BAKERIES
SINCE 1932

ANNUAL REPORT
FINANCIAL SUPPLEMENT
2011

FINANCIAL SUPPLEMENT

The consolidated financial statements for 2011 shown below have been prepared in accordance with IFRS rules as adopted by the EU with comparative IFRS figures for 2010.

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.

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	31-12-11	31-12-10
ASSETS			
Non current assets		**184,861**	**178,257**
Tangible assets	12	95,052	90,233
Goodwill	30	25,710	25,670
Intangible assets	11	61,859	61,576
Investment in other companies		32	32
Deferred tax assets	13	2,045	637
Other non current assets including derivative financial instruments	15, 27	163	109
Current assets		**53,025**	**46,474**
Stocks	16	14,285	12,998
Trade receivables	17	26,305	23,360
Tax receivables	17	4,158	2,967
Other amounts receivable	17	78	114
Derivative financial instruments	27	28	60
Cash and cash equivalents	19	7,369	6,302
Deferred charges and accrued income		802	673
TOTAL ASSETS		**237,886**	**224,731**

in thousands of EUR	NOTES	31-12-11	31-12-10
EQUITY AND LIABILITIES			
Equity		**126,760**	**109,795**
Issued capital	21	3,400	3,400
Share premium		2,298	2,298
Consolidated reserves	14	127,291	109,704
Translation differences		1,674	1,709
Treasury shares	22, 25	(7,855)	(7,157)
Hedging reserves		(93)	(192)
Non-controlling interest		45	33
Non-current liabilities		**41,312**	**50,571**
Interest-bearing loans and borrowings	20	6,632	17,902
Deferred tax liabilities	13	29,187	28,700
Pensions	24	2,950	2,906
Provisions	23	2,534	948
Other non-current liabilities including derivative financial instruments	27	9	115
Current liabilities		**69,814**	**64,365**
Interest-bearing loans and borrowings	20	19,474	19,319
Provisions	23	79	79
Trade payables	26	29,430	23,509
Remuneration and social security	26	10,690	9,081
Tax payables	26	6,351	5,491
Derivative financial instruments	27	1,147	2,079
Other current liabilities	26	205	974
Accrued charges and deferred income	26	2,438	3,833
TOTAL EQUITY AND LIABILITIES		**237,886**	**224,731**

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in thousands of EUR	NOTES	2011	2010
Turnover		**275,598**	**264,823**
Raw materials. consumables and goods for resale		(83,408)	(82,378)
Services and other goods		(73,251)	(69,633)
Personnel costs	6	(68,724)	(65,533)
Depreciation and amortization	7	(11,102)	(11,318)
Decrease/(Increase) in amounts written off stocks. contracts in progress and trade debtors		(966)	(1,178)
Other operating income and charges (net)	4	(1,784)	172
Recurrent operating result (REBIT) (1)		**36,363**	**34,955**
Non-recurrent operating result	8	(2,695)	(874)
Operating result (EBIT) (2)		**33,668**	**34,081**
Financial result	5	(688)	(2,960)
Financial income		2,805	2,730
Financial charges		(3,493)	(5,690)
Result before taxation		**32,980**	**31,121**
Income taxes	9, 13	(9,165)	(8,055)
Result after taxation		**23,815**	**23,066**
Net result		**23,815**	**23,066**
Net result: minority interest		13	11
Net result: Group share		23,802	23,055

in thousands of EUR	NOTES	2011	2010
Other comprehensive income:			
Gains/(Losses) recognized directly in equity			
Currency translation differences		(35)	1,741
Financial instruments		99	115
Other comprehensive income for the year		**64**	**1,856**
Total comprehensive income for the year		**23,879**	**24,922**
Total comprehensive income for the year attibutable to:			
Non-controlling interest		13	11
Equity holders of Lotus Bakeries		23,866	24,911
Earnings per share	**10**		
Weighted average number of shares		749,088	751,377
Basic earnings per share (EUR)		**31.77**	**30.68**
of continued operations		31.77	30.68
Weighted average number of shares after effect of dilution		771,319	775,657
Diluted earnings per share (EUR)		**30.86**	**29.72**
of continued operations		30.86	29.72
Total number of shares (3)		772,563	772,563
Diluted earnings per share (EUR)		**30.81**	**29.84**
of continued operations		30.81	29.84

(1) REBIT is defined as recurrent operating result.

(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	Treasury shares	Consolidated Reserves	Translation differences	Hedging reserves	Equity - part of the Group	Non-controlling interest	Total Equity
EQUITY as on 1 January 2010	**1,500**	**2,298**	**(7,639)**	**104,503**	**(32)**	**(307)**	**100,323**	**874**	**101,197**
Profit of the Financial Year	-	-	-	23,055	-	-	23,055	11	23,066
Currency translation differences	-	-	-	-	1,741	-	1,741	-	1,741
Hedging reserves	-	-	-	-	-	115	115	-	115
Net income and expense for the period recognised directly in equity	-	-	-	-	1,741	115	1,856	-	1,856
Tot comprehensive income and expenses for the period	**-**	**-**	**-**	**23,055**	**1,741**	**115**	**24,911**	**11**	**24,922**
Merger	1,900		(16,563)	4,393	-	-	(10,270)	-	(10,270)
Dividend payments to shareholders	-	-	-	(6,061)	-	-	(6,061)	(32)	(6,093)
Acquisitions/sale treasury shares	-	-	482	-	-	-	482	-	482
Destruction of treasury shares	-	-	16,563	(16,563)	-	-	-	-	-
Share-based payments	-	-	-	939	-	-	939	-	939
Purchase/sale of a non-controlling interest	-	-	-	(151)	-	-	(151)	(820)	(971)
Other	-	-	-	(411)	-	-	(411)	-	(411)
EQUITY as on 31 December 2010	**3,400**	**2,298**	**(7,157)**	**109,704**	**1,709**	**(192)**	**109,762**	**33**	**109,795**
unavailable for distribution				21,775					
available for distribution				87,929					

in thousands of EUR	Issued capital	Share premium	Treasury shares	Consolidated Reserves	Translation differences	Hedging reserves	Equity - part of the Group	Non-controlling interest	Total Equity
EQUITY as on 1 January 2011	**3,400**	**2,298**	**(7,157)**	**109,704**	**1,709**	**(192)**	**109,762**	**33**	**109,795**
Profit of the Financial Year	-	-	-	23,802	-	-	23,802	13	23,815
Currency translation differences	-	-	-	-	(35)	-	(35)	-	(35)
Hedging reserves	-	-	-	-	-	99	99	-	99
Net income and expense for the period recognised directly in equity	-	-	-	-	(35)	99	64	-	64
Tot comprehensive income and expenses for the period	-	-	-	23,802	(35)	99	23,866	13	23,879
Dividend payments to shareholders	-	-	-	(6,799)	-	-	(6,799)	-	(6,799)
Acquisitions/sale own shares	-	-	(698)	-	-	-	(698)	-	(698)
Share-based payments	-	-	-	526	-	-	526	-	526
Other	-	-	-	58	-	-	58	-	58
EQUITY as on 31 December 2011	**3,400**	**2,298**	**(7,855)**	**127,291**	**1,674**	**(93)**	**126,715**	**45**	**126,760**
Unavailable for distribution				22,041					
Available for distribution				105,250					

Reserves are unavailable for distribution because of legal restrictions.

CONSOLIDATED CASH FLOW STATEMENT

in thousands of EUR	2011	2010
Operating activities		
Net profit	23,802	23,055
Amortization of (in)tangible assets	11,102	11,318
Valuation allowances against current assets	967	1,155
Provisions	2,112	769
Unrealized exchange rate losses (gains)	(651)	(171)
Capital loss on disposal of fixed assets	228	15
Income taxes	9,165	8,055
Decrease/(Increase) in derivative financial instruments	(750)	(897)
Interest expense	758	1,231
Other financial income and charges	1,319	2,822
Employee stock option plan	526	939
Non-controlling interest	13	11
Gross cash provided by operating activities	**48,591**	**48,302**
Decrease/(Increase) in inventories	(2,018)	(873)
Decrease/(Increase) in trade accounts receivable	(2,848)	(1,716)
Decrease/(Increase) in other assets	(618)	1,766
Increase/(Decrease) in trade accounts payable	5,889	1,171
Increase/(Decrease) in other liabilities	367	801
Change in operating working capital	772	1,149
Income tax paid	(10,269)	(8,558)
Interest paid	(758)	(1,231)
Other financial income and charges received/paid	(1,319)	(2,822)
Net cash provided by operating activities	**37,017**	**36,840**

in thousands of EUR	2011	2010
Net cash provided by operating activities	**37,017**	**36,840**
Investing activities		
(In)tangible assets - acquisitions	(16,982)	(17,090)
(In)tangible assets - other changes	217	45
Financial assets - acquisitions	-	6
Cash flow from investing activities	**(16,765)**	**(17,039)**
Net cash flow before financing activities	**20,252**	**19,801**
Financing activities		
Dividends paid	(7,153)	(5,328)
Treasury shares	(820)	(101)
Acquisition of a subsidiary	-	(971)
Receivings (+)/reimbursement (-) of long-term funding	(11,270)	(25,234)
Receivings (+)/reimbursement (-) of short-term funding	155	1,335
Receivings (+)/reimbursement (-) of long-term receivables	(58)	(7)
Cash flow from financing activities	**(19,146)**	**(30,306)**
Net change in cash and cash equivalents	**1,106**	**(10,505)**
Cash and cash equivalents on January 1st	6,302	16,249
Effect of exchange rate fluctuations	(39)	558
Cash and cash equivalents on December 31	7,369	6,302
Net change in cash and cash equivalents	**1,106**	**(10,505)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED COMPANIES

