

## LOTUS BAKERIES: HALF YEAR REPORT 2013

- Strong turnover growth of almost 15%, of which 7% internally generated
- Recurrent operating result (REBIT) increased by 6.5%
- Investment programmes at Koninklijke Peijnenburg successfully completed

### 1. Half year results 2013

Income statement <sup>(1)</sup> (in EUR thousands)	30/06/2013	30/06/2012	Evolution %	
<b>Turnover</b>	<b>159,767</b>	<b>139,349</b>	<b>+</b>	<b>14.7</b>
<b>Recurrent operating result (REBIT)</b>	<b>18,882</b>	<b>17,735</b>	<b>+</b>	<b>6.5</b>
<b>Recurrent operating cash flow (REBITDA) <sup>(2)</sup></b>	<b>25,651</b>	<b>24,118</b>	<b>+</b>	<b>6.4</b>
Non-recurrent operating result:	(1,512)	(725)	+	108.6
Operating result (EBIT) <sup>(3)</sup>	17,370	17,010	+	2.1
Financial result	(350)	(725)	-	51.7
Result before taxes	17,020	16,285	+	4.5
Taxes	(3,546)	(3,474)	+	2.1
<b>Net result</b>	<b>13,474</b>	<b>12,811</b>	<b>+</b>	<b>5.2</b>
Net result: minority interest	4	5	-	20.0
Net result: Group share	13,470	12,806	+	5.2
<b>Total number of shares at 31 December <sup>(4)</sup></b>	<b>768,765</b>	<b>741,715</b>	<b>+</b>	<b>3.6</b>
<b>Key figures per share (in EUR)</b>				
Recurrent operating result (REBIT)	24.56	23.91	+	2.7
Recurrent operating cash flow (REBITDA) <sup>(2)</sup>	33.37	32.52	+	2.6
Net result: Group share	17.52	17.27	+	1.4
<b>Balance sheet (in EUR thousands)</b>				
Balance sheet total	327,306	252,216	+	29.8
Equity	155,565	129,733	+	19.9
Investments <sup>(5)</sup>	17,304	13,599	+	27.2
Net financial debt <sup>(6)</sup>	62,484	20,055	+	211.6

(1) Further information about the income statement and balance sheet can be found on the website: [www.lotusbakeries.com](http://www.lotusbakeries.com).

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

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

(4) Total number of shares at 30 June, excluding treasury shares.

(5) Investments in intangible and tangible fixed assets.

(6) Net financial debt is defined as financial debts - cash equivalents - cash - treasury shares.

The statutory auditor, PwC Bedrijfsrevisoren, represented by Peter Opsomer, has confirmed that its limited review of the consolidated balance sheet and consolidated income statement, which has been substantially completed, has not revealed the need for any material deviations to the accounting information contained in this press release.

## 2. Management explanation

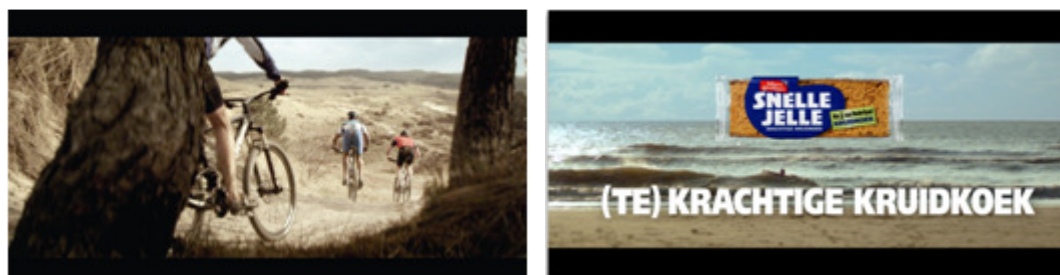
### 2.1 Turnover

During the first half of 2013, the consolidated turnover of the Lotus Bakeries Group grew by 14.7% to EUR 159.8 million. Almost 7% of this growth was internally generated. The growth is also realised by Biscuiterie Willems, which is included in the consolidated financial statement in 2013.

In Belgium, Lotus Bakeries ensured growth once again in the first half year. Following a good 2012, the Lotus brand further strengthened its market share in all segments. Significant investments in communication with consumers and further strengthening of the sales and marketing organisation are the basis of these results.



In the Netherlands, turnover grew slightly due to the success of Snelle Jelle and Lotus caramelized biscuits (speculoos), both strongly supported by TV campaigns. The success of Snelle Jelle further strengthens Koninklijke Peijnenburg's share of the gingerbread market in the Netherlands.



In the first semester Lotus caramelized biscuits (speculoos) recorded solid growth in France. This growth was supported by two national television campaigns aimed at strengthening the Lotus brand and at the same time the link between Lotus and coffee time. These campaigns are the continuation of the national billboard and television campaigns of 2011 and 2012 respectively.



The strategy of internationalizing caramelized biscuits on a sustainable basis was consistently continued. During the first half year various countries again had good growth figures including the United States, the United Kingdom, the Middle East and China.

## 2.2 Income statement

Recurrent operating result and recurrent operating cash flow increased by more than 6% compared to the same period from last year.

The strong sales growth contributed positively to the first half year result.

