



# ANNUAL REPORT 2014

## SUMMARY



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# Declaration of the management

I undersigned, Willy Raymaekers, Managing Director, declare, in the name and for the Company, that, to my knowledge :

- a) the annual accounts contained in this report, which have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, give a true view of the assets, financial situation and the results of the issuer and the companies included in the consolidation.
- b) the annual accounts give a true overview of the development and the results of the company and of the position of the issuer and the companies included in the consolidation, as well as a description of the main risks and uncertainties with which they are confronted.

Willy Raymaekers



## Administration and supervision

**at 31 Decembre 2014**

### Board of Directors

Willy Raymaekers,  
Chairman of the Board of Directors  
and Managing Director

Daniel Richir, Director

Nicolas David, Director

Simon Jones, Director

Thierry Kuter, Director

BVBA ANBA, Director represented  
by Anne-Marie Baeyaert

Benoît Taymans, Director

Laurent Verhelst, Director

### Honorary Chairmen

James Maudet

Jean-Louis Besson

Daniel Grasset

Francis Raatz

### Statutory Auditors

KPMG - Company Auditors  
represented by Olivier Declercq

# Chairman's Message

This is my first time addressing you not solely in my capacity as Chairman of the Board of Directors, but also as Managing Director of Rosier SA and CEO of Rosier Group. I have been in this new role since 12 November 2014 following the resignation of Daniel Richir from this position, which he had successfully held since 1999. This is one of a series of deep structural and organisational changes aimed at increasing cooperation with Borealis to ensure Rosier Group's strong growth over the coming years.

From a sales and results perspective, your Company experienced a difficult yet encouraging year in 2014.

Persisting geopolitical tensions in certain countries, a lacklustre global economic climate, the decline in the Euro, the fall in the price of petroleum products and the decrease in the quoted prices of crops rank among the various factors that have negatively affected growth in the global consumption of fertilizers. Current estimates show that such growth is to be limited to 0.6% for the 2014/2015 crop year, far below both previous rates and the growth in the world's population.

Against this backdrop that is both turbulent and uncertain, Rosier Group has demonstrated good resilience:

- Despite product shortages over the second half of the year, primarily due to our having made a major investment at one of our Sas van Gent production facilities, we managed to maintain our sales at a level equivalent to that of last year.  
The decline in sales (€243.6 million, compared with €260.2 million in 2013) was entirely due to the decrease in average sales prices.
- Better unit margins generated an operating profit of €3.2 million in 2014, an increase of 53% compared with 2013.
- Net profit for the period totalled €2.3 million compared with €1.4 million in 2013.

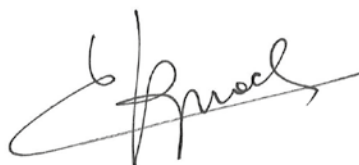
As previously announced, taking into account the significance of investments planned for the coming years, it will be proposed to the Annual General Meeting that the entire net profit for the period be allocated to retained earnings.

Although some positive signs seem to be emerging for 2015, the beginning of the year has been characterised by a climate of significant economic and political volatility.

Rosier Group is nevertheless expected to experience sustained activity over the first few months thanks to contracts already in place. Consequently, we intend to intensify our activities in overseas export markets and to take full advantage of the synergies introduced with Borealis Group.

Moustier, 11 February 2015

Willy Raymaekers





# Rosier Group consolidated management report

at 31 december 2014

## Responsible



**We are leaders in Health, Safety and the Environment**  
**We are good neighbours wherever we operate**  
**We do business according to high ethical standards**

# Rosier Group consolidated management report

at 31 december 2014

## Consolidation scope

There were no changes within the Rosier Group in 2014; it is made up of:

- Rosier SA (Belgium) - Parent company
- Rosier Nederland B.V. (Netherlands) - wholly owned subsidiary
- Rosier France S.A.S.U. (France) - wholly owned subsidiary
- Union pour le Négoce en Produits Chimique SA (Belgium) - wholly owned subsidiary

## General background & activity

On a macroeconomic level, 2014 unfolded in a climate that was both turbulent and uncertain: geopolitical tensions in many regions, a slowdown in global economic growth, the risk of deflation in Europe, the weaker Euro against the US dollar and the fall in the price of oil.

The agricultural situation was characterised by record yields in crop production for the second consecutive year. Despite rising global consumption, these exceptional harvests have led to an increase in inventories and caused a fall in prices from the beginning of the new harvest. In Western Europe, this situation was amplified by the modest quality of the cereals harvested in adverse weather conditions.

This environment led to a sharp fall in growth in global fertilizer consumption from the second half of the year: while this growth is estimated at 1.9% for the 2013 / 2014 crop season, it may only be 0.6% for 2014 / 2015<sup>1</sup>.

Rosier Group's activities during 2014 were greatly impacted by this general climate.

Over the first half of the year, traditionally reserved for deliveries to the European market, we experienced strong activity. The majority of the growth in our business originated from strong demand for compound fertilizers (NPK) from countries in our natural trading area. It was mainly due to low deliveries over the last few months of 2013, which were postponed until spring 2014. Based on a comparable period, our shipped volumes over the first half of 2014 increased by 16%.

Subsequently and until the end of the year, our sales were limited to the available production capacity. As planned, we completed the replacement and modernisation of our largest granulation unit, located in Sas van Gent. This work is part of a multi-year investment programme intended to bring our facilities to the highest level of safety and reliability, whilst improving the quality of our products. Unfortunately, technical problems led to a delay in this facility resuming production, and it is scheduled to reach full capacity in early 2015. Our deliveries over the second half-year decreased by 12% in comparison with those for the same period of 2013 despite our two other granulation facilities (Sas van Gent and Moustier) running smoothly.

Over the entire year, our total deliveries increased slightly (up 2.5%) in comparison with those of 2013.

The same situation applies to our sales of specialty fertilizers. The expected growth in these products was severely impacted by the difficult geopolitical climate in certain countries that are major consumers of this type of fertilizer, making any delivery risky despite the commercial partnerships that we have developed there in the past.

At a structural level, Borealis – Rosier's majority shareholder – initiated an extensive transformation programme for Rosier Group in November 2014. This strategy was adopted by the Board of Directors. It aims to provide Rosier with a strong position to ensure it is competitive globally and ensure strong growth in both its activities and results over the next few years. It particularly focuses on safety, the development of Rosier's strengths (industrial and commercial flexibility, and export presence), an ambitious programme of industrial investments, and product quality. It includes closer cooperation with Borealis as well as significant organisational changes.

1. International Fertilizer Association (IFA) estimates – Strategic Forum November 2014



# Rosier Group consolidated management report

at 31 december 2014

## Results

In 2014, Rosier Group activities generated sales of €243.6 million, compared with €260.2 million the previous year. The slight growth in volumes together with a 9% decrease in average sales prices led to a 6.4% fall in sales.

The proportion of sales achieved in Europe was 68% (60% in 2013), and the decline in the percentage of sales achieved outside Europe (32% against 40% in 2013) was primarily due to the shortage of products available at the time when there was significant demand for export.

The margin on variable costs across all our activities increased by 14% compared to 2013, it is the result of better unit margins.

Net of operating expenses, including:

- Amortisation and write-downs on inventories and receivables totalling €4.7 million,
- A provision of €1.2 million for reorganisation costs,

the 2014 operating profit amounted to €3.2 million, compared with €2.1 million in 2013.

Net financial expense remained the same as in 2013 at €0.3 million.

Profit before tax was €2.9 million, against €1.8 million for 2013.

Net profit for 2014 totalled €2.3 million, an increase of 64% compared with the 2013 figure of €1.4 million.

