUR 2,742 to the profit of the consolidated net result of the Group. During 2013 B.W.I. BVBA contributed kEUR 348 to the profit of the consolidated net result of the Group.

Lotus Bakeries China

Lotus Bakeries China was founded in September 2013.

30 | GOODWILL

The carrying value of goodwill at the end of 2014 was kEUR 46,135.

For sales, production and internal reporting, the Group is organized into geographic regions (see also geographic segment information). The segments consist of underlying business units. These business units represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.These business units are the cash-generating units to which goodwill is allocated. The net carrying value of goodwill has been allocated to the various and independent cash generating units as follows:

Cash generating unit	Amount kEUR
Netherlands (Koninklijke Peijnenburg)	17,151
Spain (Lotus Bakeries Ibérica)	1,704
Sweden (Annas Pepparkakor Holding AB)	6,507
Customer Brand Business (Biscuiterie Willems BVBA and B.W.I. BVBA)	20,773

in thousands of EUR	2014	2013
Acquisition cost		
Balance at end of previous year	46,517	25,960
Effect of movements in foreign exchange	(382)	(216)
Acquisitions of subsidiaries	-	20,773
Balance at end of year	**46,135**	**46,517**
Carrying amount		
at 31 December	46,135	46,517

Goodwill, representing approximately 13.69% of the total assets of Lotus Bakeries at 31 December 2014, is tested for impairment by comparing the carrying value of each cash generating unit (CGU) with its recoverable amount. The recoverable amount of a cash generating unit is determined on the basis of the calculated value in use.

The value in use is determined as the present value of expected future cash flows based on the current long-term planning of the Group. The discount rate used in determining the present value of expected future cash flows is based on a weighted average cost of capital (WACC).

Lotus Bakeries has undertaken its annual impairment test for goodwill. No impairment charge is required. Lotus Bakeries believes that its estimates are very reasonable: they are consistent with the internal reporting and reflect the best estimates by management.
The impairment test for goodwill is based on a number of critical judgements, estimates and assumptions. The assumptions are consistent and realistic for the four cash generating units, each of which, moreover, is in Europe.

CGU 'Netherlands'

At 31 December 2014, the carrying amount of the goodwill of the CGU Netherlands amounted to kEUR 17,151.

At year-end 2014, the Group tested the goodwill belonging to the CGU Netherlands for possible impairment. Taking into account the assumptions used, the value in use of the unit exceeds its carrying amount and no impairment loss was recognized.

The main judgements, assumptions and estimates are:

- Revenue and gross profit margin: revenue and gross profit margin reflect management's expectations based on past experience and taking into account the risks specific to the reportable business unit.
- The first year of the model is based on the budget for the year and is management's best estimate, taking into account historical results, of the free cash flow outlook for the current year.
- In years two to five of the model, free cash

- flows are based on Lotus Bakeries' long-term plan. The long-term plan of Lotus Bakeries is prepared country by country, based on realistic internal plans that take into account the specific market situation and the past.
- Cash flows beyond the first five years are extrapolated by applying a growth rate of 2% to free cash flows.
- Projections are discounted at the weighted average pre-tax cost of capital, which lies between 8 and 10%. The pre-tax discount rate is calculated by dividing the discount rate after tax by one minus the applicable tax rate. This result is not materially different from an iterative calculation method as described in IAS36.

As a part of the valuation test, Lotus Bakeries carried out a sensitivity analysis for important assumptions used, including the weighted average capital costs, free cash flow and long term growth percentage.
For the Netherlands cash generating unit a long term growth percentage varying between 1% and 2%, weighted average capital costs before taxes varying between 6% and 12% and free cash flow between 95% and 100% of the long term plan were applied in order to take into account possible fluctuations in volumes and margins.
A change in the used estimates, as included above, will not lead to a possible exceptional impairment.
Although Lotus Bakeries believes that its assessments, assumptions and estimates are suitable, actual results may differ from these estimates in the event of changed assumptions and conditions.

CGU 'Spain'

At 31 December 2014, the carrying amount of the goodwill of the CGU Spain amounted to kEUR 1,704.

At year-end 2014, the Group tested the goodwill belonging to the CGU Spain for possible impairment. Taking into account the assumptions used, the value in use of the unit exceeds its carrying amount and no impairment loss was recognized.