Lotus Bakeries has opted to increase its commercial efforts for the various brands in different countries in 2013. During the first half of this year, investments in marketing were continued and POS activities were increased.

The additional depreciations related to the significant investments in the Belgian and Dutch plants also impact the Group's total cost base in 2013.

The non-recurring operating result of kEUR -1,512 is mainly attributable to the restructuring costs at Geldrop and Sintjohannesga, the cost of the Dinosaurius and Biscuiterie Willems acquisition projects and the depreciation of the Wieger Ketellapper brand.

Interest expenses amounted during the first half of the year to nearly kEUR 700. This cost is offset by positive currency effects and the positive evolution of the market value of interest rate hedges. Consequently, the total financial result is a net cost of kEUR 350.

The tax expense is EUR 3.5 million or 20.8% of pre-tax profit.

The net result for the first half is up 5.2% compared with 2012.

## 2.3 Investments

Investments during the first half of 2013 amounted to EUR 17.3 million. The main investments were in the plants at Geldrop and Sintjohannesga. These have been successfully completed. The optimization of the Geldrop production plant together with the capacity expansion in Sintjohannesga will permit a better and more flexible response to the increasing and changing demand for gingerbread in the Netherlands.

Major investments were also completed in Belgium with the successful relocation of the frangipane line from Lembeke to Oostakker.

## 2.4 Net financial debt

Net financial debt increased over the past 12 months by EUR 42 million. During this period, significant investments were made in the plants, and Biscuiterie Willems and the Dinosaurus brand were acquired. These investments amounted to EUR 75 million. The increase in net financial debt is significantly lower, at EUR 42 million, as a result of the strong operating cash flow over the past 12 months.

## 3. Dinosaurus

Lotus Bakeries has successfully completed the necessary preparations for the commercialization of the Dinosaurus biscuits. To date consumers can find their familiar biscuits again on the Belgian and French markets.

From mid-2014, the Dinosaurus biscuits will be produced in the Lembeke plant.

The corresponding investment program has been launched.



## 4. Conclusion

For the first half of 2013, Lotus Bakeries can once again present an attractive growth of 15%, or 7% on a like-for-like basis. This growth was achieved by significant commercial efforts in the different countries, centred on clear and consistent communication with the consumer. Lotus Bakeries is convinced that it needs in the long term to continue to invest significantly in marketing & sales in order to support and further develop its brands and associated specialties. The strategy of determined focus on the main specialties will be continued.

In recent years, several major investment programs were successfully completed. Between 2010 and 2013, over EUR 100 million will have been invested in the Group's plants. First, in 2012 the expansion of the caramelized biscuit factory in Lembeke to meet the growing demand for Lotus caramelized biscuits was completed. A clear focus on continuing the internationalisation of the caramelized biscuit business is a major pillar in the Group's long-term strategy.

Further, in 2012 and in the first half of this year, major investments were completed for the expansion at Oostakker, where all cake production in Belgium is now housed.

Finally, a more flexible response to the growing and changing demand for gingerbread in the Netherlands will be possible with the optimization of the production plant in Geldrop combined with the capacity expansion in Sintjohannesga. These investments were successfully finished this year.

Thus, Lotus Bakeries is continuing to work on increasing production efficiencies in the different sites and achieving a consistently high quality level in its various specialties.

Both the Management and the Board of Directors of Lotus Bakeries are convinced that the right strategy and a good basis exist for continuing, profitable growth.

CEO Jan Boone is pleased with the results and trends of the past half year: "We can report an excellent internal growth rate of 7% during the first half year. Furthermore, we have been able to strengthen our business with two targeted acquisitions, the Dinosaurus brand and Biscuiterie Willems, both strategically important for us. The major investment programs of recent years in Belgium and the Netherlands, in a total amount of EUR 100 million, made possible by our operating cash flows, have been successfully finished. In this way we have been able to strengthen our productivity and production capacity for the future."

## 5. Financial calendar

Financial analysts' meeting (conference call):	27 August 2013
Publication of the interim declaration covering the period from 1 July 2013:	8 November 2013
Announcement annual results 2013:	13 February 2014
Financial analysts' meeting:	14 February 2014
Ordinary General Meeting of shareholders:	9 May 2014
Publication of the interim declaration covering the period from 1 January 2014:	9 May 2014
Dividend payable from:	15 May 2014

### Lotus Bakeries in a nutshell

*Lotus Bakeries focuses on authentic specialties from the biscuit and cake world: caramelized biscuits (speculoos), gingerbread, cake specialties, waffles and pepparkakor biscuits. Lotus Bakeries, with headquarters in Belgium, is a dynamic, internationally oriented company with production facilities in Belgium, the Netherlands, France and Sweden, own sales organizations in 10 European countries, in the United States, Hong Kong, China, Chile and an export department for the other countries. With around 1,218 employees, Lotus Bakeries produces and sells high-quality, tasty products under the Lotus, Peijnenburg and Anna's brand names. By maintaining a healthy balance between tradition and innovation, Lotus Bakeries indulges consumers with a unique range of products. In 2012 the Group achieved a turnover of EUR 288.5 million. The shares of Lotus Bakeries are listed on Euronext Brussels.*

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Additional information on Lotus Bakeries can be found on [www.lotusbakeries.com](http://www.lotusbakeries.com)