1.1 List of consolidated companies

	Address	VAT or national number	2011	2010
			%	%
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 Group Services NV	Gentstraat 52, B-9971 Lembeke	VAT BE 0443.714.127	100.00	100.00
Lotus Bakeries NV	Gentstraat 52, B-9971 Lembeke	VAT BE 0401.030.860	100.00	100.00
Lotus Lekkers NV	Gentstraat 52, B-9971 Lembeke	VAT BE 0881.664.870	100.00	100.00
Margarinerie Hinnekens NV	Kerkstraat 33 B, B-9971 Lembeke	VAT BE 0421.694.038	100.00	100.00
Lotus Bakeries Schweiz AG	Baarerstrasse 135, CH-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, NL-5664 HB Geldrop	VAT NL003897187B01	100.00	100.00
Peijnenburg's Koekfabrieken BV	Nieuwendijk 45, NL-5664 HB Geldrop	VAT NL001351576B01	100.00	100.00
WK Koek Beheer BV	Streek 71, NL-8464 NE Sintjohannesga	VAT NL006634199B01	100.00	100.00
WK Koek Bakkerij BV	Streek 71, NL-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, NL-5664 HB Geldrop	VAT NL004458953B01	100.00	100.00
Lotus Bakeries Asia Pacific Pte. Ltd.	8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095	Registration no. 200308024H	100.00	100.00
Lotus Bakeries Asia Pacific Limited	Room 2302, 23 rd 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, California, USA	IRS 94-3124525	100.00	100.00
López Market S.L.	Andrés Alvarez Caballero, Poligono Industrial Valdonaire 22-24-26, 28970 Humanes (Madrid), Spain	VAT B80405137	95.00	95.00
Annas - Lotus Bakeries Holding AB	Radiovägen 23, Box 321, SE-135 29 Tyresö, Sweden	Registration no. 556757-7241	100.00	100.00
Annas Pepparkakor Holding AB	Radiovägen 23, Box 321, SE-135 29 Tyresö, Sweden	Registration no. 556675-9030	100.00	100.00
AB Annas Pepparkakor	Radiovägen 23, Box 321, SE-135 29 Tyresö, Sweden	VAT SE556149914501	100.00	100.00
Pepparkakshuset i Tyresö AB	Radiovägen 23, Box 321, SE-135 29 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
B. Foreign branches				
Lotus Bakeries NV (spólka akcyjna) Oddzial W Polsce	ul.Fordonska 199, 85-739 Bydgoszcz, Poland	VAT 102-000-07-36	100.00	-
Lotus Bakeries Asia Pacific Limited Shanghai	Units 401-404 Level 5 - 159 MadangRoad, 200021 Shanghai, China		100.00	-

1.2 Changes in the group structure in 2011

In 2011 the following changes took place in the group structure:

MARGARINERIE HINNEKENS NV

Lotus Bakeries NV acquired Margarinerie Hinnekens NV from Lotus Bakeries Group Services NV and Cremers-Ribert NV.

LOTUS BAKERIES NORTH AMERICA INC.

Lotus Bakeries Group Services NV acquired Lotus Bakeries North America Inc. from Lotus Bakeries Nederland BV.

LOTUS BAKERIES SCHWEIZ AG

Lotus Bakeries Invest AG was merged with Lotus Bakeries Schweiz AG. Lotus Bakeries Invest AG was thereupon wound up. Lotus Bakeries Group Services NV also acquired Lotus Bakeries Schweiz from Lotus Bakeries Nederland BV.

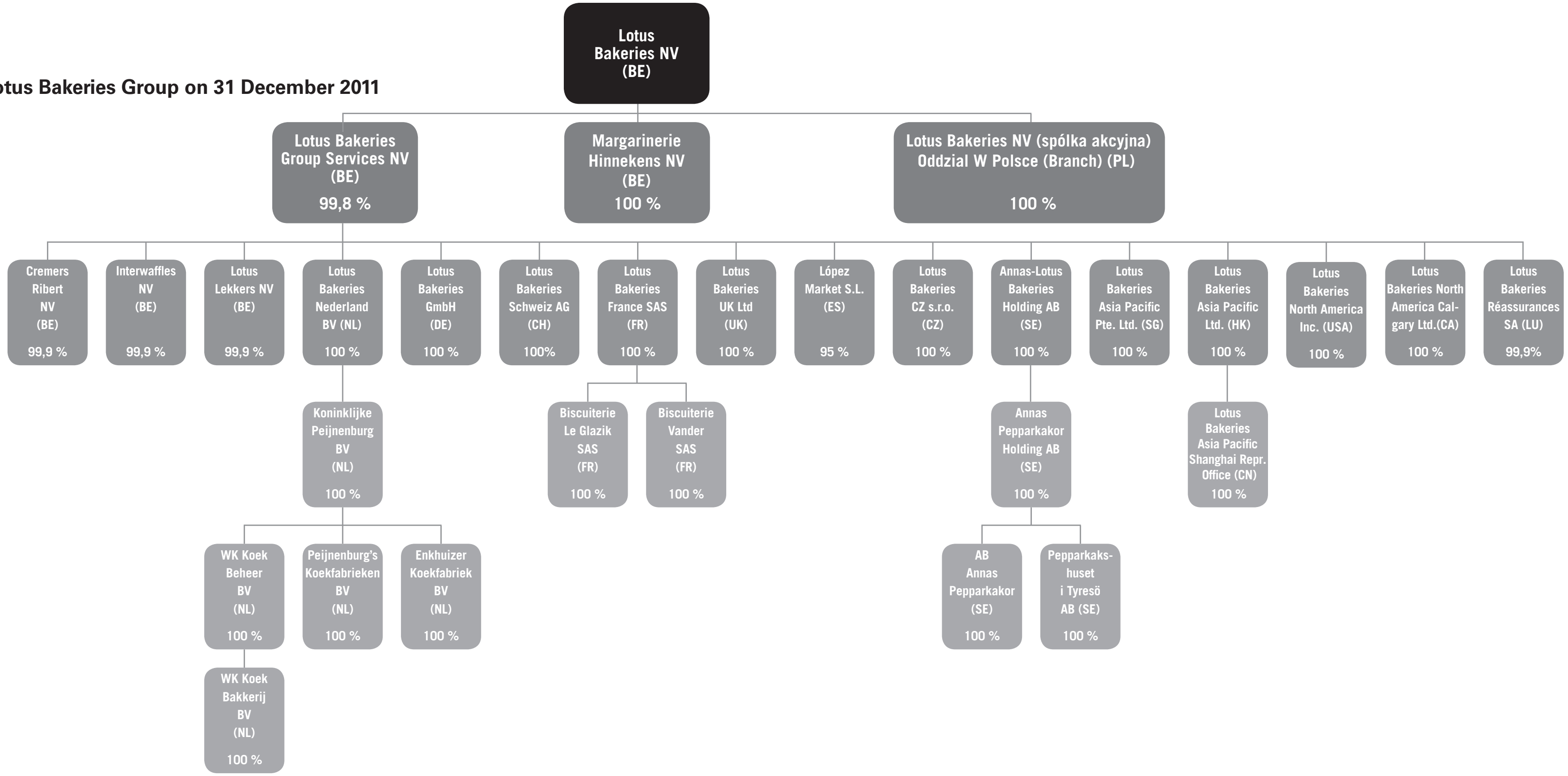
LOTUS BAKERIES ASIA PACIFIC HK

A representation office was set up in Shanghai as part of Lotus Bakeries Asia Pacific HK.

LOTUS BAKERIES NV

Lotus Bakeries NV Oddzial W Polsce was set up in Poland as a branch of Lotus Bakeries NV.

1.3 Legal Structure of the Lotus Bakeries Group on 31 December 2011



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 ratified for application 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 2011.

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 Assembly of Shareholders and approved by the Board of Directors on 10 February 2012 for publication.

RECENT IFRS PRONOUNCEMENTS

The following new standards, amendments to standards and interpretations are mandatory for the first time for the Group's accounting period beginning 1 January 2011:

- **'Improvements to IFRSs'** (2010) amending IAS 1, IAS 27, IAS 34, IFRS 1, IFRS 3, IFRS 7 and IFRIC 13. These improvements are effective 1 January 2011.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the Group's accounting period beginning 1 January 2011, but are not relevant to the Group:

- **Amendment to IAS 32** 'Classification of rights issues' requiring rights issues within the scope of the amendment to be classified as equity. The amendments are effective for annual periods beginning on or after 1 February 2010.
- **Amendments to IFRS 1** providing a limited exemption from comparative IFRS 7 disclosures for first-time adopters, effective as of 1 July 2010.
- **IAS 24 Revised** 'Related-party transactions', effective for annual periods beginning on or after 1 January 2011. The revised standard amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.
- **IFRIC 19** 'Extinguishing financial liabilities with equity Instruments', effective for periods beginning on or after 1 July 2010. IFRIC 19 clarifies the accounting when a debtor and creditor might renegotiate the terms of a financial liability with the result that the debtor extinguishes the liability fully or partially by issuing equity instruments to the creditor.
- **Amendments to IFRIC 14** 'Pre-payments of a minimum funding requirement', effective for annual periods beginning on or after 1 January 2011. The amendment removes an unintended consequence of IFRIC 14 arising from the treatment of prepayments of future contributions in some circumstances when there is a minimum funding requirement.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2012:

- **Amendments to IFRS 7** 'Financial instruments: disclosures' requiring enhanced disclosures of transferred financial assets. These revisions are effective at the earliest for annual periods beginning on or after 1 July 2011.

The following new standards, amendments to standards and interpretations have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2012 and have not been endorsed by the European Union:

- **IFRS 9** 'Financial instruments', effective for periods beginning on or after 1 January 2015. The standard addresses the classification. measurement and derecognition of financial assets and financial liabilities.
- **IFRS 10** 'Consolidated financial statements', effective for annual periods beginning on or after 1 January 2013. 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 2013. This is a new standard on disclosure requirements for all forms of interests in other entities.
- **IFRS 13** 'Fair value measurement', effective for annual periods beginning on or after 1 January 2013. The new standard explains how to measure fair value for financial reporting.
- **IAS 19** Revised 'Employee benefits', effective for annual periods beginning on or after 1 January 2013. Through these amendments significant changes are made to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.
- **IAS 27** Revised 'Separate financial statements', effective for annual periods beginning on or after 1 January 2013. 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.
- **IAS 28** Revised 'Investments in associates and joint ventures', effective for annual periods beginning on or after 1 January 2013. The revised standard now includes the require-ments for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
- **Amendments to IAS 1** 'Presentation of financial statements', effective for annual periods beginning on or after 1 July 2012. The amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income.
- **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 IFRS 7** 'Disclosures - Offsetting financial assets and financial liabilities', effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint requirements with the FASB to enhance current offsetting disclosures. The new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

2.3 Consolidation principles

The consolidated financial statements include the statutory financial statements of Lotus Bakeries NV and its subsidiaries (collectively referred to as the 'Group') and the Group's interests in associated companies. All material balances and transactions within the Group have been eliminated.