The main judgements, assumptions and estimates are:

- Revenue and gross profit margin: revenue and gross profit margin reflect management's expectations based on past experience and taking into account the risks specific to the reportable business unit.
- The first year of the model is based on the budget for the year and is management's best estimate, taking into account historical results, of the free cash flow outlook for the current year.
- In years two to five of the model, free cash flows are based on Lotus Bakeries' long-term plan. The long-term plan of Lotus Bakeries is prepared country by country, based on realistic internal plans that take into account the specific market situation and the past.
- Cash flows beyond the first five years are extrapolated by applying a growth rate of 2% to free cash flows.
- Projections are discounted at the weighted average pre-tax cost of capital, which lies between 8 and 10%. The pre-tax discount rate is calculated by dividing the discount rate after tax by one minus the applicable tax rate. This result is not materially different from an iterative calculation method as described in IAS36.

As a part of the valuation test, Lotus Bakeries carried out a sensitivity analysis for important assumptions used, including the weighted average capital costs, free cash flow and long term growth percentage.
For the Spain cash generating unit a long term growth percentage varying between 1% and 2%, weighted average capital costs before taxes varying between 6% and 12% and free cash flow between 95% and 100% of the long term plan were applied in order to take into account possible fluctuations in volumes and margins.
A change in the used estimates, as included above, will not lead to a possible exceptional impairment.
Although Lotus Bakeries believes that its assessments, assumptions and estimates are suitable, actual results may differ from these estimates in the event of changed assumptions and conditions.

CGU 'Sweden'

On 31 December 2014, the carrying amount of the goodwill of the CGU Sweden amounted to kEUR 6,507.

At year-end 2014, the Group tested the goodwill belonging to the CGU Sweden for possible impairment. Taking into account the assumptions used, the value in use of the unit exceeds its carrying amount and no impairment loss was recognized.
The main judgements, assumptions and estimates are:

- Revenue and gross profit margin: revenue and gross profit margin reflect management's expectations based on past experience and taking into account the risks specific to the reportable business unit.
- The first year of the model is based on the budget for the year and is management's best estimate, taking into account historical results, of the free cash flow outlook for the current year.
- In years two to five of the model, free cash flows are based on Lotus Bakeries' long-term plan. The long-term plan of Lotus Bakeries is prepared country by country, based on realistic internal plans that take into account the specific market situation and the past.
- Cash flows beyond the first five years are extrapolated by applying a growth rate of 2% to free cash flows.
- Projections are discounted at the weighted average pre-tax cost of capital, which lies between 8 and 10%. The pre-tax discount rate is calculated by dividing the discount rate after tax by one minus the applicable tax rate. This result is not materially different from an iterative calculation method as described in IAS36.

As a part of the valuation test, Lotus Bakeries carried out a sensitivity analysis for important assumptions used, including the weighted average capital costs, free cash flow and long term growth percentage.
For the Sweden cash generating unit a long term growth percentage varying between 1% and 2%, weighted average capital costs before taxes varying between 6% and 12% and free cash flow between 95% and 100% of the long term plan were applied in order to take into account possible fluctuations in volumes and margins.
A change in the used estimates, as included above, will not lead to a possible exceptional impairment.
Although Lotus Bakeries believes that its assessments, assumptions and estimates are suitable, actual results may differ from these estimates in the event of changed assumptions and conditions.

CGU 'Customer Brand Business'

On 31 December 2014, the carrying amount of the goodwill of the CGU Customer Brand Business amounted to kEUR 20,773.

At year-end 2014, the Group tested the goodwill belonging to the CGU Customer Brand Business for possible impairment. Taking into account the assumptions used, the value in use of the unit exceeds its carrying amount and no impairment loss was recognized.

The main judgements, assumptions and estimates are:

- Revenue and gross profit margin: revenue and gross profit margin reflect management's expectations based on past experience and taking into account the risks specific to the reportable business unit.
- The first year of the model is based on the budget for the year and is management's best estimate, taking into account historical results, of the free cash flow outlook for the current year.
- In years two to five of the model, free cash flows are based on Lotus Bakeries' long-term plan. The long-term plan of Lotus Bakeries is prepared country by country, based on realistic internal plans that take into account the specific market situation and the past.
- Cash flows beyond the first five years are extrapolated by applying a growth rate of 2% to free cash flows.
- Projections are discounted at the weighted average pre-tax cost of capital, which lies between 8 and 10%. The pre-tax discount rate is calculated by dividing the discount rate after tax by one minus the applicable tax rate. This result is not materially different from an iterative calculation method as described in IAS36.