# Rosier Group consolidated management report

at 31 december 2014

Rosier Group's main financial data is as follows:

EUR thousands	2014	2013	2014 /2013
Operating revenues	245,021	261,316	
of which: Sales	243,611	260,233	(6.4%)
Other operating revenues	1,410	1,083	
Operating expenses	(241,820)	(259,223)	
<b>OPERATING PROFIT (EBIT)</b>	<b>3,201</b>	<b>2,093</b>	<b>53.0%</b>
Net financial expense	(279)	(336)	
Profit before tax	2,923	1,757	66.4%
Income tax	(588)	(330)	
<b>NET PROFIT FOR THE PERIOD</b>	<b>2,335</b>	<b>1,427</b>	<b>63.6%</b>

€ per share			
Net profit for the period	9.16	5.60	63.6%
EBIT	12.55	8.21	53.0%
EBITDA	30.84	27.41	12.5%
EBITDA excluding non-recurring items	39.61	32.23	22.9%
Gross dividend	-	-	-

# Rosier Group consolidated management report

at 31 december 2014

Rosier Group's consolidated statement of financial position is summarised as follows:

EUR thousands	2014	2013	2014 /2013
<b>ASSETS</b>			
Net non-current assets	28,549	19,246	
Deferred tax assets	2,615	2,185	
Other non-current assets	2	18	
Total non-current assets	31,166	21,449	45.3%
Inventories	49,588	34,900	
Current tax receivable	500	866	
Trade receivables	44,710	50,562	
Other receivables	4,468	1,788	
Cash and cash equivalents	2,047	2,675	
Total current assets	101,313	90,791	11.6%
<b>TOTAL ASSETS</b>	<b>132,479</b>	<b>112,240</b>	<b>18.0%</b>
<b>EQUITY</b>			
Share capital	2,748	2,748	
Reserves and retained earnings	46,584	45,910	
<b>TOTAL EQUITY</b>	<b>49,332</b>	<b>48,658</b>	<b>1.4%</b>
<b>LIABILITIES</b>			
Employee benefits	7,368	4,268	
Total non-current liabilities	7,368	4,268	72.6%
Current tax liability	-	-	
Interest-bearing loans and borrowings	40,299	21,798	
Trade payables	30,846	33,468	
Other liabilities	4,634	4,049	
Provisions	-	-	
Total current liabilities	75,779	59,315	27.8%
<b>TOTAL LIABILITIES</b>	<b>83,147</b>	<b>63,583</b>	<b>30.8%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>132,479</b>	<b>112,240</b>	<b>18.0%</b>



# Rosier Group consolidated management report

at 31 december 2014

## Quality - Health –

## Safety – Environment (QHSE)

Like those of other companies in the fertilizer sector and classified as high threshold under the Seveso II directive, Rosier Group's activities generate certain risks related to the use of chemicals, and to the storage and transport of raw materials and end products.

With this in mind, the Group has taken out an insurance programme to cover the industrial risks inherent in its business, as well as certain other risks, in line with industry practice.

Over the course of 2014, and building on decisions taken the previous year, measures aimed at improving safety were intensified: training and retraining of Group employees and subcontractors, increased internal communication, enhanced presence on the ground (observation tours, safety inspections). In particular, emphasis has been placed on compliance with Borealis' five essential rules: working at heights, working in confined spaces, load lifting, work on high voltage and energy release equipment and transit within sites.

Despite the continued deployment of efforts and resources, we regret that there were three work related accidents resulting in lost time in 2014: two accidents involving members of our staff and one involving a subcontractor. All three accidents took place at the Moustier site. No accidents occurred at Sas van Gent despite the major works completed there by numerous external companies.

Our quality (ISO 9001), safety (OHSAS 18001) and environmental (ISO 14001) certifications were either renewed or extended. The certification granted to Rosier SA by AFSCA – the Belgian agency for the safety of the food chain – was also confirmed by an audit.

## Investments

2014 investments totalled €13.4 million, a historic amount for Rosier Group.

The most significant expenditure related to:

- The replacement and modernisation of granulation line n°3 at Sas van Gent; the purpose of this investment, which cost in excess of €7 million, is to enhance the quality of the products, improve safety and increase our manufacturing capabilities through improved reliability of facilities.
- The storage and dilution at Moustier of sulphuric acids, a major raw material in the production of superphosphate;
- Various works to upgrade equipment and infrastructures, including two footbridges crossing the road, in Moustier.

The investment budget currently scheduled for 2015 is practically equivalent to the 2014 figure. It provides for the replacement and modernisation of industrial equipment, the improvement of our bulk shipping capabilities and various work concerning safety and the environment.



# Rosier Group consolidated management report

at 31 december 2014

## Research & development

In 2014, we specifically allocated expenditure of €337,000 to R&D, compared with €324,000 in 2013.

The main works of 2014 were carried out in the following areas:

- The agronomic monitoring of approximately one hundred experimental sites to improve the relevance of our recommendations in the use of fertilizers that are either applied or are sprayed in foliar form. These trials use a significant number of indicators such as soil analyses, soil solution and foliar analyses. All these credentials, which cross-reference cultures and soil types, are gathered in one database, ACCIRISS®, the further development of which may be used by farmers.
- The finalisation of the recognition and certification process by the French authorities of OPALÉ®, our new foliar fertilizer containing the three major elements (N, P and K) and silicon. This registration process will be gradually extended to other markets.
- With regards to industry, we have focused on optimising our manufacturing processes for specialty fertilizers, on researching new foliar formulations and on the use of raw materials for our solid, powder-based and granulated products.

## Human resources & communication

Over the course of 2014 on average, Rosier Group employed 268 people (full time equivalent) including temporary staff; this figure increased by 14 compared with the 2013 figure of 254 people. The average age of Group employees was 45 years (46 in 2013), and their average length of service was 15 years (17 years in 2013).

At 31 December, Rosier Group had 254 statutory employees, as against 246 at 31 December 2013, analysed by entity as follows: 133 people at Rosier SA, 113 at Rosier Nederland BV and 8 at Rosier France.

In 2014, almost 7,500 hours were specifically dedicated to training (10,000 in 2013). We also welcomed several students and trainees who chose our Company for their first experience of working life.

The corporate magazines "Korrelpraat" (Rosier Nederland) and "Performance" (Rosier SA) continued to be distributed regularly.





# Rosier Group consolidated management report

at 31 december 2014



## Outlook

No event likely to significantly affect the Group's position at 31 December 2014 has occurred since the financial year-end.

Although certain positive signs seem to be emerging for 2015 – anticipated recovery in the global economy, reduction in the cost of energy – the beginning of the year has been characterised by a climate of significant economic and political instability.

As far as the use of fertilizers is concerned, last November the IFA revised its estimates for global consumption over the 2014 / 2015 crop year. There has been an estimated 10 to 15% fall in the use of compound fertilizers (PK and NPK) in the natural trading area of Rosier. This is primarily due to a decline in the price of agricultural products, while the price of fertilizer components increased slightly.

In this underwhelming climate, Rosier Group should nevertheless experience sustained activity over the first few months of the year thanks to contracts already in place. Consequently, we intend to intensify our activities in overseas export markets and to take full advantage of the commercial synergies introduced with Borealis Group.

## Profit allocation

The 2014 net profit for Rosier SA (parent company) was €1,569 thousand (€1,448 thousand in 2013).

Taking account of retained earnings of €22,674 thousand from the previous financial year, the profit balance to be allocated is €24,243 thousand.

As announced last year and taking into account the significance of investments planned for the next few years, it will be proposed to the Annual General Meeting that the entire net profit for 2014 be allocated to retained earnings.

In the event of approval by the General Meeting, retained earnings will total €24,243 thousand as at 31 December 2014.

## Corporate governance

The Company adheres to the 2009 Belgian Corporate Governance Code.

The Company's governance structure is based on a Board of Directors and Managing Director (Rosier Group's CEO).

The corporate governance charter was reviewed in 2014 and is available on the Company website ([www.rosier.eu](http://www.rosier.eu)).



# Rosier Group consolidated management report

at 31 december 2014

## 1. Board of Directors

### 1.1. Composition and changes made in 2014

The number and appointment of members of the Board of Directors is governed by Article 15 of the Bylaws, which stipulates:

*"The company is managed by a board composed of at least seven members, who do not need to be shareholders, including at least three who must be independent within the meaning of the Companies Code. Directors are appointed and removed by the General Meeting which sets their number. The term of office may not exceed four years. Outgoing Directors are eligible for reappointment."*

The assessment criteria for determining Directors' independence are those used by Article 526-3 of the Companies Code and by the 2009 Belgian Corporate Governance Code.