SUBSIDIARIES

Subsidiaries are companies in which the Group directly or indirectly holds more than half of the voting shares or over which the Group directly or indirectly has control in another manner. Control is understood as directly or indirectly defining the company's financial and operational policy. The financial statements of subsidiaries are included in the consolidation as from the date when the parent company gains control until the date on which the control ends.

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.

ASSOCIATED COMPANIES

Associated companies are companies in which the Group has significant influence but no 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.

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 page 9), taken into account that the 'translation differences' are recorded in the balance sheet under 'accrued and deferred items' instead of under equity.

A list of subsidiaries, associated companies and foreign branches 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 foreign 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.

For 2011 no estimates have been made that could have a significant impact. 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 reporting 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 real changes in carrying amount 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	
	2011	2010	2011	2010
EUR/USD	1.2939	1.3362	1.4000	1.3207
EUR/CZK	25.7870	25.0610	24.5996	25.2631
EUR/CHF	1.2156	1.2504	1.2319	1.3700
EUR/GBP	0.8353	0.8608	0.8712	0.8560
EUR/SGD	1.6819	1.7136	1.7538	1.7946
EUR/SEK	8.9120	8.9655	9.0070	9.4926
EUR/CAD	1.3215	1.3322	1.3805	1.3660
EUR/PLN	4.4580	3.9750	4.1380	3.9947

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 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. Capitalised costs for software and licences are amortized over a period of three to five years.

The value of brands acquired in takeovers 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 annual amortization is not applied, but the asset is tested for impairment annually or whenever an indication of impairment exists.

GOODWILL
Goodwill arising from a business combination is valued at cost price at the time of the first record (i.e. the 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 take-over, to cash flow generating entities of the Group or to groups thereof that are expected to profit from the synergy of the business combination.

2.7 Tangible assets

Tangible assets are valued at historical cost price less cumulative depreciation and impairments, excluding land.

The historical cost price covers the initial purchase price increased by other direct allowable 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 cost price of the direct material cost 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.

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 lifetime 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

Land is not depreciated given that it has an undefined lifetime.

2.8 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 earnings 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.

2.9 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 flow generating unit to which the asset belongs. The realizable value is the greater of the fair value less sales costs and the value in use of the asset or cash flow 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 flow 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.

2.10 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.

2.11 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 lifetime of the receivable.

2.12 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.

2.13 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 company 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.

2.14 Cash and cash equivalents

Cash and cash equivalents include liquid assets and bank balances (current and deposit accounts). In general, investments are retained 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.

2.15 Provisions

Provisions are recorded in the balance sheet if the Group has obligations (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 is either begun or announced to the entities concerned.

2.16 Interest-bearing financial debts

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

2.17 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 once the performance according to the obligation is completed, settled or lapsed.

2.18 Share capital

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

2.19 Financial derivatives

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

Financial derivatives are initially recorded at cost price. After the initial recording, these instruments are written in the balance at their 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.

Since 2009 Lotus Bakeries has also had derivative contracts that are economic hedges which meet the strict criteria of IAS 39 financial instruments. 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 financial instrument in question impacts the income statement.

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

2.20 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.

2.21 Income tax

Income tax in the results of the book 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 effect 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.

Deferred tax assets from deductible temporary differences and unused tax loss carryforwards 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.

2.22 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.

The amounts recorded in the income statement include the increase in the present value of the defined pension rights, the interest cost, the expected profits from the pension funds, the actuarial profits or losses and past service costs. The corridor approach is applied to these defined benefit pension plans.

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 stock market 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 allocation 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 revenues.

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.

2.23 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.

2.24 Non-current assets (or disposal groups) held for sale and discontinued operations
A component of an entity is considered to be terminated 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; or
- is a subsidiary and has been acquired with the sole purpose of being resold.

An item is classified as held for sale if the book value will mainly be generated in a sales transaction and not by the continued use thereof.

Fixed 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.

2.25 Profit 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.

2.26 Segment reporting
Group turnover is centralized 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. Inter-segment price-fixing is defined based on the 'at arms length' principle.

Four segments have been defined:
1. Belgium + corporate companies
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 depreciation, impairments and valuation allowances.

3. SEGMENT REPORTING BY GEOGRAPHICAL REGION

Segment reporting by geographical region (2011)

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

The regions presented in the segment reporting are composed as follows:

- Belgium + corporate companies: production in Belgium plus sales by Sales Office Belgium + corporate companies.
- France: production in France plus sales by Sales Office France.
- The Netherlands: production in the Netherlands plus sales by Sales Office Netherlands.
- Other: sales by Sales Office Export (export 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, Spain and Northern and Eastern Europe plus production in Sweden.

Year ended 31 December 2011

in thousands of EUR	Belgium + corporate companies	France	Netherlands	Other (1)	Eliminations	Total
Revenue						
Sales to external customers	87,180	44,886	79,509	64,023	-	275,598
Inter-segment sales	55,182	12,775	1,814	2,319	(72,090)	-
Total revenue	**142,362**	**57,661**	**81,323**	**66,342**	**(72,090)**	**275,598**
Results						
Segment result REBIT	17,688	3,518	12,906	2,251	-	36,363
Non-recurrent operating result	-	-	(2,131)	(564)	-	(2,695)
Segment result EBIT	17,688	3,518	10,775	1,687	-	33,668
Result before tax, finance costs and finance revenue	17,688	3,518	10,775	1,687	-	33,668
Net finance costs						(688)
Result before income tax and minority interest						32,980
Income tax expense						(9,165)
Net profit for the year						**23,815**
Assets and liabilities						
Segment assets	72,562	16,279	95,756	39,601		224,198
Unallocated assets:						13,688
Tax receivables						6,203
Financial receivables						116
Cash and cash equivalents						7,369
Total assets						**237,886**
Segment liabilities	27,753	5,498	9,817	6,404		49,472
Unallocated liabilities:						61,654
Tax payables						35,539
Financial liabilities						26,115
Total liabilities						**111,126**
Other segment information						
Capital expenditure:						
Tangible fixed assets	12,554	836	1,870	272		15,532
Intangible fixed assets	415	-	5	1,030		1,450
Depreciation	6,206	1,137	2,665	1,094		11,102
Decrease/(increase) in amounts written off stocks, contracts in progress and trade debtors	354	6	169	437		966

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

Segment reporting by geographical region (2010)

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

The regions presented in the segment reporting are composed as follows:

- Belgium + corporate companies: production in Belgium plus sales by Sales Office Belgium + corporate companies.
- France: production in France plus sales by Sales Office France.
- The Netherlands: production in the Netherlands plus sales by Sales Office Netherlands.
- Other: sales by Sales Office Export (export 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, Spain and Northern and Eastern Europe plus production in Canada and Sweden.

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

Year ended 31 December 2010

in thousands of EUR	Belgium + corporate companies	France	Netherlands	Other (1)	Eliminations	Total
Revenue						
Sales to external customers	81,245	40,059	79,591	63,928		264,823
Inter-segment sales	51,476	12,430	2,014	1,608	(67,528)	-
Total revenue	**132,721**	**52,489**	**81,605**	**65,536**	**(67,528)**	**264,823**
Results						
Segment result REBIT	14,054	3,287	13,555	4,059	-	34,955
Non-recurrent operating result	(100)	(15)	(523)	(236)		(874)
Segment result EBIT	13,954	3,272	13,032	3,823	-	34,081
Result before tax, finance costs and finance revenue	13,954	3,272	13,032	3,823	-	34,081
Net finance costs						(2,960)
Result before income tax and minority interest						31,121
Income tax expense						(8,055)
Net profit for the year						**23,066**
Assets and liabilities						
Segment assets	63,453	15,648	96,205	39,420		214,726
Unallocated assets:						10,006
Tax receivables						3,604
Financial receivables						100
Cash and cash equivalents						6,302
Total assets						**224,732**
Segment liabilities (2)	24,913	4,482	8,362	5,651		43,408
Unallocated liabilities:						71,528
Tax payables						34,191
Financial liabilities						37,337
Total liabilities						**114,936**
Other segment information						
Capital expenditure:						
Tangible fixed assets	4,061	2,075	2,275	7,931		16,342
Intangible fixed assets	748	-	-	-		748
Depreciation	6,701	993	2,706	918		11,318
Decrease/(increase) in amounts written off stocks, contracts in progress and trade debtors	527	57	445	149		1,178

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

(2) Segment liabilities have been restated to permit comparison with 2011.

4. OTHER OPERATING INCOME AND CHARGES

The other taxes are mainly local indirect taxes such as property taxes, municipal taxes, etc.

Other operating income consists primarily of changes in inventories of finished products, various costs recovered at the time of sale, contributions to the cost of training, and damage compensation payments.

in thousands of EUR	2011	2010
Other costs		
Other taxes	1,711	1,601
Other operating charges	695	1,448
Total	**2,406**	**3,049**
Other revenues		
Transport charges	(49)	(36)
Received refunds	9	20
Fixed assets - own construction	(334)	(474)
Other operating income	(248)	(2,731)
Total	**(622)**	**(3,221)**
Other operating income and charges (net)	**1,784**	**(172)**

5. FINANCIAL RESULTS

The financial result of the year was a net cost of kEUR 688 compared with a cost of EUR 3 million in 2010. This positive development is explained (1) by considerably lower interest costs, (2) the positive evolution in the market value of the interest and exchange rate hedging instruments in 2011 and (3) positive exchange rate differences.