As a part of the valuation test, Lotus Bakeries carried out a sensitivity analysis for important assumptions used, including the weighted average capital costs, free cash flow and long term growth percentage.
For the Customer Brand Business cash generating unit a long term growth percentage varying between 1% and 2%, weighted average capital costs before taxes varying between 6% and 12% and free cash flow between 95% and 100% of the long term plan were applied in order to take into account possible fluctuations in volumes and margins.
A change in the used estimates, as included above, will not lead to a possible exceptional impairment.
Although Lotus Bakeries believes that its assessments, assumptions and estimates are suitable, actual results may differ from these estimates in the event of changed assumptions and conditions.

31 | RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

1. Rent

The Group's commitments relate to the leasing of cars mainly in Belgium, France, Germany, the Netherlands, the United States, the Czech Republic, Sweden, China, Spain, Poland and Switzerland, of office space for Sales Offices other than in Belgium, the Netherlands and France and the leasing of warehouse space in the United States. The lease rental payments are charged to the income statement.

Future rental charges as of 31 December:

in thousands of EUR	2014	2013
Less than one year	1,697	1,680
Greater than one year and less than five years	2,478	1,984
More than 5 years	5	-

The annual rent costs of these commitments totalled kEUR 1,934 in 2014 (kEUR 1,776 in 2013).

Lease agreements in which a significant portion of the risks and benefits of ownership are retained by the lessor are classified as operating lease agreements. Payments made under operating lease agreements are charged to the income statement on a straight-line basis over the life of the lease agreement.

2. Commitments to acquire tangible fixed assets

As of 31 December 2014, the Group had kEUR 2,906 of commitments (2013: kEUR 4,497) for the purchase of fixed assets.

The main commitments relate to the completion of the new headquarters in Lembeke and further automation in the Oostakker and Meise plants.

3. Raw materials contracts

Raw materials purchased but still to be delivered in 2015 and 2016 amounted to kEUR 57,485, as detailed below.

in thousands of EUR	2014	2013
Less than one year	44,380	28,460
Greater than one year and less than five years	13,105	598

See also note 35-Financial risk management.

4. Other rights and commitments

Bank guarantees as of 31 December 2014: kEUR 261 (as of 31 December 2013: kEUR 261).

Lotus Bakeries commits itself not to dispose of, mortgage or pledge any fixed assets without prior consultation with the credit-granting institutions. These assets serve as guarantee for the loans ('full negative pledge').

A credit institution has a notarial mandate of EUR 1.5 million on the assets of Biscuiterie Willems BVBA.

32 | POST BALANCE SHEET EVENTS

No significant events have occurred after 31 December 2014.

33 | RELATED PARTIES

A list of all Group companies is provided in note 1. The biggest Lotus Bakeries Group shareholders are Stichting Administratiekantoor van Aandelen Lotus Bakeries and Lotus Bakeries NV that, as of 31 December 2014, held an undiluted interest of 59.37%, as well as Holding Biloba BVBA and Christavest Comm.VA, with holdings of 3.36% and 2.53% respectively at 31 December 2014.

Certain Executive Committee members have set up a company called Caracookie BVBA. Except for the fact that this company is controlled by certain members of the Executive Committee, there are no transactions or commitments between Lotus Bakeries and Caracookie BVBA.

For information on the remuneration of the CEO and the remuneration of the executive managers (excluding the CEO) in 2014, we refer to the remuneration report included in Part 1 of the 2014 annual review.

34 | ASSETS HELD FOR SALE

There were no assets held for sale on 31 December 2014.

35 | FINANCIAL RISK MANAGEMENT

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.
See also note 31-Rights and other commitments not reflected in the balance sheet.

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 our financial obligations (kEUR 425) with a variable interest rate is hedged based on the Euribor.

4. Financial instruments

SENSITIVITY ANALYSIS:

Interest rate risk:
A 10 basis points higher Euribor interest rate in 2014 would have negatively impacted interest expense by approximately kEUR 59.

Exchange rate risk:
An average 5% lower USD, GBP, CAD, CZK, CHF and SEK exchange rate would have negatively affected net result by approximately kEUR 633 in all. An average 5% higher USD, GBP, CAD, CZK, CHF and SEK exchange rate would have positively affected net result by approximately kEUR 696.

