

LOTUS BAKERIES: ANNUAL RESULTS 2013

- Branded revenue growth of more than 7% due to speculoos, waffles and Dinosaurus
- 13% increase in the recurrent trading results
- Proposed gross dividend of 10.80 EUR per share in 2013

1. 2013 results

Income statement ⁽¹⁾ (in EUR thousands)	2013	2012	Evolution %	
Turnover	332,319	288,455	+	15.2
Recurrent operating result (REBIT) ⁽²⁾	41,371	36,680	+	12.8
Recurrent operating cash flow (REBITDA) ⁽³⁾	55,622	49,851	+	11.6
Non-recurrent operating result:	(3,655)	(1,953)	+	87.2
Operating result (EBIT) ⁽⁴⁾	37,716	34,727	+	8.6
Financial result	(1,740)	(1,569)	+	10.9
Result before taxes	35,976	33,158	+	8.5
Taxes	(8,057)	(7,408)	+	8.8
Net result	27,919	25,750	+	8.4
Net result: minority interest	(1)	13	-	-
Net result: Group share	27,920	25,737	+	8.5
Total number of shares at 31 December ⁽⁵⁾	770,565	748,945	+	2.9
Key figures per share (in EUR)				
Recurrent operating result (REBIT)	53.69	48.98	+	9.6
Recurrent operating cash flow (REBITDA) ⁽³⁾	72.18	66.56	+	8.4
Net result: Group share	36.23	34.36	+	5.4
Balance sheet (in EUR thousands)				
Balance sheet total	334,104	270,615	+	23.5
Equity	171,375	145,206	+	18.0
Investments ⁽⁶⁾	33,155	40,541	-	18.2
Net financial debt ⁽⁷⁾	48,887	24,162	+	102.3
Gross dividend ⁽⁸⁾ (in EUR per share)	10.80	9.80	+	10.2

(1) In annex you can find the balance sheet and income statement 2013.

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

(3) 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.

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

(5) Total number of shares at 31 December, excluding own shares

(6) Investments in intangible and tangible fixed assets

(7) Net financial debt is defined as financial debts - cash investments - liquid assets - own shares

(8) For 2013: dividend will be proposed to the Ordinary General Shareholders' Meeting of 9 May 2014.

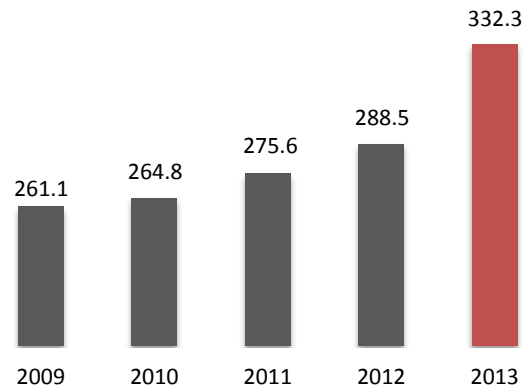
The statutory auditor, PwC Bedrijfsrevisoren, represented by Peter Opsomer, has confirmed that its audit work on the consolidated balance sheet and consolidated income statement, which has been substantially completed, has not revealed the need for any material deviations to the accounting information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

2. Explanation

in millions of EUR

2.1 Turnover

In 2013, the consolidated turnover of the Lotus Bakeries Group grew by 15.2% to 332.3 million EUR. The total revenue growth without Biscuiterie Willems amounts to more than 7% and can be entirely attributed to branded growth. This branded growth is primarily connected to the international growth of speculoos and waffles and the introduction of Dinosaurus.



Consistent implementation of strategic choices enabled the Lotus brand to greatly reinforce its market share in Belgium. This growth was realised through a persistent focus on product quality, consumer driven product innovations directed at new consumption opportunities and considerable marketing support for the best-selling products. This support was present in both traditional and new media. The introduction of Lotus Dinosaurus has also played an important role in Lotus Bakeries' successful year in Belgium. The distribution of Lotus Dinosaurus is strongly established in Belgium and the product has also seen good rotation.