A major change took place effective from 12 November 2014: Daniel Richir, who had held the position of Managing Director of Rosier SA and CEO of Rosier Group since 1999, resigned from these roles. Daniel Richir has become a non-executive director of the Company and since that date has held the post of Senior Advisor.

To fill the positions that had fallen vacant, and based on the favourable opinion of the Appointments and Remuneration Committee, the Board of Directors appointed Willy Raymaekers as Managing Director of Rosier SA and CEO of Rosier Group. Willy Raymaekers combines these roles with that of Chairman of the Board of Directors. This appointment, which deviates from the first principle of the Belgian Corporate Governance Code, takes account of both the structure and dimension of Rosier Group, as well as Mr. Raymaekers' experience.

Taking into account the reappointments and appointments decided by the General Meeting of June 2014 and the changes that took place on 12 November, as at 31 December 2014 the composition of the Board of Directors was as follows: 8 members, including 4 non-executive, 1 executive and 3 independent members:

- **BVBA ANBA**, represented by Anne-Marie BAEYAERT  
Independent Director  
Business management firm  
*Term of office expires: June 2018*
- **Nicolas DAVID**  
Independent Director  
Retired, former Head of Legal Affairs.  
*Term of office expires: June 2017*
- **Simon JONES**  
Non-Executive Director representing Borealis Group  
Vice-President Business Development, Strategy and Group Development at Borealis  
*Term of office expires: June 2018*
- **Thierry KUTER**  
Non-Executive Director representing Borealis Group  
Borealis Group Director and Finance Manager France  
*Term of office expires: June 2017*
- **Willy RAYMAEKERS**  
Chairman of the Board of Directors  
Managing Director of Rosier SA  
CEO of Rosier Group  
*Term of office expires: June 2017*
- **Daniel RICHIR**  
Non-Executive Director representing Borealis Group  
Senior Advisor  
*Term of office expires: June 2017*
- **Benoît TAYMANS**  
Non-Executive Director representing Borealis Group  
Project Manager, Base Chemicals Department at Borealis  
*Term of office expires: June 2018*
- **Laurent VERHELST**  
Independent Director  
Financial Management Department at Stanley Europe B.V.B.A.  
*Term of office expires: June 2018*

# Rosier Group consolidated management report

at 31 december 2014

## 1.2. Operation

The Board of Directors' internal rules detail its operation.

The Board of Directors meets at least four times a year, and as often as it deems useful for the Company's interests.

Article 17 of the Company's bylaws defines its authority: *"The Board of Directors has the power to perform all acts that are necessary or useful for the attainment of the company's corporate purpose, with the exception of those that the law or the bylaws reserve for the General Meeting."*

The Board of Directors notably appoints and determines the powers of the Managing Director, approves the annual financial statements and the management report, calls the General Meetings and decides upon the proposals to be submitted for their consideration.

The Board of Directors defines the Company's strategic plan, and approves the investment programmes and annual budgets. It also specifically rules on the contracts and agreements between the Company and Borealis Group, pursuant to Article 524 of the Companies Code.

A report is provided at each meeting on all the safety, financial, commercial and other issues concerning the Company.

In 2014, the Board of Directors met 8 times: 7 in the form of physical meetings and once by telephone. In addition to the review of the day-to-day management, the Board specifically considered the following:

- The approval of the Rosier SA annual financial statements at 31 December 2013, the management report and the proposed distribution of profits to be submitted to the General Meeting;
- The approval of the consolidated financial statements at 31 December 2013, the consolidated management report and the 2013 remuneration report;

- The approval of the text of the press release relating to the results at 31 December 2013;
- The reappointment and replacement of directors whose terms of office expired at the end of the General Meeting of 19 June 2014;
- The setting of the agenda for the Ordinary General Meeting of 19 June 2014;
- Approval of the agreements between Borealis and Rosier, pursuant to Article 524 of the Companies Code;
- The appointment of the members of the Audit Committee, the Appointments and Remuneration Committee and the Committee of Independent Directors;
- The review of the consolidated results at 30 June 2014 and approval of the text of the corresponding press release;
- Investments and divestments for the 2014 financial year;
- Review and approval of the 2015 – 2017 plan;
- The resignation of the Managing Director of the Company and CEO of Rosier Group and the appointment of the new Managing Director of the Company and CEO of Rosier Group;
- The update of the Governance Charter and internal rules texts;
- Self-assessment;

Average attendance at Board meetings in 2014 was 92%, as follows:

• BVBA ANBA, represented by: Anne-Marie Baeyaert :	<b>100 %</b>
• Nicolas David :	<b>100 %</b>
• Simon Jones :	<b>75 %</b>
• Thierry Kuter :	<b>100 %</b>
• Willy Raymaekers :	<b>100 %</b>
• Daniel Richir :	<b>100 %</b>
• Robert-J.F. Semoulin :	<b>75 %</b>
• Benoît Taymans :	<b>88 %</b>
• Laurent Verhelst :	<b>88 %</b>

The Board of Directors' internal rules determine the assessment process.



# Rosier Group consolidated management report

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## 1.3. Committees within the Board of Directors.

In accordance with legal and statutory provisions (Article 18-2 of the Company Bylaws), the Board of Directors has set up three Committees.

### a) The Appointments and Remuneration Committee

The Appointments and Remuneration Committee is composed of three directors, the majority of whom fulfil the independence criteria.

Until 19 June 2014, the Committee was made up of Nicolas David, Willy Raymaekers (Chairman) and Robert-J.F. Semoulin.

Subsequent to the Board meeting which followed the General Meeting of 19 June 2014, Robert-J.F. Semoulin was replaced by BVBA ANBA, represented by Anne-Marie Baeyaert.

On 6 November 2014, Willy Raymaekers resigned from his role as Chairman and member of the Committee; on the Committee's proposal, Benoît Taymans was appointed by the Board of Directors on the same date as member and Chairman of the Committee.

At 31 December 2014, the Committee was composed as follows: Benoît Taymans (Chairman), BVBA ANBA, represented by Anne Marie Baeyaert, and Nicolas David.

The Appointments and Remuneration Committee performs the following specific tasks:

- Identifying the people qualified to become Directors, in accordance with the criteria approved by the Board of Directors
- Recommending to the Board of Directors re-election or the appointment of new Directors
- Recommending to the Board of Directors the remuneration to be paid to the Managing Director and the independent Directors
- Recommending to the Managing Director the remuneration to be paid to Rosier Group's Executive Management
- Annually drafting the remuneration report which is submitted for the approval of the Board of Directors and the General Meeting.

The Committee and in particular its assessment process are governed by its internal rules.

In 2014, the Committee met three times, convened by its Chairman, with an attendance rate of 100%.

### b) The Audit Committee

The Audit Committee is composed of three directors, the majority of whom fulfil the independence criteria.

In 2014, the Committee was made up of Thierry Kuter (Chairman), Nicolas David and Laurent Verhelst. Thierry Kuter and Laurent Verhelst, on account of their positions, have the required accounting and audit expertise.

The role of the Audit Committee is to assist the Board of Directors so that the latter may ensure the quality of internal control as well as the reliability of the information provided both to shareholders and financial markets.

The Audit Committee performs the following specific tasks:

- Supervising the process for preparing financial information, and ensuring that such information is complete
- Reviewing the parent company's financial statements and the consolidated annual and half-year financial statements prior to their review by the Board, having regularly studied the financial and cash flow position
- Reviewing the choice of appropriate accounting principles and methods
- Being responsible for the introduction of internal control and risk management procedures, and monitoring their effectiveness with the assistance of management
- Being regularly informed of internal and external audits
- Overseeing the audit of the Company's parent company and consolidated financial statements by the Statutory Auditor
- Reviewing the annual work schedules of the external auditors
- Proposing the appointment of the Statutory Auditor, his remuneration, and ensuring both his independence and the proper performance of his duties



# Rosier Group consolidated management report

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- Determining the rules for using the Statutory Auditor for work other than auditing the financial statements and verifying their proper enforcement.