Currency	Effect on the net result of the lower average rate of 5% (amount in thousands of EUR)	Effect on the net result of the higher average rate of 5% (amount in thousands of EUR)
USD	(461)	510
GBP	(115)	127
CZK	(52)	57
Other	(5)	2
Total	(633)	696

The outstanding financial instruments concluded in the framework of the interest and exchange rate risks are intended to limit the impact of a possible rise in the Euribor interest rate of up to one year or a weakening of the exchange rate.

A change of ten basis points in the Euribor interest rate or an exchange rate fluctuation of 5% does not significantly affect the fair value of these financial instruments.

The development of the interest and exchange rates and of the financial instruments is dynamically and systematically monitored in order to limit or avoid as far as possible the potential risks with regard to the interest rate effectively paid today or in the future or the negative impact of an unfavourable exchange rate development.

5. 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 establis-hed financial institutions.

6. 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.

The following are the contractual maturities of non-derivative financial liabilities including interest payments and derivative financial assets and liabilities:

Financial assets and liabilities

in thousands of EUR	2013		
	Less than 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities			
Unsecured bank loans	(15,333)	(7,749)	(227)
Bank overdraft	(47,237)	-	-
Trade and other payables	(55,079)	-	-
	(117,649)	**(7,749)**	**(227)**
Derivative financial assets and liabilities			
Interest rate derivatives	(39)	(22)	(3)
	(39)	**(22)**	**(3)**

in thousands of EUR	2014		
	Less than 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities			
Unsecured bank loans	(7,639)	(102)	(227)
Bank overdraft	(33,544)	-	-
Trade and other payables	(45,666)	-	-
	(86,849)	**(102)**	**(227)**
Derivative financial assets and liabilities			
Interest rate derivatives	(2)	(2)	(6)
	(2)	**(2)**	**(6)**

7. 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.
We strive 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.

8. 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 distribu-tion 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.

9. 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 Vanenbroucke'), 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.

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.

36 | RESEARCH AND DEVELOPMENT

External and internal costs of research and development are expensed to the income statement during the year in which they are incurred. For 2014 these costs amounted to kEUR 1,434.

Year	Internal and external costs of research and development (in thousands of EUR)
2014	1,434
2013	1,128
2012	974
2011	1,120
2010	1,164

37 | MANAGEMENT RESPONSIBILITY STATEMENT

We hereby certify that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2014, which has been prepared in accordance with the IFRS (International Financial Reporting Standards), gives us a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole, and that the annual report includes a fair review of the important events that have occurred during the year 2014 and of the major transactions with the related parties, and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties with which the company is confronted.

Lembeke, 3 April 2015

On behalf of the Board of Directors

Jan Boone
CEO

38 | INFORMATION ABOUT THE STATUTORY AUDITOR, ITS REMUNERATION AND ADDITIONAL SERVICES RENDERED

The company's Statutory Auditor is PwC Bedrijfsrevisoren BCVBA, represented by Peter Opsomer.

Audit fee for the Group audit 2014	in duizenden EUR
Lotus Bakeries NV	64
Lotus Bakeries Group	296
Total	**360**
Fees for the mandates of PwC Bedrijfsrevisoren	227
Fees for the mandates of persons related to PwC Bedrijfsrevisoren	133

Group's Auditor fees for additional services rendered	
Other audit-related fees	32
Tax fees	0
Other non-audit fees	0

Fees for additional services rendered by persons related to PwC Bedrijfsrevisoren	
Other audit-related fees	0
Tax fees	393
Other non-audit fees	163

The one to one rule has been approved by the Audit Committee of Lotus Bakeries NV.

STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the general shareholders' meeting on the consolidated accounts for the year ended 31 December 2014.