The market in the Netherlands was under pressure too in 2013 due to low levels of consumer trust and the recession. Lotus Bakeries nevertheless managed to hold onto Koninklijke Peijnenburg's strong market share in the gingerbread segment. The brand campaigns for Peijnenburg and Snelle Jelle made a clear contribution to this. Snelle Jelle and the introduction of Peijnenburg Overheerlijk made a positive contribution to the sales figures. The brand Lotus experienced good growth in the Netherlands with speculoos and speculoos spread.

In France, a major TV campaign was run this year for Lotus speculoos. Its central message was "Every coffee needs a Lotus". The campaign resulted in a strong rise in sales rotations in the sales point and increased brand awareness. There was a big increase in the market share within the speculoos category. Lotus Bakeries achieved good results within the waffles segment too, here again our market share has increased. Good distribution and rotation figures bear out the successful introduction of Lotus Dinosaurus in France.

In the United States, Lotus speculoos experienced further double digit growth through active in-store confrontation with the aid of displays and additional distribution growth in retail and out-of-home. We also achieved further growth with the Lotus speculoos spread.

Asia Pacific once again realised strong growth, notably spurred on by growing sales in China. The ambition is to get a devoted team working in China to place more focus on the expansion of the Lotus brand and the continued growth of Lotus speculoos in both out-of-home and retail.

An accentuated focus on Lotus speculoos ensures further revenue growth and reinforcement of our market position in Europe, in particular in the United Kingdom, and in the Middle East. Sales of the Annas brand in Sweden and Finland have been very good this season, resulting in a strengthening of the market share.

2.2 Trading result

The recurrent trading result (REBIT) increased by 4.7 million EUR (from 36.7 million EUR to 41.4 million EUR) in absolute value. The recurrent operating cash flow (REBITDA) for the year 2013 amounted to 55.6 million EUR as compared to 49.9 million EUR in 2012.

The high revenue growth makes a positive contribution to the result. Lotus Bakeries has decided to further increase its commercial efforts in marketing and in the sales points in the different countries and for the different brands.

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

2.3 Financial result

On an annual basis, the financial result amounts to a cost of 1.7 million EUR and primarily consist of interest fees. The financial result is influenced by the positive evolution of the market value of the hedging instruments for interest and exchange rate risks in 2013, but offset by negative unrealised differences in exchange rate on outstanding loans within the Lotus Bakeries Group.

2.4 Taxes

The tax burden for 2013 amounts to 8.1 million EUR which represents a tax rate of 22.4%.

2.5 Net result

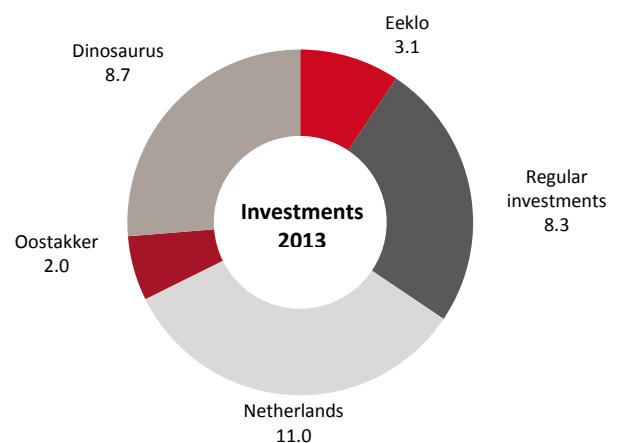
The net profit amounts to 27.9 million EUR and is 8.4% higher than last year.