In 2014, the Committee met 7 times, 6 times in the form of physical meetings and once by telephone, with an attendance rate of 95%.

The Committee and in particular its assessment process are governed by its internal rules.

### c) The Committee of Independent Directors

This Committee was established in 2013 in compliance with Article 524 of the Companies Code which applies to any decision or transaction between a listed company and an associate company.

Within this framework, the main tasks of the Committee, assisted by one or more independent experts, are as follows:

- To describe the nature of the decision or transaction, assess its profit or loss for the Company or its shareholders, estimate the financial consequences thereof and determine whether or not the decision or transaction is likely to cause any obviously undue damage on the Company in view of the Company's policy
- To issue a written reasoned opinion to the Board of Directors.

The Committee is composed of 3 independent directors of the Company:

Nicolas David (Chairman), Robert-J-F Semoulin (until 19 June 2014), BVBA ANBA, represented by Anne-Marie Baeyaert (from 19 June 2014) and Laurent Verhelst.

In 2014, the Committee met 4 times, with an attendance rate of 100%.

During the year, the Committee issued 4 opinions to the Board of Directors, relating to the analysis of proposed contracts covering the following:

- Provisions of reciprocal services between Borealis and Rosier
- Trade representation contracts between Borealis and Rosier
- Financing of the Company by Borealis Group.



# Rosier Group consolidated management report

at 31 december 2014

## 2. Profit allocation policy

As previously announced, Borealis is not motivated by expectations regarding an annual dividend. The Board of Directors will evaluate the future dividend policy according to the financial results and Rosier's investment needs.

## 3. Relations with the principal shareholder

Since 28 June 2013, the date on which Borealis assumed control of Rosier SA, the Committee of Independent Directors – assisted by independent experts – has issued opinions on transactions falling under the jurisdiction of Article 524 of the Companies Code, which has been submitted to the Board of Directors for approval.

Transactions falling under the jurisdiction of this Article that were approved by the Board of Directors in 2014 related to the following areas:

- Provisions of reciprocal services between Borealis and Rosier
- Trade representation contracts between Borealis and Rosier
- Financing of the Company by Borealis Group.

The Committee of Independent Directors and the Board of Directors concluded that the transactions covered by Article 524 were not such as to cause obviously undue damage or prove detrimental to the Company.

The Statutory Auditor confirmed that these reviews did not reveal any element liable to have a significant influence on the accuracy of the data mentioned in the Committee of Independent Directors' opinions issued on 13 February, 3 April, 18 June and 11 December 2014 or the minutes of the Board of Directors' meetings held on the same dates.



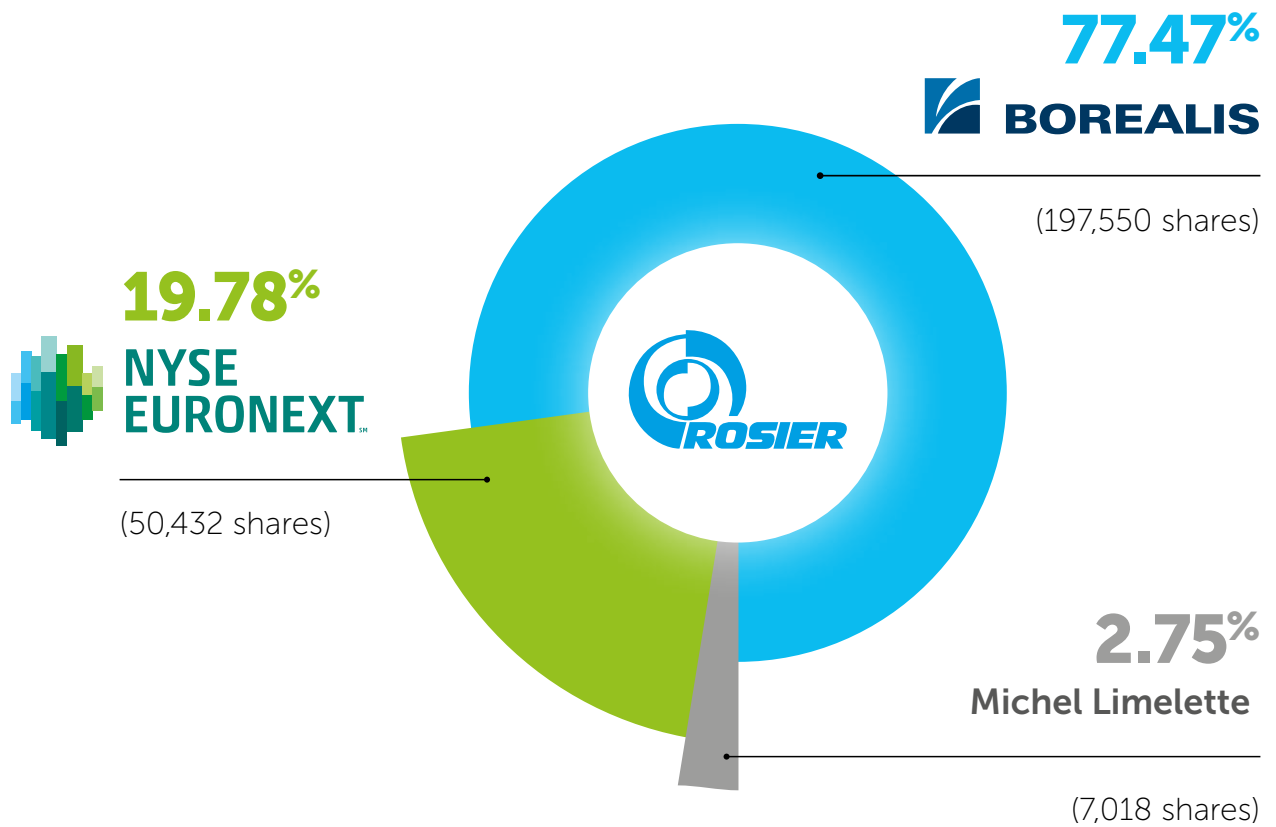


# Rosier Group consolidated management report

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## 4. Shareholding structure

The shareholding structure (declared holdings in excess of 2%) at 31 December 2014 was as follows:



### 5. Main characteristics of the internal control and risk management systems

The Board of Directors and management consider that internal control and risk management must form an integral part of Rosier Group's day-to-day operation.

The Board of Directors supervises the proper operation of the internal control and risk management systems through the Audit Committee.

The Audit Committee bases its decisions on the information provided by management and the external auditor.

Borealis Group carried out an internal audit in August 2014. The findings and recommendations of this audit were examined in detail by the Audit Committee and the Statutory Auditor. Measures aimed at improving our processes were agreed and introduced by management.

At regular intervals, an assessment of the organisation and operation of the internal controls that are integrated into the IT processes and systems is carried out.

The external audit concerns the certification of Rosier Group's consolidated financial statements, whilst the management has placed increased emphasis on managing process risks and their potential negative consequences.

#### 5.1. Internal control

Management has established and maintained an appropriate internal control system to help manage activities, ensure the efficiency of its operations and the efficient use of resources in order to achieve the objectives set.

Via the circulation of Borealis' ethics policy, management shared its ethical values and the respect for the corresponding principles with all Rosier Group employees.

Internal rules covering the Managing Director define the extent of his powers in compliance with the Bylaws and the Companies Code.

The Audit Committee issued its internal rules which were ratified by the Board of Directors; the operation of the Committee and its rules are assessed annually.

All the operational functions are described along with the skills required for their proper execution, with an annual assessment to verify their suitability.

Rosier Group's internal control function includes the following rules of conduct and procedures which:

- Are connected with accounting records which present in reasonable detail a faithful and accurate picture of the Company's transactions and sales of assets;
- Provide reasonable assurance that the transactions are properly recorded to enable the preparation of financial statements in accordance with Belgian law, with Belgium's generally accepted accounting principles and with International Financial Reporting Standards (IFRS).

Each year, management assesses the implementation of its internal control function, using internal resources from its Finance Department to successfully complete these assessments, given that it does not have an internal audit function at its disposal.