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our opinion on the consolidated financial statements, as well as the required additional statements. The consolidated financial statements comprise the consolidated balance as at 31 December 2014 and the consolidated statements of income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Report on the consolidated financial statements - Unqualified opinion

We have audited the consolidated financial statements of Lotus Bakeries NV ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. The consolidated accounts of the Group are set forth in the financial supplement and in chapter IV of the annual report. The total of the consolidated balance amounts to KEUR 336,989 and the consolidated statement of income shows a profit for the year, Group share, of KEUR 36,775.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determine, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and consolidated financial position as at 31 December 2014 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not impact our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Ghent, 7 April 2015

The Statutory Auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Peter Opsomer*
Bedrijfsrevisor

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

ABRIDGED FIVE-YEAR FINANCIAL SUMMARY LOTUS BAKERIES GROUP

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**
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

ABRIDGED FIVE-YEAR FINANCIAL SUMMARY LOTUS BAKERIES GROUP

BALANCE SHEET AFTER APPROPRIATION OF PROFIT

ASSETS in thousands of EUR	31-12-14	31-12-13
Non-current Assets	**267,382**	**248,879**
II. Intangible assets	**11,974**	**13,471**
IV. Financial assets	**255,408**	**235,408**
A. Affiliated enterprises	255,408	235,408
1. Participating interests	255,408	235,408
Current Assets	**18,645**	**17,974**
V. Amounts receivable after more than one year	**-**	**80**
B. Other amounts receivable	-	80
VII. Amounts receivable within one year	**9,207**	**8,142**
A. Trade debtors	8,426	7,426
B. Other amounts receivable	781	716
VIII. Current investments	**9,419**	**9,562**
A. Own shares	9,419	9,442
B. Other investments and deposits	-	120
IX. Cash at bank and in hand	**19**	**190**
TOTAL ASSETS	**286,027**	**266,853**

BALANCE SHEET AFTER APPROPRIATION OF PROFIT

EQUITY AND LIABILITIES in thousands of EUR	31-12-14	31-12-13
Equity	**67,136**	**63,771**
I. Capital	**3,534**	**3,499**
A. Issued capital	3,534	3,499
II. Share premium account	**9,656**	**7,747**
IV. Reserves	**53,946**	**52,525**
A. Legal reserve	353	350
B. Reserves not available for distribution	9,491	9,514
1. Own shares	9,419	9,442
2. Other	72	72
C. Untaxed reserves	545	545
D. Reserves available for distribution	43,557	42,116
Liabilities	**218,891**	**203,082**
VIII. Non-current liabilities	**46,415**	**115,859**
A. Financial debts	37,518	107,218
4. Credit institutions	-	5,000
5.Other loans	37,518	102,218
D. Other debts	8,897	8,641
IX. Amounts payable within one year	**172,285**	**87,209**
A. Current portion of amounts payable after more than one year	38,450	43,450
B. Financial debts	116,494	28,289
1. Other loans	116,494	28,289
C. Trade debts	7,027	6,541
1. Suppliers	7,027	6,541
E. Taxes, remuneration and social security	56	53
1. Taxes	56	53
F. Other amounts payable	10,258	8,876
X. Accrued charges and deferred income	**191**	**14**
TOTAL EQUITY AND LIABILITIES	**286,027**	**266,853**

ABRIDGED STATUTORY FINANCIAL STATEMENTS OF LOTUS BAKERIES NV

NOT-CONSOLIDATED INCOME STATEMENT

in thousands of EUR	2014	2013
I. Operating income	**8,425**	**7,512**
D. Other operating income	8,425	7,512
II. Operating charges	**(5,521)**	**(4,226)**
B. Services and other goods	4,002	2,716
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	1,497	1,497
G. Other operating charges	22	13
III. Operating profit	**2,904**	**3,286**
IV. Financial income	**13,422**	**10,474**
A. Income from financial fixed assets	13,115	10,097
B. Income from current assets	3	183
C. Other financial income	304	194
V. Financial charges	**(4,311)**	**(4,727)**
A. Interest and other debt charges	4,161	4,464
C. Other financial charges	150	263
VI. Profit on ordinary activities before taxes	**12,015**	**9,033**
VIII. Extraordinary charges	**-**	**(391)**
E. Other extraordinary charges	-	391
IX. Profit for the year before taxes	**12,015**	**8,642**
X. Income taxes	**(50)**	**159**
A. Income taxes	50	137
B. Adjustment of income taxes and write-back of tax provisions	-	(296)
XI. Profit for the year	**11,965**	**8,801**
XIII. Profit for the year available for appropriation	**11,965**	**8,801**