2.6 Investments and take-overs

In 2013 a total amount of 66.1 million EUR was invested in material and immaterial fixed assets and the take-over of Biscuiterie Willems. Investments in material and immaterial fixed assets amount to 33.1 million EUR.

in millions of EUR

In the Netherlands, the expansion and modernisation of the factories in Sintjohannesga and Geldrop were successfully completed in 2013. In Geldrop, one of the two factories was closed and production was transferred to Sintjohannesga and the new factory in Geldrop. The project was delivered on time and within budget. These optimisations able us to capitalise on the increasing and evolving demand for gingerbread in the Netherlands in a better, more flexible and cost efficient manner.



In Lembeke, a large portion of the investment in the new production line for Dinosaurus has already been realised.

In 2012, the production building of the factory in Oostakker was expanded in preparation for the transfer of the frangipane production from Lembeke to Oostakker. This transfer was completed on schedule and within budget in the first half of 2013.

2.7 Net financial debts

As indicated, a total of 66.1 million EUR was invested in assets and takeovers. The strong operational cash flow in 2013 meant that the net financial debts only increased by 24.7 million EUR in relation to the previous year. The net financial debt on December 31st, 2013 amounted to 48.9 million EUR which is lower than the annual REBITDA.

3. Conclusion and forecasts

In 2013, Lotus Bakeries achieved a nice branded growth of over 7%. An intensive focus on major commercial and marketing efforts in the different countries was responsible for this growth. Good collaboration with our clients in the different categories and clear and consistent communication with the consumer are central to this. Lotus Bakeries' growth has been consolidated by the successful integration of Biscuiterie Willems.

In 2013, impressive profitability ratios of 12.4% recurrent trading result and 16.7% recurrent operating cash flow were realised. The cash flow was partly used for the above-mentioned investment programmes and for the take-over of Biscuiterie Willems.

Lotus Bakeries will emphatically continue to invest in marketing and sales in order to support and further expand its brands and related specialities. The strategy of placing an intensive focus on the major specialities will be continued.

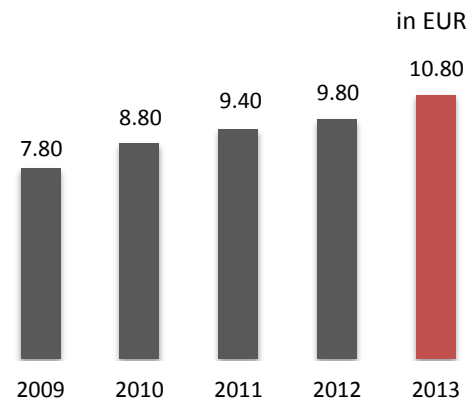
The investments needed to manufacture the Lotus Dinosaurus biscuits in Lembeke will be continued in 2014.

Lotus Bakeries' policy of balancing price evolutions on raw materials, packaging materials and other cost price elements in combination with production-efficiencies in the tariff rates will be consistently implemented.

The Management and Board of Directors of Lotus Bakeries are convinced that we now have the right strategy and a good basis for continued long-term growth in a profitable manner.

4. Dividend

The Board of Directors will propose to the Ordinary General Meeting of Shareholders of 9 May 2014 that the company declare for 2013 a net dividend of EUR 8.10 per share (gross dividend of EUR 10.80), compared with EUR 7.35 per share in 2012 (gross dividend of EUR 9.80).



5. Financial calendar

Financial analysts' meeting:	14 February 2014
2013 annual review available on www.lotusbakeries.com :	9 April 2014
Publication of the interim declaration covering the period from 1 January 2014:	9 May 2014
Ordinary and Extraordinary General Meeting of shareholders:	9 May 2014
Dividend payable from:	15 May 2014
Announcement of 2014 half-year results:	25 August 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 organisations in 10 European countries, in the United States, Hong Kong, China, Chile and an export department for the other countries. With around 1,244 employees, Lotus Bakeries produces and sells high-quality, tasty products under the Lotus, Peijnenburg and Annas brand names. By maintaining a healthy balance between tradition and innovation, Lotus Bakeries indulges consumers with a unique range of products. In 2013 the Group achieved a turnover of EUR 332.3 million. The shares of Lotus Bakeries are listed on Euronext Brussels.