#### 5.2. Risk management

Rosier Group's risk management is a process enabling the identification, assessment and management of the risks connected with the business for the purpose of minimising the effects of such risks on its ability to achieve its objectives and to create value for its shareholders.

A description of the significant risks as well as the way in which they are managed within Rosier Group is included in Note n°5 to the consolidated financial statements.



# Rosier Group consolidated management report

at 31 december 2014

## 5.3. Control activities

Control activities are conducted on a monthly basis and are consolidated into monthly reporting to guarantee that the standards and procedures issued by management are enforced.

During monthly meetings, management analyses the different key performance indicators.

Monthly financial reporting is provided to Board members.

## 5.4. Information and communication

The Company meets its legal obligations to provide financial information, notably through its website [www.rosier.eu](http://www.rosier.eu)

The information system is regularly upgraded to satisfy requirements relating to the reliability, availability and relevance of the information.

Particular attention is accorded to securing the information system, which is incorporated into the appropriate procedures.

## 5.5. Monitoring

The Audit Committee is responsible for monitoring the effectiveness of the internal control and risk management systems. During its meetings, the Audit Committee reports its findings to the Board of Directors.

Management is responsible for overseeing the implementation of the internal control and risk management functions. A formal assessment of internal control is made regularly.



# Rosier Group consolidated management report

at 31 december 2014

## 6. Remuneration report

### 6.1. Remuneration of Non-Executive Directors

In accordance with Article 20 of the Bylaws, Non-Executive Directors do not receive remuneration, with the exception of independent directors who receive directors' fees for their actual attendance at Board, Audit Committee and Appointments and Remuneration Committee meetings, as well as meetings of the Committee of Independent Directors.

Upon the proposal of the Appointments and Remuneration Committee to the Board of Directors, the Shareholders' General Meeting of 19 June 2014 decided to set the following directors' fees to be allocated to independent directors:

- €1,500 for attending a Board meeting;
- €900 for attending a meeting established by the Board of Directors, currently the Audit Committee, the Appointments and Remuneration Committee or the Committee of Independent Directors.

The directors' fees paid to independent directors in 2014 and 2013 were as follows:

	2014	2013 <sup>(4)</sup>
BVBA ANBA, represented by Anne-Marie Baeyaert <sup>(1)</sup>	€ 8,700	-
Bonnet Michel <sup>(2)</sup>	-	€ 14,300
David Nicolas	€ 24,600	€ 54,500
Semoulin Robert-J.F. <sup>(3)</sup>	€ 8,100	€ 24,500
Verhelst Laurent	€ 19,500	€ 22,100
<b>TOTAL</b>	<b>€ 60,900</b>	<b>€ 115,400</b>

As well as receiving directors' fees, independent Directors are reimbursed any travel and accommodation expenses incurred in the performance of their duties within the Board of Directors or the various Committees.

(1) : Appointment at the end of the AGM of 19 June 2014

(2) : Resignation on 28 June 2013

(3) : Term of office expired at the end of the AGM of 19 June 2014

(4) : Including exceptional directors' fees of €50,000

# Rosier Group consolidated management report

at 31 december 2014

## 6.2. Remuneration of the Executive Director

### a) Situation until 12 November 2014

The Executive Director (CEO) was an employee of Rosier SA and received remuneration not as a director, but as Managing Director of Rosier SA. His individual remuneration was set by the Board of Directors on recommendation of the Appointments and Remuneration Committee and comprised a fixed and a variable part.

The variable part was linked to the achievement of annual collective (the Group's financial performance, safety and the environment) and individual targets. It was partly settled by a payment in March of the following year and partly through a specific insurance contract.

The gross remuneration of the CEO totalled €170,100 for the 2014 financial year, to which variable remuneration of €21,384, related to 2013, was added. In 2014, the CEO also received an exceptional bonus of €20,000, in compensation for a proportion of the benefits formerly allocated by Total Group; the balance of this benefit will be paid in 2015.

In 2013, the gross remuneration was €162,100 and the variable remuneration, related to the 2012 financial year, was €26,000. In 2013, the CEO was also awarded an exceptional, one-off gross bonus of €58,225.

In addition to his remuneration, the CEO benefited from a company car and the same insurance cover as the Company's Executives and Managers. Together, these benefits were estimated at €23,000 for 2014 (€21,000 for 2013).

There was no contract relating to the setting of severance pay in the event of early termination of the CEO's employment contract.

### b) Situation since 12 November 2014

The Executive Director (CEO) is a Borealis employee; he combines this role with that of Chairman of the Board of Directors.

His services are invoiced to the Company by Borealis under a service contract which was approved by the Board of Directors on 11 February 2015, after receiving a positive opinion from the Appointments and Remuneration Committee and the Committee of Independent Directors.

This contract came into force on 12 November 2014; nevertheless, no charge was made to the Company for 2014.

## 6.3. Remuneration of Executive Management

Aside from the CEO, Rosier Group's Executive Management totalled 6 people in 2014: 5 are employees of Rosier SA and 1 executive is a Rosier Nederland BV employee.

Executive Management remuneration is set by the Group CEO after consultation with the Appointments and Remuneration Committee, and consists of a fixed part and a variable part.

The variable part is linked to the achievement of annual collective (the Group's financial performance, safety and the environment) and individual targets. It is partly settled by a payment in March of the following year and partly through a specific insurance contract.

The gross remuneration of Executive Management as a whole totalled €618,846 for the 2014 financial year, to which variable remuneration of €46,747, related to and expensed in 2013, was added. In 2013, the gross remuneration was €587,100 and the variable remuneration, related to the 2012 financial year, was €43,000. In 2013, an exceptional, one-off gross bonus of €137,050 was allocated to Executive Management.

In addition to their remuneration, Executive Management benefited from company cars and the same insurance cover as the Executives within their respective legal entities. Together these benefits were estimated at €113,000 for 2014 (€103,000 for 2013).

Moustier, 11 February 2015,

*The Board of Directors*



# Share & key figures

## Respect



We involve people and communicate in a straightforward way  
We work together – helping and developing each other  
We are ‘One Company’ – building on diversity

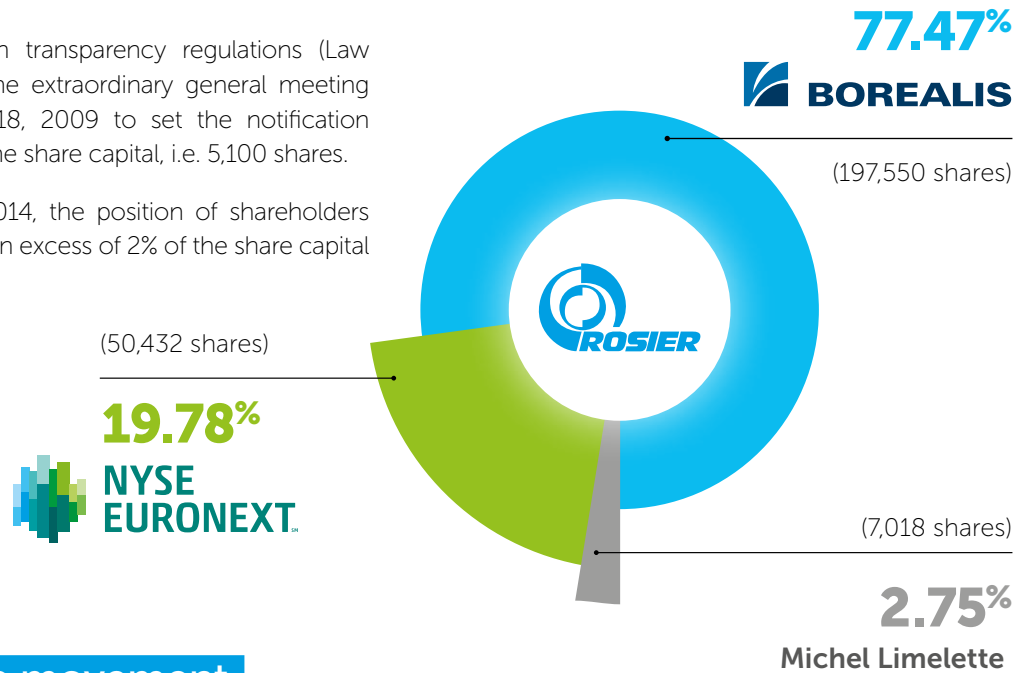


# Share & key figures

## Shareholders

In accordance with transparency regulations (Law of May 2, 2007), the extraordinary general meeting decided on June 18, 2009 to set the notification threshold at 2% of the share capital, i.e. 5,100 shares.