APPROPRIATION ACCOUNT

in thousands of EUR	2014	2013
A. Profit to be appropriated	11,965	8,801
1. Profit for the year available for appropriation	11,965	8,801
B. Transfers from capital and reserves	-	43
2. From reserves	-	43
C. Transfer to capital and reserves	(1,422)	(7)
2. To legal reserve	4	7
3. To other reserves	1,418	-
F. Distribution of profit	(10,543)	(8,837)
1. Dividends	10,293	8,587
2. Directors' emoluments	250	250

EXTRACT FROM THE NOTES

VIII. STATEMENT OF CAPITAL	2014	2013	
	Bedragen in duizenden EUR	Bedragen in duizenden EUR	Aantal aandelen
A. CAPITAL			
1. Issued capital			
At the end of the preceding year	3,499	3,431	
At the end of the year	3,534	3,499	
2. Structure of the capital			
2.1. Different categories of shares			
Ordinary shares	3,534	3,499	803,013
2.2. Registered shares and bearer shares			
Registered			1,079
Bearer			-
Dematerialized			801,934
E. AMOUNTS OF AUTHORIZED CAPITAL, NOT ISSUED	**999**	**1,034**	

G. STRUCTURE OF SHAREHOLDINGS OF THE ENTERPRISE: Situation at December 31, 2014

As applied by article 29 paragraph 1, 1 of the law of 2 May 2007 on disclosure of mayor holdings, the following notification of shareholding in Lotus Bakeries NV was received at 27 April 2010.

	2014	
Announcer	Number of voting rights	% of voting rights
Stichting Administratiekantoor van Aandelen Lotus Bakeries (1) Claude Debussylaan 24 NL-1082 MD Amsterdam	455,323	56.70%
Lotus Bakeries NV (1) (3) Gentstraat 1 9971 Lembeke	21,416	2.67%
Holding Biloba BVBA (3) Kerkstraat 33A 9971 Lembeke	27,000	3.36%
Christavest Comm.VA (4) Kerkstraat 33A 9971 Lembeke	20,298	2.53%
TOTAL	**524,037**	**65.26%**

(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 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*.

* As applied by article 6 of the Law of 2 May 2007 on disclosure of mayor holdings.

ACCOUNTING PRINCIPLES

1. ASSETS

1.1 Formation expenses
Formation expenses have been recorded at cost and depreciated at 100%.

1.2 Intangible fixed assets
Intangible fixed assets are recorded at purchase or transfer price. The amortization percentages applied are:

- brand 10%
- software 33%

1.3 Financial fixed assets
Financial fixed assets are valued at acquisition price or contribution value without supplementary costs.

Reductions in value are applied where the estimated value of the financial fixed assets is less than the carrying value and where the loss of value so determined is of a lasting nature in the opinion of the Board of Directors.

The estimated value of the financial fixed assets is determined at the end of the accounting period based on the most recent available balance sheet and on one or more criteria.

Reductions in value are reversed, up to the amount of the previously recorded reductions in value, where the valuation at the closing date of the accounting period concerned significantly exceeds the previous valuation.

1.4. Receivables
The necessary reductions in value are applied to receivables, the collection of which is in doubt.

Receivables are recorded at their nominal value, less any credit notes remaining to be drawn up.

Receivables in foreign currencies are converted at the exchange rate applying on the balance sheet date.

Negative exchange rate differences in non-euro currencies are included in the income statement as in the past.

1.5. Investments and cash at bank and in hand
Treasury shares are valued at purchase price.

Cash at bank and in hand in foreign currency is converted at the exchange rate applying on the balance sheet date.

Both the negative and the positive conversion differences are included in the profit and loss account.

2. LIABILITIES

2.1. Provisions for liabilities and charges
Provisions have been made for all normally foreseeable liabilities and charges.

2.2. Amounts payable within one year
Suppliers
Debts to suppliers are booked at their nominal value. Debts in foreign currencies are valued at the rate of exchange on the balance sheet date. Exchange rate differences are processed in the same way as for foreign currency receivables.

3. ADDITIONAL INFORMATION
The company is part of a VAT unit which was formed within the Group and to which the following companies belong:

- Lotus Bakeries NV
- Lotus Bakeries België NV
- Cremers-Ribert NV
- Interwaffles SA
- Lotus Bakeries Corporate NV
- Biscuiterie Willems BVBA
- B.W.I. BVBA

Consequently, the company is jointly and severally liable for the tax debts of all the above companies.

NOTES

Lotus Since 1932

Gentstraat 1 - 9971 Lembeke