The financial instruments relate to the hedging of the foreign exchange risk on foreign currencies (USD, GBP, SEK, CHF and CZK) and of the interest rate risk on the financing of the acquisition of Koninklijke Peijnenburg BV and the merger with Bisinvest NV, which is financed with floating rate investment credit facilities, with kEUR 17,895 outstanding at year-end.

The global market value of these latter interest-rate hedging instruments evolved from kEUR -1,751 to kEUR -851. The positive evolution of the value of the financial instruments used to hedge the interest rate risk on the financing of Koninklijke Peijnenburg BV was taken through the financial result.

The investments in production capacity in Lembeke and Oostakker are being financed out of operating cash flows. For the temporary short-term credits at variable interest rates, a 2-year IRS has also been concluded. This hedging instrument had a negative carrying value of kEUR -198 at the end of the financial year.

The overall market value of the financial instruments used to hedge the foreign exchange risk evolved from kEUR -267 to kEUR -69.

in thousands of EUR	2011	2010
Financial charges		
Interest charges	758	1,231
Exchange rate losses	2,197	2,798
Valuation to the fair value of the financial instruments	(750)	(897)
Other	1,288	2,558
Total	**3,493**	**5,690**
Financial income		
Interest income	(45)	(98)
Exchange rate gains	(2,746)	(2,622)
Other	(14)	(10)
Total	**(2,805)**	**(2,730)**
Financial results	**688**	**2,960**

6. PERSONNEL COSTS

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

The rise in personnel costs in 2011 is explained by the inflation in 2010, which affected wages and salaries in 2011, and by higher production volumes in Belgium.

in thousands of EUR	2011	2010
Salaries and wages	45,667	43,277
Social security contributions	10,835	10,150
Contributions for company pension plans with fixed contribution	1,281	1,135
Other personnel costs	10,941	10,971
Total personnel costs	**68,724**	**65,533**
Average number of members of personnel	1,209	1,210
Number of members of personnel as at the end of the year	**1,198**	**1,198**

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

in thousands of EUR	2011	2010
Depreciation of intangible assets	549	515
Depreciation of property, plant & equipment	10,553	10,803
Total	**11,102**	**11,318**

See notes 11 and 12 concerning 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 normal basic operating activities of the Group. This category includes the results from the sale or 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, etc.

The non-recurrent operating result was EUR -2.7 million. These costs consist mainly of (1) the amortization of amortizable brands from the 'purchase price allocation' related to the acquisition of Koninklijke Peijnenburg, (2) the estimated one-off costs associated with production optimization and further investment at the Koninklijke Peijnenburg plants in an amount of EUR 1.7 million and (3) one-off restructuring costs incurred with the closure of the production facility at High River (Canada).

The non-recurrent operating result for 2010 amounted to kEUR -874 and is mainly due to the amortization of the Wieger Ketellapper brand (see note 11), the costs of cancelling the joint venture relating to the merchanising team in Sweden and the legal costs of, inter alia, the merger between Lotus Bakeries NV and Bisinvest NV.

9. INCOME TAXES ON THE RESULTS

Nominal taxes rose by 13.7%. This is explained both by a higher nominal profit before tax and a higher tax rate.

The average effective tax rate in 2011 was 27.8% versus 25.9% in 2010.

in thousands of EUR	2011	2010
Income taxes on the results		
Income taxes on the results of the current year	10,052	8,789
Tax adjustments for previous years	-	(226)
Deferred taxation on loss carry forward Annas	-	(619)
Deferred taxation	(887)	111
Total tax charge reported in the income statement	9,165	8,055
Accounting profit before tax	**32,980**	**31,121**
Effective tax rate of the year	27.8%	25.9%
Reconciliation between theoretical and effective tax rate		
Results before taxation	32,980	31,121
Theoretical tax rate	33.99%	33.99%
Theoretical income tax expense	11,210	10,578
Effect of different taxation rates in other countries + deduction notional interest	(2,359)	(2,713)
Tax adjustments for previous years	-	(226)
Deferred taxation on loss carry forward Annas	-	(619)
Disallowed items	1,467	1,519
Tax free income	(266)	(273)
Tax losses used for which no deferred tax asset has been recorded	(604)	(265)
Change tax rate	(266)	-
Other	(17)	54
Actual income tax expense	9,165	8,055
Effective tax rate	27.8%	25.9%

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, 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	2011	2010
EARNINGS PER SHARE		
Net result attributable to equity holders of the Company	23,802	23,055
Weighted average number of ordinary shares	749,088	751,377
Basic earnings per share (EUR)	**31.77**	**30.68**
Weighted average number of shares under option	62,817	71,593
Weighted average number of shares which should be issued at average market rate	(40,586)	(47,313)
Dilutive effect	**22,231**	**24,280**
Weighted average number of shares after effect of dilution	771,319	775,657
Diluted earnings per share (EUR)	**30.86**	**29.72**
Total number of shares	772,563	772,563
Earnings per share (EUR)	**30.81**	**29.84**
Total number of shares less treasury shares	747, 015	745, 345
Earnings per share (EUR)	**31.86**	**30.93**
EARNINGS PER SHARE FROM CONTINUED OPERATIONS		
Result from continued operations attributable to equity holders of the Company	23,802	23,055
Weighted average number of ordinary shares	749,088	751,377
Basic earnings per share (in euro) of continued operations	**31.77**	**30.68**
Weighted average number of shares after effect of dilution	771,319	775,657
Diluted earnings per share (in euro) of continued operations	**30.86**	**29.72**
Total number of shares	772,563	772,563
Earnings per share (in euro) of continued operations	**30.81**	**29.84**

11. INTANGIBLE ASSETS

Intangible assets refer to brands and software.

The brands relate to:

- the brands Peijnenburg and Wieger Ketellapper of Koninklijke Peijnenburg BV
- the Anna's brand of Annas Pepparkakor Holding AB.
- The value of these brands was established as part of the valuation at fair value of the asset and liability components upon first consolidation. Brands have been valued using the DCF method. The basic assumptions are:

WACC	7.38%
Interest rate	market-based % for 5 years
Period	5 years
Growth rate	0%

- 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 Anna's brand is used as the base brand for the Nordic region and as the base brand for its ginger thins (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 ginger thins 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.

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

The most important acquisition in 2011 was the purchase of a portfolio of out-of-home customers in Spain.

Lotus Bakeries applies market-based parameters in the impairment analysis.

in thousands of EUR

on 31 December 2010	Indefinite life brands	Definite life brands	Software	Customer portfolio	Total
Acquisition cost					
At the end of the preceding year	56,473	4,627	5,308	-	66,408
Acquisition during the year	-	-	748	-	748
Translation differences	994	-	104	-	1,098
TOTAL ACQUISITION COST	**57,467**	**4,627**	**6,160**	**-**	**68,254**
Depreciation and amounts written down					
At the end of the preceding year	-	(1,620)	(3,966)	-	(5,586)
Depreciation during the year	-	(462)	(576)	-	(1,038)
Translation differences	-	-	(54)	-	(54)
Total depreciation and amounts written down	**-**	**(2,082)**	**(4,596)**	**-**	**(6,678)**
NET BOOK VALUE	**57,467**	**2,545**	**1,564**	**-**	**61,576**

per 31 december 2011	Indefinite life brands	Definite life brands	Software	Customer portfolio	Total
Acquisition cost					
At the end of the preceding year	57,467	4,627	6,160	-	68,254
Acquisition during the year	-	-	420	1,030	1,450
Sales and disposals	-	-	(151)	-	(151)
Translation differences	48	-	16	-	64
TOTAL ACQUISITION COST	**57,515**	**4,627**	**6,445**	**1,030**	**69,617**
Depreciation and amounts written down					
At the end of the preceding year	-	(2,082)	(4,596)	-	(6,678)
Depreciation during the year	-	(462)	(602)	(26)	(1,090)
Sales and disposals	-	-	23	-	23
Translation differences	-	-	(12)	-	(12)
Total depreciation and amounts written down	**-**	**(2,544)**	**(5,187)**	**(26)**	**(7,757)**
NET BOOK VALUE	**57,515**	**2,083**	**1,258**	**1,004**	**61,860**

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. For cars, the Group switched at the end of 2006 mainly to operating leasing.

The main investments are production investments for further automation, capacity extension and quality improvement.

in thousands of EUR

on 31 December 2010	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Assets under construction	Total
Acquisition cost					
At the end of the preceding year	62,680	148,812	14,959	549	227,000
Acquisition during the year	7,995	7,548	824	47	16,414
Sales and disposals	-	(136)	(421)	-	(557)
Transfers from one heading to another	2	544	3	(549)	-
Translation differences	119	1,273	17	-	1,409
TOTAL ACQUISITION COST	**70,796**	**158,041**	**15,382**	**47**	**244,266**
Depreciation and amounts written down					
At the end of the preceding year	(27,141)	(103,311)	(12,398)	-	(142,850)
Depreciation during the year	(1,724)	(8,602)	(545)	-	(10,871)
Sales and disposals	-	130	366	-	496
Translation differences	(2)	(793)	(13)	-	(808)
Total depreciation and amounts written down	**(28,867)**	**(112,576)**	**(12,590)**	**-**	**(154,033)**
NET BOOK VALUE	**41,929**	**45,465**	**2,792**	**47**	**90,233**

on 31 December 2010	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Assets under construction	Total
Acquisition cost					
At the end of the preceding year	70,796	158,041	15,382	47	244,266
Acquisition during the year	1,122	3,583	911	9,916	15,532
Sales and disposals	(87)	(859)	(112)	-	(1,058)
Transfers from one heading to another	(2,288)	5,880	(3,884)	292	-
Translation differences	70	165	6	-	241
TOTAL ACQUISITION COST	**69,613**	**166,810**	**12,303**	**10,255**	**258,981**
Depreciation and amounts written down					
At the end of the preceding year	(28,867)	(112,567)	(12,590)	-	(154,033)
Depreciation during the year	(1,950)	(8,082)	(583)	-	(10,615)
Sales and disposals	-	851	(71)	-	780
Transfers from one heading to another	1,471	(4,608)	3,137	-	-
Translation differences	(2)	(55)	(3)	-	(60)
Total depreciation and amounts written down	**(29,348)**	**(124,470)**	**(10,110)**	**-**	**(163,928)**
NET BOOK VALUE	**40,265**	**42,340**	**2,193**	**10,255**	**95,053**

13. DEFERRED TAXES

No deferred tax assets are recorded for the fiscally transferable losses of Interwaffles SA given the remaining uncertainty as to whether sufficient taxable revenues will be generated in the future. At the end of 2011 these fiscally transferable losses amounted to kEUR 12,155 compared with kEUR 14,126 at the end of 2010.
With the exception of Interwaffles SA, the necessary deferred taxes for all temporary differences were recorded.