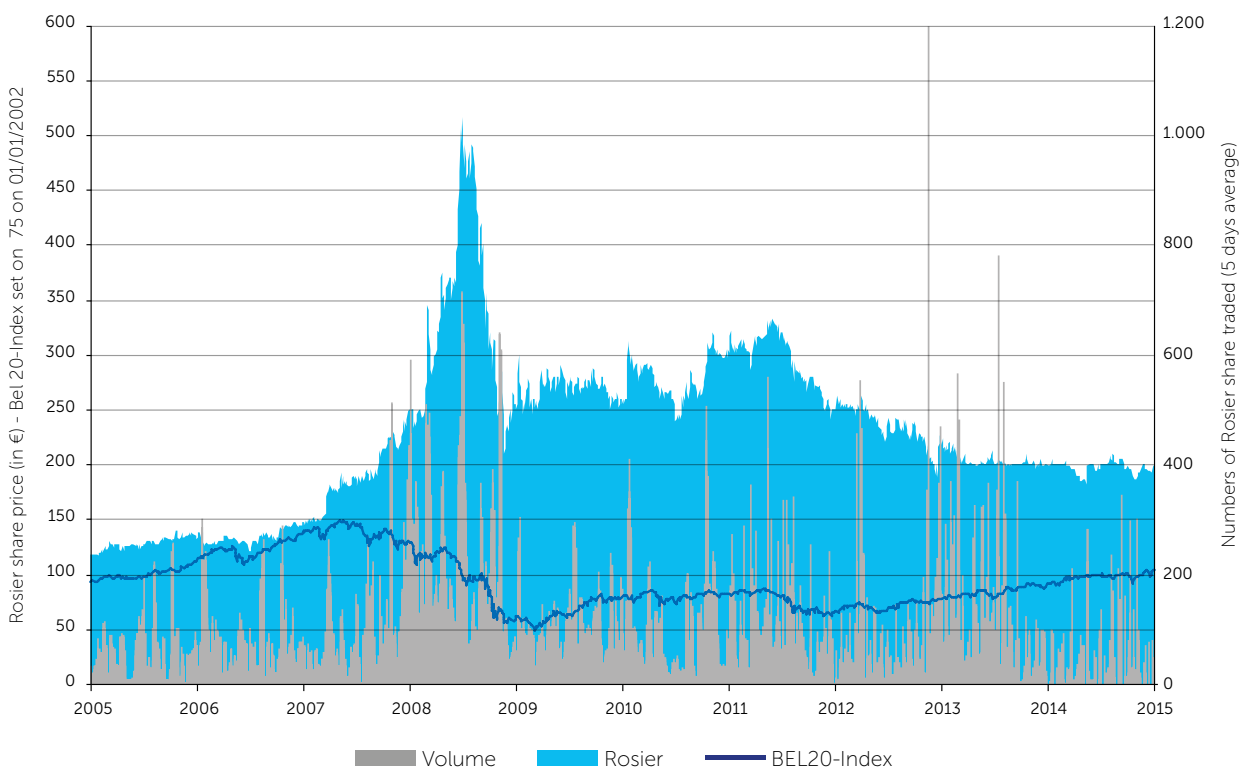
At 31 December 2014, the position of shareholders declaring a holding in excess of 2% of the share capital was as follows :



## Share price movement

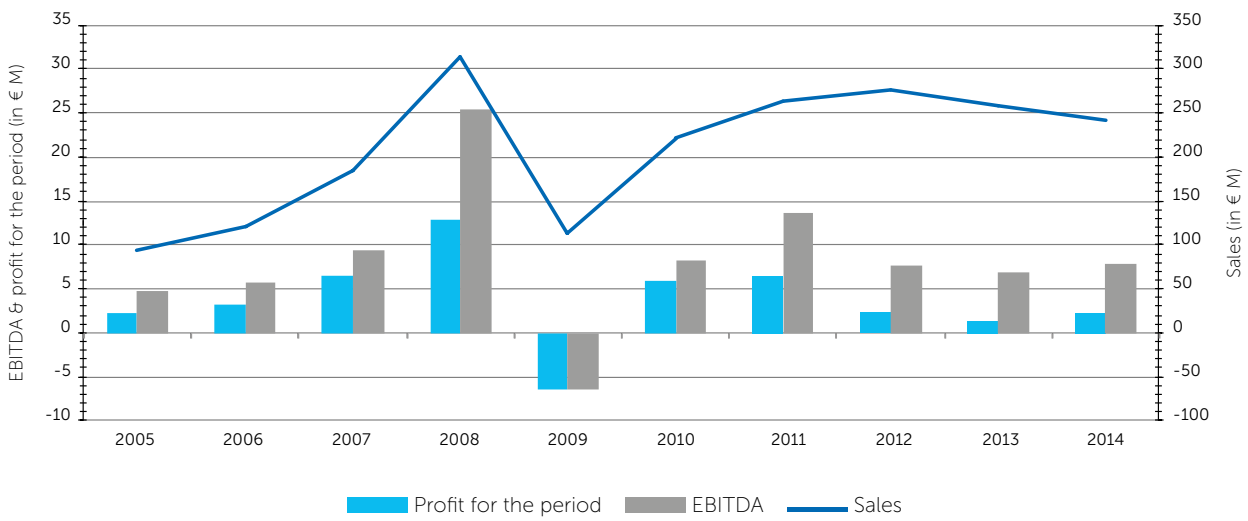
Date of stock market introduction : 15 December 1986  
ISIN Code : BE0003575835