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Further information on Lotus Bakeries can be found at www.lotusbakeries.com



Lotus Bakeries Group

Balance sheet & income statement 2013

Regulated information
13 Feb. 2014 after market closing
Embargo 13/02/2014-17.45 h

CONSOLIDATED BALANCE SHEET

in thousands of EUR

31/12/2013

31/12/2012

ASSETS

Non-current assets	262,729	214,154
Tangible assets	136,489	109,064
Goodwill	46,517	25,960
Intangible assets	75,744	76,248
Investment in other companies	27	32
Deferred tax assets	3,859	2,691
Other non-current assets including derivative financial instruments	93	159
Current assets	71,375	56,461
Stocks	16,665	14,917
Trade receivables	36,036	29,751
Tax receivables	5,428	4,248
Other amounts receivable	402	-
Cash and cash equivalents	11,933	6,452
Deferred charges and accrued income	911	1,093
TOTAL ASSETS	334,104	270,615

EQUITY AND LIABILITIES

Equity	171,375	145,206
Share Capital	11,246	7,440
Retained earnings	167,099	146,183
Treasury shares	(9,442)	(11,061)
Other reserves	2,414	2,586
Non-controlling interest	58	58
Non-current liabilities	43,984	34,041
Interest-bearing loans and borrowings	7,925	-
Deferred tax liabilities	32,687	30,323
Pensions	2,793	3,215
Provisions	574	498
Other non-current liabilities including derivative financial instruments	5	5
Current liabilities	118,745	91,368
Interest-bearing loans and borrowings	62,337	41,675
Provisions	1,265	1,405
Trade payables	34,249	30,886
Remuneration and social security	12,525	10,792
Tax payables	5,126	3,736
Derivative financial instruments	70	495
Other current liabilities	279	200
Accrued charges and deferred income	2,894	2,179
TOTAL EQUITY AND LIABILITIES	334,104	270,615





Lotus Bakeries Group

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CONSOLIDATED INCOME STATEMENT

in thousands of EUR	2013	2012
Turnover	332,319	288,455
Raw materials, consumables and goods for resale	(111,425)	(91,149)
Services and other goods	(87,259)	(78,390)
Personnel costs	(78,900)	(69,972)
Depreciation and amortization	(13,290)	(11,708)
Decrease/(Increase) in amounts written off stocks, contracts in progress and trade debtors	(869)	(1,130)
Other operating income and charges (net)	795	574
Recurrent operating result (REBIT) ⁽¹⁾	41,371	36,680
Non-recurrent operating result	(3,655)	(1,953)
Operating result (EBIT) ⁽²⁾	37,716	34,727
Financial result	(1,740)	(1,569)
Financial income	2,576	1,395
Financial charges	(4,316)	(2,964)
Result before taxation	35,976	33,158
Income taxes	(8,057)	(7,408)
Result after taxation	27,919	25,750
NET RESULT	27,919	25,750
Net result: minority interest	(1)	13
Net result: Group share	27,920	25,737
Other comprehensive income:		
items that may be subsequently reclassified to profit and loss	(581)	1,005
Currency translation differences	(610)	941
Financial instruments	29	64
items that will not be reclassified to profit and loss	409	-
Defined benefit plans	409	-
Other comprehensive income for the year	(172)	1,005
Total comprehensive income for the year	27,747	26,755
Total comprehensive income for the year attributable to:		
Non-controlling interest	(1)	13
Equity holders of Lotus Bakeries	27,748	26,742
Earnings per share		
Weighted average number of shares	764,828	746,052
Basic earnings per share (EUR)	36.50	34.50
of continued operations	36.50	34.50
Weighted average number of shares after effect of dilution	787,170	773,576
Diluted earnings per share (EUR)	35.47	33.27
of continued operations	35.47	33.27
Total number of shares ⁽³⁾	795,113	779,643
Diluted earnings per share (EUR)	35.11	33.01
of continued operations	35.11	33.01

(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.