Net deferred taxes

in thousands of EUR	2011	2010	Mutation
Deferred tax assets	2,045	637	1,408
Deferred tax liabilities	(29,187)	(28,700)	(487)
Net deferred taxes	**(27,142)**	**(28,063)**	**921**

Cause of deferred taxation

in thousands of EUR	2011	2010	Mutation
(In)tangible assets	7,052	4,728	2,324
Stocks	82	81	1
Employee benefits	706	611	95
Tax effect of tax loss carry-forwards	2,453	1,087	1,366
Provisions	105	89	16
Deferred taxes on other assets	3,154	3,427	(273)
Netting by taxable entity	(11,507)	(9,386)	(2,121)
Gross deferred tax assets	**2,045**	**637**	**1,408**
(In)tangible assets	(34,588)	(32,598)	(1,990)
Stocks	(181)	(160)	(21)
Employee benefits	(105)	(34)	(71)
Provisions	(3,382)	(3,267)	(115)
Deferred taxes on other liabilities	(2,438)	(2,027)	(411)
Netting by taxable entity	11,507	9,386	2,121
Gross deferred tax liabilities	**(29,187)**	**(28,700)**	**(487)**
Net deferred taxes	**(27,142)**	**(28,063)**	**921**
to be recovered or settled within 12 months	(475)	(393)	
to be recovered or settled after more than 12 months	(26,670)	(27,670)	

Of the kEUR 921 change in net deferred taxes, kEUR 873 were recognized to the income statement, and kEUR 48 through equity.

14. DIVIDENDS

in thousands of EUR		
Dividend payments in	**2011**	**2010**
Gross dividend per ordinary share (EUR)	8.80	7.80
Gross dividend on ordinary shares	6,799	6,026
Proposed dividend per ordinary share (EUR)	**9.40**	**8.80**
Gross dividend on ordinary shares	7,262	6,799

This amount is not recognised as a debt on 31 December.

15. OTHER LONG-TERM RECEIVABLES

in thousands of EUR	2011	2010
Other receivables	76	52
Cash guarantees	87	57
Total	**163**	**109**

16. STOCKS

The value reductions recorded as costs amount to kEUR 966 and relate mainly to packaging materials (kEUR 159) and finished products (kEUR 605). In 2010, kEUR 1,178 of value reductions were recognized.

in thousands of EUR	2011	2010
Raw materials and consumables	8,395	7,838
Work in progress	199	202
Finished goods	5,552	4,755
Goods purchased	139	203
Total	**14,285**	**12,998**

17. TRADE RECEIVABLES AND OTHER AMOUNTS RECEIVABLE

In 2011, kEUR 56 of valuation allowances were reversed back into income.
In 2010, kEUR 78 of valuation allowances were charged against income. The trade receivables represent an average of 35 days of customer credit (2010: 32 days).

in thousands of EUR	2011	2010
Trade receivables	**26,305**	**23,360**

Tax receivables		
VAT recoverable	3,695	2,378
Income taxes	463	589
Total	**4,158**	**2,967**

Other amounts receivable	**78**	**114**

The other short-term receivables contain the current portion of the reveivables payable after more than one year and empties.

Movements on the group provision for impairment of trade receivables are as follows:

Provisions on 1 January	**1,060**	**982**
increase of provisions	14	89
reversal of unutilized provisions	(3)	-
provisions used during the year	(67)	(11)
Provisions on 31 December	**1,004**	**1,060**

18. NET CASH POSITION

The net cash position improved by kEUR 912 compared with 2010.

in thousands of EUR	2011	2010
Cash and cash equivalents	7,369	6,302
Short-term interest-bearing liabilities	(19,474)	(19,319)
Total	**(12,105)**	**(13,017)**

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were balances on current accounts remunerated at market conditions.
The market value of these cash and cash equivalents is therefore equal to the book value.

in thousands of EUR	2011	2010
Cash	7,369	6,302
Cash equivalents	-	-
Total	**7,369**	**6,302**

20. INTEREST-BEARING LIABILITIES

Long-term financial debts decreased by kEUR 11,773 in 2011. Existing long-term loans were further reduced in accordance with the planned repayment schedule.

No new long-term borrowing was undertaken in 2011.

The value of all long-term and short-term liabilities is expressed in euro.
All interest-bearing liabilities were contracted at market conditions and the book value is therefore identical with the market value.

Interest-bearing liabilities repayment schedule

in thousands of EUR	Due within 1 year	Due between 1 to 5 years	Due after 5 years	Total
Non current interest-bearing liabilities	11,773	17,902	-	29,675
Current interest-bearing liabilities	7,546	-	-	7,546
Total on 31 December 2010	**19,319**	**17,902**	**-**	**37,221**
Interests due on non current interest-bearing liabilities	1,584	1,804	-	3,388
Non current interest-bearing liabilities	11,270	6,632	-	17,902
Current interest-bearing liabilities	8,204	-	-	8,204
Total on 31 December 2011	**19,474**	**6,632**	**-**	**26,106**
Interests due on non current interest-bearing liabilities	342	77	-	419

The interests due on the loans with variable interest rate are calculated at the actual interest rate.
The unused credit amounts came to 35,198 kEUR on 31 December 2011.

21. ISSUED CAPITAL

All the shares are treasury 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

in thousands of EUR	2011	2010
on 1 January	3,400	1,500
Merger	-	1,900
on 31 December	3,400	3,400

Number of ordinary shares

on 1 January	772,563	803,037
Merger	-	(30,474)
on 31 December	772,563	772,563
Less: treasury shares held on 31 December	(25,548)	(27,218)
Shares outstanding on 31 December	747,015	745,345

Amounts of authorized capital, not issued

in thousands of EUR	1,133	1,133

Structure of shareholdings

Based on the transparency notice received by Lotus Bakeries on 30 April 2010, the shareholding structure of Lotus Bakeries NV as of 27 April 2010 is as follows:

	No. of voting rights	% of voting rights
Stichting Administratiekantoor van Aandelen Lotus Bakeries	446,378	57.78%
Lotus Bakeries Group Services NV [(1) (3)]	26,457	3.42%
Total held by Stichting Administratiekantoor van Aandelen Lotus Bakeries and Lotus Bakeries Group Services	**472,835**	**61.20%**
Christavest Comm. VA [(2)]	63,046	8.16%
Publicly held	236,682	30.64%
Total	**772,563**	**100.00%**

(1) Lotus Bakeries Group Services NV is 99.8 % controlled by Lotus Bakeries NV and 100 % by the Lotus Bakeries Group. Lotus Bakeries NV is 57.78 % controlled by Stichting Administratiekantoor van Aandelen Lotus Bakeries. Stichting Administratiekantoor van Aandelen Lotus Bakeries is not controlled.

(2) Christavest Comm. VA is 82.82 % controlled by Holding Biloba BVBA. Mr. Stanislas Boone is the staturory general manager ('statutair zaakvoerder') of Christavest Comm. VA.

(3) The voting rights associated with the shares held by Lotus Bakeries Group Services NV have been suspended. The dividends have not been suspended and will be paid out to Lotus Bakeries Group Services NV.

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	2011	2010
on 1 January	7,157	7,639
Purchased during the year	2,616	1,536
Sold during the year	(1,918)	(2,018)
on 31 December	7,855	7,157
Number of treasury shares		
on 1 January	27,218	33,613
Purchased during the year	6,830	4,180
Sold during the year	(8,500)	(10,575)
on 31 December	25,548	27,218

23. PROVISIONS

The increase in provisions for integration and restructuring in 2011 relate to the costs associated with production optimization and futher investments in the Koninklijke Peijnenburg plants,
The provision for the environment relates mainly to the Netherlands.
The other provisions relate mainly to contractual or legal obligations towards personnel and for research.

in thousands of EUR	Integration and restructuring	Environment	Other	Total
Provisions on 1 January 2010	**14**	**298**	**642**	**954**
Increase of provisions	-	3	134	137
Reversal of unutilized provisions	(14)	-	-	(14)
Provisions used during the year	-	(39)	(11)	(50)
Provisions on 31 December 2010	**-**	**262**	**765**	**1,027**
Long term	-	262	686	948
Short term	-	-	79	79
Provisions on 1 January 2011	**-**	**262**	**765**	**1,027**
Increase of provisions	1,476	9	148	1,633
Provisions used during the year	-	-	(47)	(47)
Provisions on 31 December 2011	**1,476**	**271**	**866**	**2,613**
Long term	1,476	271	787	2,534
Short term	-	-	79	79

24. POST-EMPLOYMENT BENEFITS

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

The Group expects to pay around kEUR 2,608 of contributions to these defined contribution plans in respect of 2012.

Defined benefit pension plan
There is a defined benefit pension plan in the subsidiaries in Germany and the Netherlands. In the Netherlands a defined benefit pension plan has been concluded with BPF. Given that the data for the defined pension calculation (cf. IAS 19) are unavailable, the benefit is treated under the rules for defined contribution schemes.

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.
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 sums deducted from the income statement include the increase in cash value of the promised pension rights, the interest costs, the expected income, the actuarial profits or losses and expenses recorded over the period of service.

The provisions for early retirement pensions ('bridging pensions') at Belgian companies make up the largest part of the defined benefit pension liabilities.

The actuarial calculation of these is based on the following assumptions:

	Beginning of the year	End of the year
Discount rate:	4.50%	4.00%
Inflation:	2.00% p.a.	2.00% p.a.