Share price movement in € - from 01/01/2005 tot 31/12/2014 -

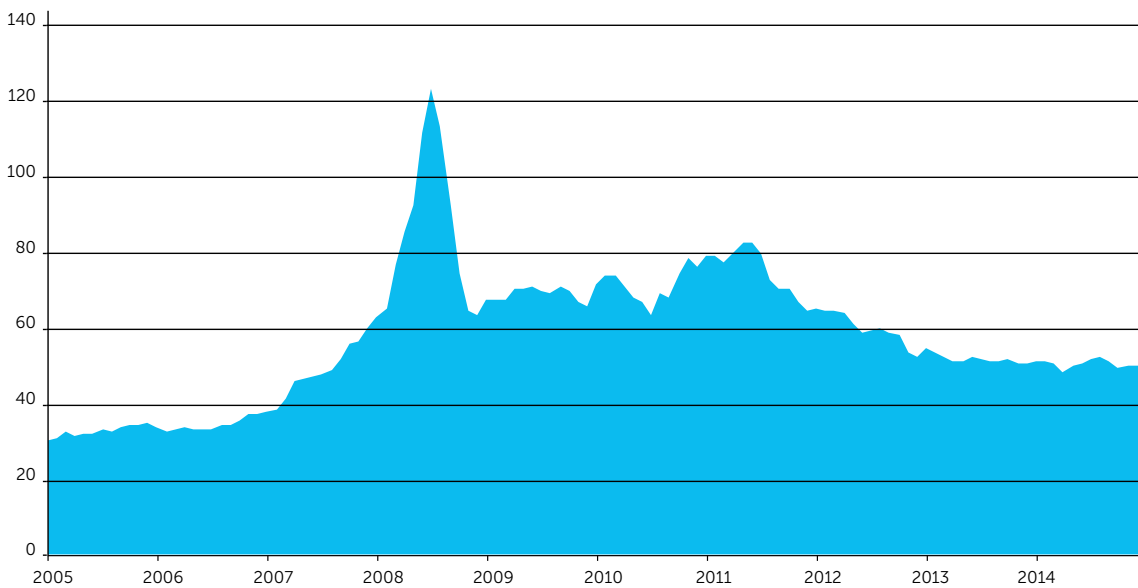


# Share & key figures

### Key figures



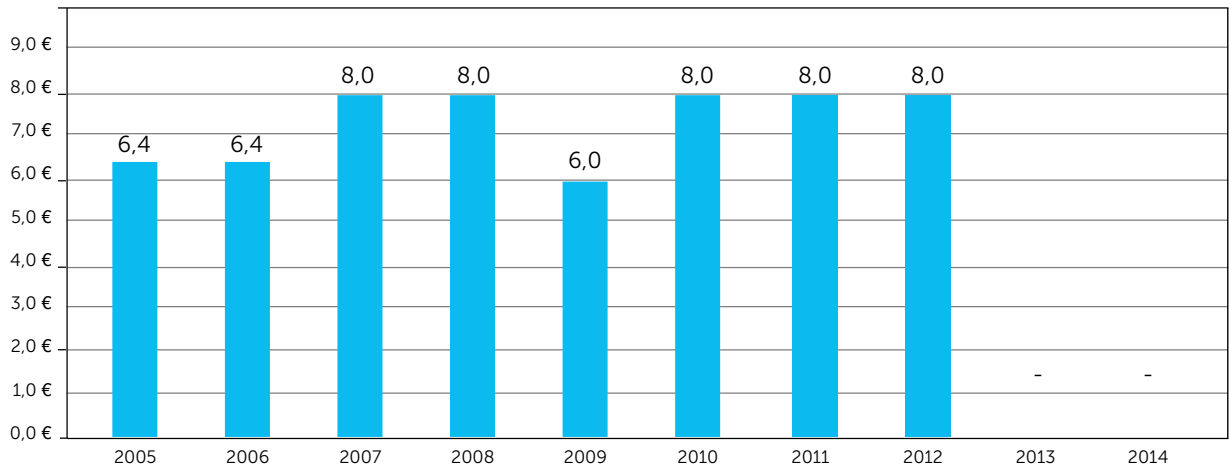
### Market capitalisation (in € M)



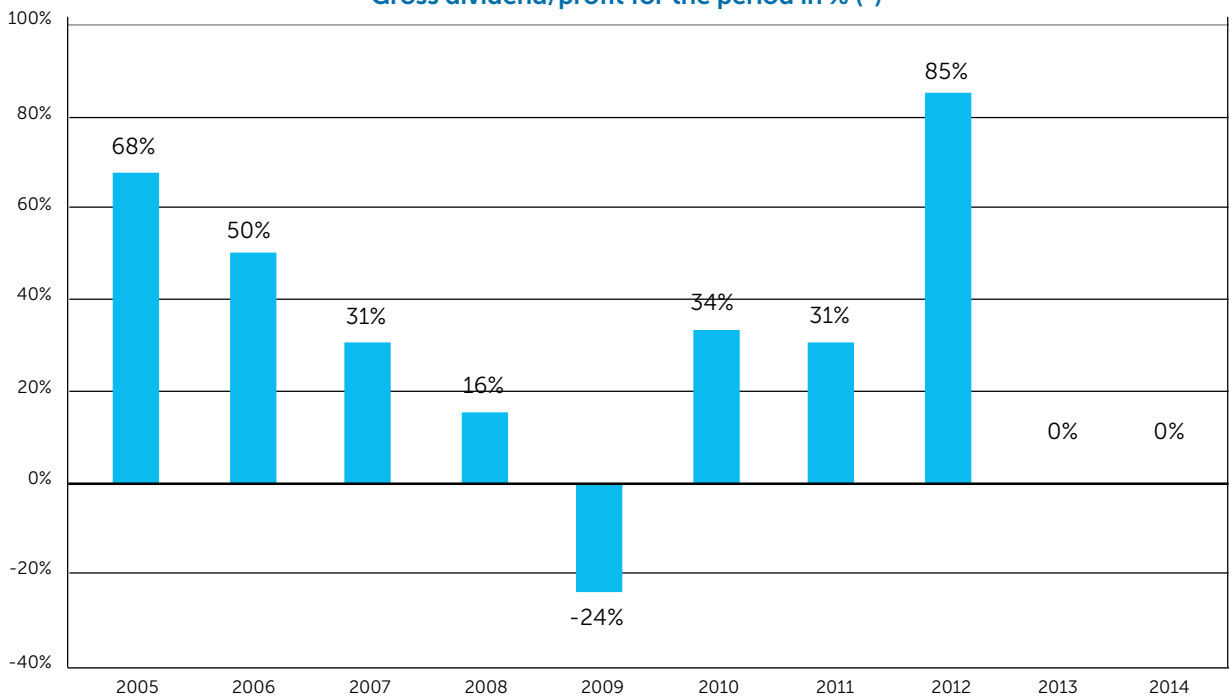


# Share & key figures

### Gross dividend evolution



### Gross dividend/profit for the period in % (\*)



(\*) From 2006, gross dividend/consolidated profit for the period

## Financial calendar

- 2015 Annual General Meeting : **18 June**
- 2015 half-year results : **6 August**
- 2016 Annual General Meeting : **16 June**

# Consolidated financial statements

at 31 december 2014

## Exceed



**Our customers' and owners' success is our business**  
**We win through commitment and innovation**  
**We deliver what we promise – and a little bit more**



# Consolidated statement of comprehensive income

EUR thousands	2014	2013
Operating revenues	245,021	261,316
Revenue	243,611	260,233
Other operating revenues	1,410	1,083
Operating expenses	(241,820)	(259,223)
Supplies and raw materials	(186,980)	(203,851)
General expenses	(31,004)	(32,873)
Personnel expenses	(18,013)	(16,555)
Amortisation and amounts written off	(4,663)	(4,896)
Provisions	-	260
Other operating expenses	(1,160)	(1,308)
Operating profit	3,201	2,093
Financial income	9	31
Financial expense	(288)	(367)
Profit before tax	2,923	1,757
Income tax	(588)	(330)
<b>PROFIT OF THE PERIOD</b>	<b>2,335</b>	<b>1,427</b>
Other comprehensive income - items that will not be reclassified to profit or loss	(1,661)	359
Defined benefit plan actuarial gains (losses)	(2,226)	480
Income tax on other comprehensive income	565	(121)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>674</b>	<b>1,786</b>
Profit for the period attributable to :		
Owners of the Company	2,335	1,427
Total comprehensive income attributable to :		
Owners of the Company	674	1,786
<b>EARNINGS PER SHARE</b>		
Basic and diluted earnings per share (in Eur)	9.16	5.60

# Consolidated statement of financial position

EUR thousands at 31 december	2014	2013
<b>ASSETS</b>		
Intangible assets	472	456
Property, plant and equipment	28,077	18,789
Deferred tax assets	2,615	2,185
Other	2	18
<b>Total non-current assets</b>	<b>31,166</b>	<b>21,449</b>
Inventories	49,588	34,900
Current tax assets	500	866
Trade receivables	44,710	50,562
Other receivables	4,468	1,788
Cash and cash equivalents	2,047	2,675
<b>Total current assets</b>	<b>101,313</b>	<b>90,791</b>
<b>TOTAL ASSETS</b>	<b>132,479</b>	<b>112,240</b>
<b>EQUITY</b>		
Share capital and share premium	2,748	2,748
Reserves and retained earnings	46,584	45,910
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>49,332</b>	<b>48,658</b>
<b>LIABILITIES</b>		
Employee benefits	7,368	4,268
<b>Total non-current liabilities</b>	<b>7,368</b>	<b>4,268</b>
Short-term borrowings	40,299	21,798
Trade payables	30,846	33,468
Other	4,634	4,049
<b>Total current liabilities</b>	<b>75,779</b>	<b>59,315</b>
<b>Total liabilities</b>	<b>83,147</b>	<b>63,583</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>132,479</b>	<b>112,240</b>



# Consolidated statement of changes in equity

EUR thousands	Share capital	Share premium	Reserves	Retained earnings	Total
At 31 December 2012	2,550	198	11,356	34,808	48,912
Profit for the period				1,427	1,427
Other comprehensive income, net of tax				359	359
Transactions with owners of the Company - Dividends				(2,040)	(2,040)
At 31 December 2013	2,550	198	11,356	34,554	48,658
Profit for the period				2,335	2,335
Other comprehensive income, net of tax				(1,661)	(1,661)
Transactions with owners of the Company - Dividends				-	-
At 31 December 2014	2,550	198	11,356	35,228	49,332

The complete version of the consolidated financial statements is available on the web site [www.rosier.eu](http://www.rosier.eu) and can also be obtained on simple request at Rosier SA, Route de Grandmetz 11a, B-7911 Moustier - Tél +32 69 87 15 30 - fax +32 69 87 17 09.