Present value of defined benefit obligations against which no investments are held:
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 82 in 2012 under defined benefit pension schemes for Germany and France.

in thousands of EUR	2011	2010 (1)
Net periodic cost		
Retirement charges imputed to the period	43	178
Interest charges	87	89
Benefits paid/Transfers	(81)	(66)
Actuarial (losses)/gains	(5)	63
Net periodic cost	**44**	**264**
Movement in the net liability		
Net debts as on 1 January	2,906	2,672
Adjustment of the opening balance	-	(30)
Retirement charges imputed to the period	43	178
Interest charges	87	89
Benefits paid/Transfers	(81)	(66)
Actuarial (losses)/gains	(5)	63
Net debts as on 31 December	**2,950**	**2,906**
Funding		
Present value of the obligation	2,871	2,846
Net actuarial gain or loss	79	60
Net debts as on 31 December	**2,950**	**2,906**

(1) In the context of comparison with 2011, the figures of 2010 were adjusted.

The five year history of the net debts as on 31 December is as follows:

	in thousands of EUR
2007	1,629
2008	1,767
2009	2,672
2010	2,906
2011	2,950

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, starting in 1999 and until 2007 inclusively, options were granted each book year 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 stock market days prior to offering 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 2010, 3,400 share options were granted to Lotus Bakeries employees. In 2011, 1,400 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 2010 and 2011.
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 the period have a weighted average term of six years and six 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 interest rate. The fair value of the share options and warrants is charged to the vesting period.

For all options allocated on or after 7 November 2002 and for the warrants allocated in 2007, a charge of kEUR 526 was recorded in the income statement in 2011 (kEUR 939 in 2010).
For share options exercised during 2011, the weighted average share price at exercise date was EUR 403,25.

Number of options and warrants

	2011	2010
Outstanding on 1 January	**70,700**	**82,659**
Options granted during the year	1,400	3,400
Options exercised during the year	(8,500)	(10,409)
Options and warrants expired during the year	(2,550)	(4,950)
Outstanding on 31 December	**61,050**	**70,700**
Exercisable on 31 December	5,650	2,200
Charge recorded in the income statement (kEUR)	526	939

Weighted average term of the share options and warrants outstanding at the end of the period.		
number of years	6	7
and number of months	6	2

Alloted in		Number alloted (1)	Number exercised (2)	Available balance	Exercise price	Exercise period
2006	Options	9,950	9,950	-	150.47	01/01/2010 - 11/05/2011
2007	Options	11,950	6,300	5,650	232.82	01/01/2011 - 10/05/2017
2007	Warrants	43,450	-	43,450	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
						15/03/2015 - 31/03/2015
						15/09/2015 - 30/09/2015
						15/03/2016 - 31/03/2016
						15/09/2016 - 30/09/2016
						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
2009	Options	7,050	-	7,050	284.39	01/01/2013 - 07/05/2014
2009	Options	600	-	600	306.36	18/05/2013 - 24/09/2014
2010	Options	3,000	-	3,000	367.72	01/01/2014 - 17/05/2015
2011	Options	800	-	800	405.12	01/01/2015 - 12/05/2016
2011	Options	500	-	500	387.12	18/03/2015 - 29/07/2016
	Total	**77,300**	**16,250**	**61,050**		

(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:

	2011	2010
Fair value of options granted	69.42	73.56
Share price	398.69	367.72
Exercise price	398.69	367.72
Expected volatility	26.15%	29.29%
Expected dividends	2.12%	2.12%
Risk-free interest rate	2.63%	2.63%

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

26. TRADE PAYABLES AND OTHER LIABILITIES

The increase in trade payables and other liabilities is mainly due to the increase in trade payables in 2011 compared with 2010.

in thousands of EUR	2011	2010
Trade debts	29,430	23,509
Remuneration and social security payable	10,690	9,081
Tax payables		
VAT	1,521	279
Income taxes	4,830	5,212
Total	**6,351**	**5,491**
Derivative financial instruments	1,147	2,079
Other current liabilities	205	974
Accrued charges and deferred income	2,438	3,833
Total	**50,261**	**44,967**

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 business 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 long-term and short-term interest-bearing loans and borrowings with variable interest rates over Euribor up to 1 year.
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 and exchange rates.

Most 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 for effective portions of the hedge.

One ongoing interest hedging contact at the company Bisinvest, which has been merged with Lotus Bakeries, is eligible for hedge accounting (cf. IAS 39). On this contract, the change in fair value is recognized through equity.

The variable interest rate risk on outstanding long-term financial liabilities is 100% hedged.

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, CAD, CZK and SEK. The net foreign exchange risk of these currencies is almost fully hedged by forward and/or option contracts.

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	2011	2010
Foreign currency derivatives		
Fair value	(69)	(267)
Cost/(revenue) in results	(198)	77
Interest rate derivatives		
Fair value	(1,049)	(1.751)
Cost/(revenue) in results	(552)	(974)
Decrease/(increase) in equity	(99)	(115)

Financial instruments are valued on the basis of the quoted prices for similar assets and liabilities on liquid markets.

28. INVESTMENTS IN ASSOCIATED COMPANIES

In 2011 and in 2010 there were no longer any investments by Lotus Bakeries in associated companies.

29. ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

The following transactions took place in 2011:

Margarinerie Hinnekens
Lotus Bakeries NV acquired Margarinerie Hinnekens NV from Lotus Bakeries Group Services NV and Cremers-Ribert NV.

Lotus Bakeries North America Inc.
Lotus Bakeries Group Services NV acquired Lotus Bakeries North America Inc. from Lotus Bakeries Nederland BV.

Lotus Bakeries Schweiz AG
Lotus Bakeries Invest AG was merged with Lotus Bakeries Schweiz AG. Lotus Bakeries Invest AG was thereupon wound up. Lotus Bakeries Group Services NV also acquired Lotus Bakeries Schweiz from Lotus Bakeries Nederland BV.

Lotus Bakeries Asia Pacific HK
A representation office was set up in Shanghai as part of Lotus Bakeries Asia Pacific HK.

Lotus Bakeries NV
Lotus Bakeries NV Oddzial W Polsce was set up in Poland as a branch of Lotus Bakeries NV.

30. GOODWILL

The carrying value of goodwill at the end of 2011 was kEUR 25,710.

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 are the cash-generating units to which goodwill is allocated. The net carrying value of goodwill has been allocated to the various cash flow-generating units as follows:

Cash flow-generating unit	Amount kEUR
Netherlands (Koninklijke Peijnenburg)	17,151
Spain (López Market)	1,704
Sweden (Annas Pepparkakor Holding AB).	6,856

in thousands of EUR	2011	2012
Acquisition cost		
Balance at end of previous year	25,670	24,837
Net foreign exchange differences	40	833
Balance at end of year	**25,710**	**25,670**
Carrying amount		
on 31 December	25,710	25,670

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.

Goodwill, which represents approximately 10.8% of the total assets of Lotus Bakeries on 31 December 2011, is tested for impairment at the level of business unit (i.e. one level below the segments), based on fair value and applying a discounted free cash flow approach.

The main judgements, assumptions and estimates, for each of the cash flow-generating units, are:
- The first year of the model is based on management's best estimate 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 Lotus Bakeries long-term plan is prepared by country and is based on realistic internal plans.
- Cash flows beyond the first five years are extrapolated, usually with a growth rate of 2% of free cash flows.

- Projections are discounted at the weighted average pre-tax cost of capital, which lies between 9% and 11%. The pre-tax discount rate is calculated by dividing the after-tax discount rate by one minus the applicable tax rate. This outcome does not materially differ from an iterative form of calculation as described in paragraph BCZ 85 of IAS 36.

The test includes a sensitivity analysis on key assumptions used, among them the weighted average cost of capital, free cash flow and long-term growth percentage.
For the cash flow generating units a long term growth percentage varying between 1.0% and 2.0%, a weighted average pre-tax cost of capital of between 6.0% and 13% and a free cash flow of between 95% and 100% of the long-term plan are applied. A change in the estimates used does not lead to a potential impairment situation.
Although Lotus Bakeries believes that its judgements, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions.

31. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

1. Rent

The Group's commitments relate to the leasing of cars in Belgium, France, Germany and the Netherlands, of office space for Sales Offices other than in Belgium, the Netherlands and France and the leasing of buildings and equipment at Annas Pepparkakor in Sweden and Canada. The lease rental payments are charged to the income statement.

Future rental charges as of 31 December:

in thousands of EUR	2011	2010
Less than one year	1,276	972
Greater than one year and less than five years	1,522	1,843
More than five years	-	88

The annual rent costs of these commitments totalled kEUR 1,425 in 2011 (kEUR 1,615 in 2010).
Fom December 2010 on, Pepparkakshuset I Tyresö AB, the owner of the building in Tyresö is member of the Lotus Bakeries Group. Thus the building is not hired anymore.

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 2011, the Group had kEUR 7,618 of commitments (2010: kEUR 656) for the purchase of fixed assets.
The main commitments relate to the extensions of the production plants at Lembeke and Oostakker.

3. Raw materials contracts

Raw materials purchased but delivered in 2012 amounted to kEUR 16,090, as detailed below.

in thousands of EUR	2011	2010
Less than one year	16,090	7,167
Greater than one year and less than five years	-	-

See also note 35-Financial risk management.

4. Other rights and commitments

Bank guarantees as of 31/12/2011: kEUR 22 (as of 31/12/2010: kEUR 31).

in thousands of EUR	2011	2010
	22	31

Lotus Bakeries covenants 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').

32. POST BALANCE SHEET EVENTS

No significant events have occurred after 31 December 2011.

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 Group Services that, as of 31 December 2011, held an undiluted interest of 61.20%, and Christavest Comm. VA with an interest of 8.16% on 31 December 2011.

CEO's remuneration in 2011
The remuneration of the CEO Jan Boone is paid through a management company. There are no social security contributions payable by the company. All costs are borne by the management company.

The remuneration for 2011 is:

Remuneration CEO	2011
Fixed	449,660 EUR
Variable	114,375 EUR
Pension	66,933 EUR
Other	31,684 EUR

No other remuneration was granted in 2011.
In 2011, a long-term cash bonus plan was in place for the years 2011-2013.

Remuneration of executive managers in 2011 (excluding CEO)
The remuneration of the other members of the Executive Committee was paid, for one member, through a management company, and for the other four members under an employment contract. For the member paid through a management company there are no social security contributions incumbent on the company and all costs are borne by the management company. For the four members under employment contracts the amounts given are before social security contributions.

The remuneration for all executive managers together on a full year's basis, are the following for 2011:

EXCO (excl. CEO)	2011
Fixed	1,150,109 EUR
Variable	251,752 EUR
Pension	168,300 EUR
Other	106,674 EUR

In 2011, a long-term cash bonus plan was in place for the years 2011-2013.
The pension plan is based on defined contributions as a function of the annual base salary. The other compensation relate primarily to insured benefits such as guaranteed income and the cost of a company car.
Finally, there is a warrant plan that was implemented in 2007 and a stock option plan for those who were not yet eligible for the warrant plan. The grant of warrants in 2007 was for a period of 5 years, from 2007 to 2011 inclusive.

1,400 new share options were issued in 2011 under the Lotus Bakeries share option plan. No new warrants were issued in 2011.

The members of the Board of Directors each receive EUR 20,000 a year. The Chairman receives EUR 40,000 a year. Each member of the Audit and Remuneration and Nomination Committees also receives compensation of EUR 5,000. In 2011, these compensations totalled EUR 250,000 and were deducted from the 2011 income statement.

34. ASSETS HELD FOR SALE

There were no significant assets held for sale on 31 December 2011.

35. FINANCIAL RISK MANAGEMENT

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

1. Raw material and packaging prices
The risk of negative consequences of fluctuations in raw material prices on the results is limited by the signing of 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 commitments not reflected in the balance sheet.

2. Exchange rate risks
The large majority of purchases are made in euro. In addition, on the sales side, a very large portion of turnover is paid in euro. The main foreign currency transactions related to buying and selling take place in USD, GBP, CHF, CZK and SEK. The net foreign exchange risk on these currencies is almost fully hedged by forward contracts and/or options contracts.

3. Interest rate risks

Long-term financial liabilities carry either fixed (kEUR 7) or variable (kEUR 17,895) interest rates, the latter based on Euribor rates for periods up to 1 year.
The variable interest rate risk on outstanding long-term financial liabilities is 100% hedged.

4. Financial instruments

SENSITIVITY ANALYSIS:

Interest rate risk:
A 10 basis points higher Euribor interest rate in 2011 would have positively impacted interest expense by approximately kEUR 2.

Exchange rate risk:
An average 5% lower USD, GBP, CZK, CHF and SEK exchange rate would have negatively affected net result by approximately kEUR 1,100 in all.

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% compared with end-December 2010 do 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 risks

The Lotus Bakeries Group opts to conclude contracts as far as possible or to work 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 services 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 with established financial institutions.

6. Liquidity risks

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 contractual maturity dates of non-derivative financial debts and the estimates of interest payments and derivative financial instruments are as follows:

Financial assets and liabilities

in thousands of EUR		2010	
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**
Non-derivative financial liabilities			
Unsecured bank loans	(13,357)	(12,425)	(7,281)
Bank overdraft	(7,546)	-	-
Trade and other payables	(42,888)	(66)	(50)
	(63,791)	**(12,491)**	**(7,331)**
Derivative financial assets and liabilities			
Foreign currency derivatives	(268)	-	-
Interest rate derivatives	(681)	(681)	(389)
	(949)	**(681)**	**(389)**

in thousands of EUR		2011	
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**
Non-derivative financial liabilities			
Unsecured bank loans	(11,612)	(6,709)	-
Bank overdraft	(8,204)	-	-
Trade and other payables	(49,073)	(50)	-
	(68,889)	**(6,759)**	**-**
Derivative financial assets and liabilities			
Foreign currency derivatives	(69)	-	-
Interest rate derivatives	(675)	(374)	-
	(744)	**(374)**	**-**

7. Balance sheet structure
Lotus Bakeries seeks to maintain its balance sheet structure (balance between debts and equity) so as to preserve the desired financial flexibility to be able to carry out its growth strategy.
It strives to maintain a ratio of net financial debt (defined as financial debts – treasury investments – liquid assets – treasury shares) to recurrent cash flow (REBITDA) at what is considered as a normally healthy level in the financial market. In 2011 it easily met the financial covenants entered into in the context of the external financing.

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 distribution process, from 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.

Defined benefit pension schemes exist in the Dutch and German subsidiaries.
In the Netherlands a defined benefit pension plan has been concluded with BPF. Since the data for the defined pension calculation (cf. IAS 19) are not available, the plan is included under the defined contribution scheme.

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 current value of the future obligations to the employees concerne

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 2011 these costs amounted to kEUR 1,120.

37. MANAGEMENT RESPONSIBILITY STATEMENT

We hereby certify that, to the best of our knowledge, the condensed consolidated financial statements for the year ended 31 December 2011, 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 2011 and of the major transactions with the related parties, and their impact on the condensed consolidated financial statements, together with a description of the principal risks and uncertainties with which the company is confronted.

Lembeke, 30 March 2012

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 PricewaterhouseCoopers Bedrijfsrevisoren cvba, represented by Lieven Adams.

Audit fee for the Group audit 2011	In thousands of EUR
Lotus Bakeries NV	113
Lotus Bakeries Group	212
Total	**325**
Fees for the mandates of PricewaterhouseCoopers Accountants	173
Fees for the mandates of persons related to PricewaterhouseCoopers Accountants	152

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

Fees for additonal services rendered of persons related to PricewaterhouseCoopers Accountants	
Other audit-related fees	4
Tax fees	325
Other non-audit fees	79

The one to one rule has been exceeded in 2011 and this 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 of the company Lotus Bakeries NV as of and for the year ended 31 December 2011

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory Auditor. This report includes our opinion on the consolidated accounts and the required additional disclosure.

Unqualified opinion on the consolidated accounts

We have audited the consolidated accounts of Lotus Bakeries NV and its subsidiaries (the 'Group') as of and for the year ended 31 December 2011, 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 to and in Chapter IV and V of the annual report. These consolidated accounts comprise the consolidated balance sheet as of 31 December 2011 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance sheet amounts to EUR (000) 237.886 and the consolidated statement of income shows a profit, share of the Group, for the year of EUR (000) 23.802.

The company's Board of Directors is responsible for the preparation of the consolidated accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the 'Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren'. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated accounts contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the consolidated accounts taken as a whole.

Finally, we have obtained from the Board of Directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated accounts set forth in the financial supplement to and in Chapter IV and V of the annual report give a true and fair view of the Group's net worth and financial position as of 31 December 2011 and of its results and 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.

Additional remark

The company's Board of Directors is responsible for the preparation and content of the management report on the consolidated accounts, set forth in Chapter IV and V of the annual report.

Our responsibility is to include in our report the following additional remark, which does not have any effect on our opinion on the consolidated accounts:

The management report on the consolidated accounts deals with the information required by the law and is consistent with the consolidated accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

Ghent, 11 April 2012

The statutory Auditor
PwC Bedrijfsrevisoren cvba
Represented by
Lieven Adams
Bedrijfsrevisor

FIVE-YEAR FINANCIAL SUMMARY LOTUS BAKERIES GROUP

CONSOLIDATED BALANCE SHEET

in thousands of EUR	2011	2010	2009	2008	2007
Non current assets	**184,861**	**178,257**	**170,301**	**172,028**	**156,227**
Tangible assets	95,052	90,233	84,150	86,408	83,441
Goodwill	25,710	25,670	24,837	24,147	17,151
Intangible assets	61,859	61,576	60,822	61,185	54,727
Deferred tax assets	2,045	637	353	170	163
Other non current assets including derivative financial instruments	163	109	101	80	303
Current assets	**53,025**	**46,474**	**55,809**	**55,884**	**39,100**
Stocks	14,285	12,998	12,947	13,913	10,319
Trade receivables	26,305	23,360	21,288	20,985	16,489
Cash and cash equivalents	7,369	6,302	16,249	14,548	7,384
TOTAL ASSETS	**237,886**	**224,731**	**226,110**	**227,912**	**195,327**
Equity	**126,760**	**109,795**	**101,197**	**85,855**	**68,924**
Non-current liabilities	**41,312**	**50,571**	**69,313**	**82,831**	**72,545**
Interest-bearing loans and borrowings	6,632	17,902	37,136	50,159	43,603
Deferred tax liabilities	29,187	28,700	28,619	29,320	26,389
Current liabilities	**69,814**	**64,365**	**55,600**	**59,226**	**53,858**
Interest-bearing loans and borrowings	19,474	19,319	13,739	12,488	13,879
Trade payables	29,430	23,509	22,138	30,321	23,082
Remuneration and social security	10,690	9,081	9,518	8,480	6,717
TOTAL EQUITY AND LIABILITIES	**237,886**	**224,731**	**226,110**	**227,912**	**195,327**

FIVE-YEAR FINANCIAL SUMMARY LOTUS BAKERIES GROUP

CONSOLIDATED INCOME STATEMENT

in thousands of EUR	2011	2010	2009	2008	2007
Turnover	275,598	264,823	261,071	256,687	224,528
Recurrent operating result (REBIT)	**36,363**	**34,955**	**34,593**	**34,040**	**28,695**
Non-recurrent operating result	(2,695)	(874)	(294)	(779)	(937)
Operating result (EBIT)	**33,668**	**34,081**	**34,299**	**33,261**	**27,758**
Financial result	(688)	(2,960)	(2,826)	(6,939)	(3,970)
Result before taxation	**32,980**	**31,121**	**31,473**	**26,322**	**23,788**
Taxes	(9,165)	(8,055)	(8,202)	(6,405)	(3,440)
Result after taxation	**23,815**	**23,066**	**23,271**	**19,917**	**20,348**
Share in the result of the enterprises accounted for using the equity method	-	-	-	-	309
Result from assets held for sale	-	-	-	248	-
Results from termination of activities	-	-	1,889	-	-
Net result	**23,815**	**23,066**	**25,160**	**20,165**	**20,657**
Net result: share of third parties	13	11	95	125	144
Net result: share of the Group	23,802	23,055	25,065	20,040	20,513

ABRIDGED STATUTORY FINANCIAL STATEMENTS OF LOTUS BAKERIES NV

BALANCE SHEET AFTER APPROPRIATION OF PROFIT

ASSETS in thousands of EUR	**31-12-11**	**31-12-10**
Fixed Assets	**48,239**	**65,588**
II. Intangible assets	**210**	**326**
III. Tangible assets	**17,507**	**9,782**
A. Land and buildings	3,953	4,292
B. Plant, machinery and equipment	3,464	5,117
C. Furniture and vehicles	205	326
F. Assets under construction and advance payments	9,885	47
IV. Financial assets	**30,522**	**55,481**
A. Affiliated enterprises	30,433	55,391
1. Participating interests	2,642	484
2. Amounts receivable	27,791	54,907
C. Other financial assets	89	89
1. Shares	33	33
2. Amounts receivable and cash guarantees	56	56
Current Assets	**57,852**	**47,017**
V. Amounts receivable after more than one year	**80**	**50**
B. Other amounts receivable	80	50
VI. Stocks and contracts in progress	**4,715**	**3,515**
A. Stocks	4,715	3,515
1. Raw materials and consumables	2,700	2,403
2. Work in progress	65	32
3. Finished goods	1,119	308
4. Goods purchased for resale	831	772
VII. Amounts receivable within one year	**18,345**	**16,739**
A. Trade debtors	17,135	15,916
B. Other amounts receivable	1,210	823
VIII. Investments	**120**	**60**
B. Other investments and deposits	120	60
IX. Cash at bank and in hand	**34,420**	**26,519**
X. Deferred charges and accrued income	**172**	**134**
TOTAL ASSETS	**106,091**	**112,605**

ABRIDGED STATUTORY FINANCIAL STATEMENTS OF LOTUS BAKERIES NV

BALANCE SHEET AFTER APPROPRIATION OF PROFIT

LIABILITIES in thousands of EUR	**31-12-11**	**31-12-10**
Capital and reserves	**40,566**	**39,425**
I. Capital	**3,400**	**3,400**
A. Issued capital	3,400	3,400
II. Share premium account	**2,298**	**2,298**
IV. Reserves	**34,868**	**33,727**
A. Legal reserve	340	340
B. Reserves not available for distribution	72	72
2. Other	72	72
C. Untaxed reserves	1,219	1,223
D. Reserves available for distribution	33,237	32,092
Provisions and deferred taxation	**1,702**	**1,712**
VII. A. Provisions for liabilities and charges	**1,602**	**1,610**
1. Pensions and similar obligations	161	197
3. Major repairs and maintenance	1,212	1,212
4. Other liabilities and charges	229	201
B. Deferred taxation	100	102
Creditors	**63,823**	**71,468**
VIII. Amounts payable after more than one year	**6,632**	**17,902**
A. Financial debts	6,632	17,902
4. Credit institutions	6,632	17,895
5. Other loans	-	7
IX. Amounts payable within one year	**56,658**	**52,082**
A. Current portion of amounts payable after more than one year	11,270	11,277
B. Financial debts	33	-
1. Credit institutions	23	-
2. Other loans	10	-
C. Trade debts	31,312	27,114
1. Suppliers	31,312	27,114
E. Taxes, remuneration and social security	6,170	5,582
1. Taxes	2,379	2,303
2. Remuneration and social security	3,791	3,279
F. Other amounts payable	7,873	8,109
X. Accrued charges and deferred income	**533**	**1,484**
TOTAL LIABILITIES	**106,091**	**112,605**

ABRIDGED STATUTORY FINANCIAL STATEMENTS OF LOTUS BAKERIES NV

NOT-CONSOLIDATED INCOME STATEMENT

in thousands of EUR	2011	2010
I. Operating income	**154,464**	**140,376**
A. Turnover	148,476	138,120
B. Increase/(Decrease) in stocks of finished goods, work and contracts in progress	946	(586)
C. Own construction capitalised	37	108
D. Other operating income	5,005	2,734
II. Operating charges	**(141,436)**	**(130,423)**
A. Raw materials, consumables and goods for resale	77,254	70,762
1. Purchases	77,897	71,178
2. Increase , decrease in stocks	(643)	(416)
B. Services and other goods	38,502	33,743
C. Remuneration, social security costs and pensions	21,493	20,418
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	3,393	3,426
E. Increase/(Decrease) in amounts written off stocks, contracts in progress and trade debtors	385	495
F. Increase/(Decrease) in provisions for liabilities and charges	(8)	(21)
G. Other operating charges	(417)	1,600
III. Operating profit	**13,029**	**9,953**
IV. Financial income	**2,071**	**11,897**
A. Income from financial fixed assets	778	10,662
B. Income from current assets	261	165
C. Other financial income	1,032	1,070
V. Financial charges	**(2,926)**	**(4,542)**
A. Interest and other debt charges	510	699
C. Other financial charges	2,416	3,842
VI. Profit on ordinary activities before taxes	**12,174**	**17,309**

in thousands of EUR	2011	2010
VI. Profit on ordinary activities before taxes	**12,174**	**17,309**
VII. Extraordinary income	**34**	**22**
D. Gain on disposal of fixed assets	34	22
VIII. Extraordinary charges	(24)	-
D. Loss on disposal of fixed assets	24	-
IX. Profit for the year before taxes	**12,184**	**17,331**
IX. Bis		
A. Transfer from deferred taxation	14	15
B. Transfer to deferred taxation	(11)	(7)
X. Income taxes	**(3,534)**	**(1,771)**
A. Income taxes	3,534	1,983
B. Adjustment of income taxes and write-back of tax provisions	-	212
XI. Profit for the year	**8,653**	**15,568**
XII. Transfer from untaxed reserve	**26**	**28**
Transfer from untaxed reserve	(172)	(202)
XIII. Profit for the year available for appropriation	**8,507**	**15,394**

ABRIDGED STATUTORY FINANCIAL STATEMENTS OF LOTUS BAKERIES NV

APPROPRIATION ACCOUNT

in thousands of EUR	2011	2010
A. Profit to be appropriated	8,507	18,146
1. Profit for the year available for appropriation	8,507	15,394
2. Accumulated profits	-	2,752
C. Transfer to capital and reserves	(995)	(11,107)
3. To other reserves	995	11,107
F. Distribution of profit	(7,512)	(7,039)
1. Dividends	7,262	6,799
2. Directors' emoluments	250	240

EXTRACT FROM THE NOTES

VIII. STATEMENT OF CAPITAL

	Amounts in thousands of EUR	Number of shares
A. CAPITAL		
1. Issued capital		
At the end of the preceding year	3,400	
At the end of the year	3,400	
2. Structure of the capital		
2.1. Different categories of shares		
Ordinary shares	3,400	772,563
2.2. Registered shares and bearer shares		
Registered		1,004
Bearer		9,885
Dematerialized		761,674

C. TREASURY SHARES held by:		
- its subsidiaries	112,435	25,548

E. AMOUNTS OF AUTHORIZED CAPITAL, NOT ISSUED	**1,133**

G. STRUCTURE OF SHAREHOLDINGS OF THE ENTERPRISE: Situation on 31 December 2011

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 on 27 April 2010.

Announcer	Number of voting rights	% of voting rights
Stichting Administratiekantoor van Aandelen Lotus Bakeries Claude Debussylaan 24 NL-1082 MD Amsterdam	446,378	57.78%
Lotus Bakeries Group Services NV (1) (3) Gentstraat 52 9971 Lembeke	26,457	3.42%
Christavest Comm. VA (2) Kerkstraat 33A 9971 Lembeke	63,046	8.16%
TOTAL	**535,881**	**69.36%**

(1) Lotus Bakeries Group Services NV is controlled by Lotus Bakeries NV for 99.8%. Lotus Bakeries NV is controlled for 57,78 % by Stichting Administratiekantoor Aandelen Lotus Bakeries. Stichting Administratiekantoor Aandelen Lotus Bakeries is not controlled.

(2) Christavest Comm. VA is controlled for 82,82% by Holding Biloba BVBA. Mr. Stanislas Boone is statutory general manager ('statutair zaakvoerder') of Christavest Comm. VA.

(3) The voting rights associated with the shares held by Lotus Bakeries Group Services NV have been suspended. The dividends have not been suspended and will be paid out to Lotus Bakeries Group Services NV.

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:

- research and development	33%
- licensing	33%
- clientele	10%
- advances	0%

The amortization of clientele over ten years is justified by the stable client relationships that have been realised through the brands Lotus, Corona, Cremers and Suzy and which are now housed under the single Lotus brand.

1.3 TANGIBLE FIXED ASSETS

Tangible fixed assets are included at purchase price. Ancillary costs were separately booked till 2002 included. As from 2003, they have been booked within the principal investment.

Beginning in 1993 assets under construction and advance payments have been depreciated according to their final destination, except for those fixed assets that are depreciated over a maximum of three years. These last mentioned assets are depreciated as from the year of coming into operation.

Investments in office equipment have since 1994 been depreciated over three years, instead of over five years. Since 1980 the declining balance method has been used wherever permitted. As from 2003 depreciation has been recorded rata temporis.

The following depreciation rates apply:

- Buildings	5%
- Installations and equipment	10%
- Machines, tools and furniture	20%
- Office equipment	33%
- Equipment subject to rapid wear and tear	33%
- Software	33%
- Vehicles	20%
- Ancillary costs from 2003 onwards pari passu with the principal investment	100%

- Advances on tangible fixed assets: according to their final destination
- Produced fixed assets: according to their final destination.

1.4 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 accounting 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.

1.5 STOCKS

Finished products are valued at direct production cost price.

Raw materials, consumables and goods for resale are booked at the cost of acquisition using the FIFO method.

For stocks, real reductions in value are applied where these have become worthless or their value in use or realisation value is lower than the cost price.

1.6 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.

1.7 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 date. Exchange rate differences are processed in the same way as for foreign currency receivables.
- Liabilities and provisions for taxes, remuneration and social security. The anticipated liabilities with regard to single and double holiday allowances, redistribution of social security charges and personnel insurances have been booked in full.

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BAKERIES

SINCE 1932

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