# Consolidated statement of cash flow

EUR thousands	2014	2013
<b>Profit for the period</b>	<b>2,335</b>	<b>1,427</b>
Adjustments for:		
Amortisation and depreciation	4,137	4,591
Write-off of non-current assets	-	462
Writedowns on inventory	(164)	407
Writedowns on trade receivables	690	(102)
Gain/Loss on disposal of non-current assets	-	(5)
Interest income	(1)	(1)
Income tax	588	330
Interest expense	252	301
Increase/(decrease) in employee benefits	874	136
Changes in working capital :		
Decrease/(increase) in other non-current assets	16	35
Decrease/(increase) in inventories	(14,524)	7,142
Decrease/(increase) in trade receivables	5,162	8,708
Decrease/(increase) in other receivables	(2,680)	(50)
Increase/(decrease) in trade payables	(2,622)	(11,528)
Increase/(decrease) in provisions	-	(260)
Increase/(decrease) in other liabilities	587	(561)
Interest paid	(252)	(301)
Income tax paid	(83)	(690)
<b>Cash flows from operating activities</b>	<b>(5,685)</b>	<b>10,041</b>
Interests received	1	1
Acquisition of intangible assets	(68)	(41)
Acquisition of property, plant and equipment	(13,373)	(5,244)
Disposals of property, plant and equipment	-	5
<b>Cash flows used in investing activities</b>	<b>(13,440)</b>	<b>(5,279)</b>
Dividends paid	(4)	(2,037)
Increase short-term loans	189,065	200,809
Decrease short-term loans	(170,564)	(204,138)
<b>Cash flows from financing activities</b>	<b>18,497</b>	<b>(5,365)</b>
<b>Total increase/(decrease) in cash and cash equivalents</b>	<b>(628)</b>	<b>(603)</b>
Cash and cash equivalents at beginning of the period	2,675	3,278
<b>Cash and cash equivalents at the end of the period</b>	<b>2,047</b>	<b>2,675</b>



# Nimblicity™



**We are fit, fast and flexible**  
**We create and capture opportunities**  
**We seek the smart and simple solutions**



# ROSIER SA

## abbreviated annual accounts

Please find below the abbreviated annual accounts of Rosier SA.

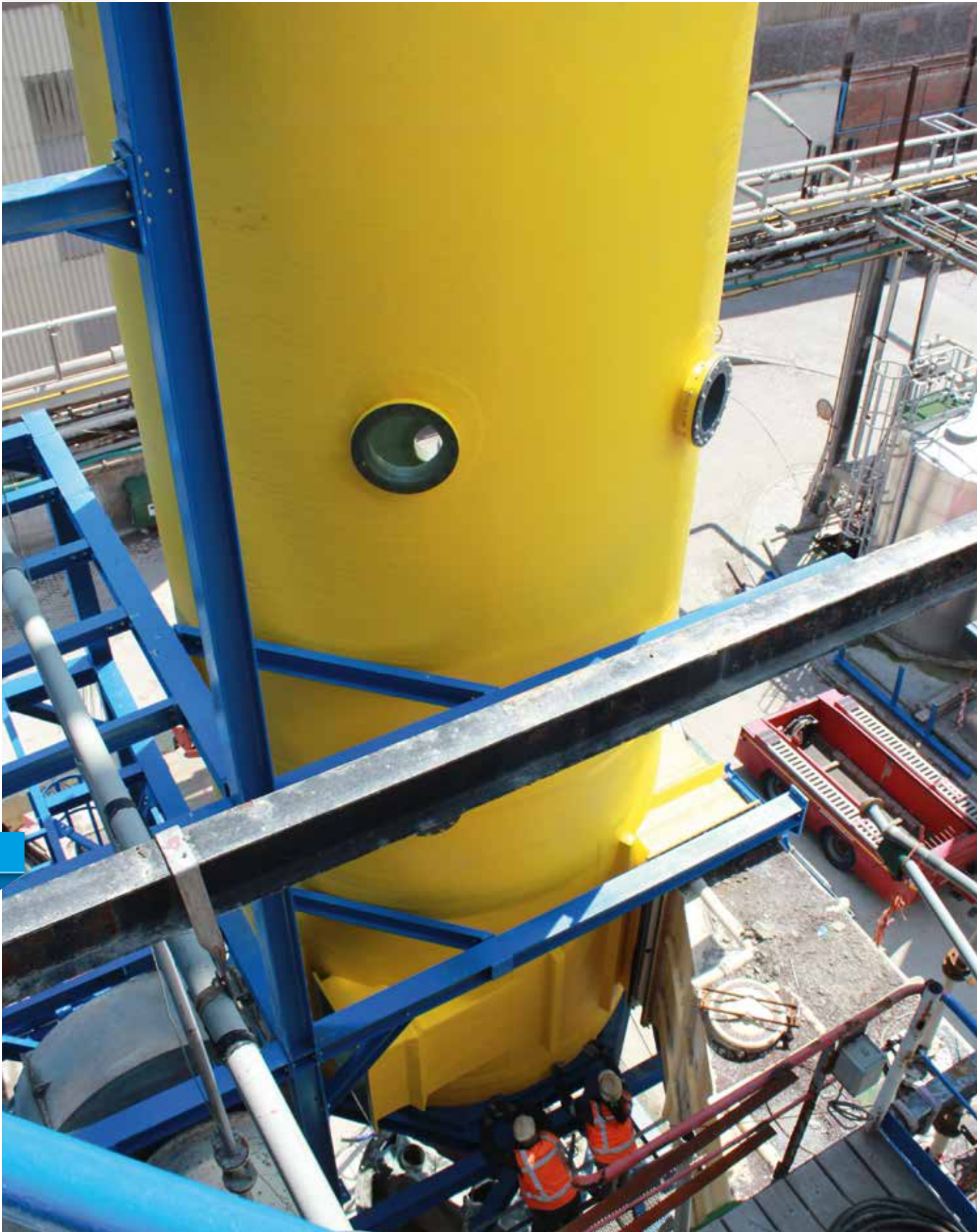
The auditor has given a certification without reserve about the statutory annual accounts.

In accordance with Company Law, the management report and the annual accounts of Rosier SA as well as the auditor's report have been filed with the National Bank of Belgium.

These documents can also be obtained on simple request at the Company's head office : Rosier SA, route de Grandmetz 11a, 7911 Moustier – Tel. +32 69 87 15 30 – Fax +32 69 87 17 09 and may be consulted on our website [www.rosier.eu](http://www.rosier.eu).

EUR thousands	2014	2013
<b>ASSETS</b>		
Non-current assets, net	17,947	16,085
Inventories	27,384	18,403
Trade receivables and others	53,616	41,304
Cash and cash equivalents	1,336	1,052
<b>TOTAL ASSETS</b>	<b>100,283</b>	<b>76,843</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Share capital</i>	2,550	2,550
<i>Reserves</i>	34,228	32,780
<i>Subsidies</i>	258	-
<i>Profit for the year</i>	1,569	1,448
Shareholders' equity	38,605	36,778
Provisions	1,158	300
Borrowings	40,303	21,798
Trade payables and other	20,217	17,967
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100,283</b>	<b>76,843</b>
<b>EUR thousands</b>		
Operating revenues	138,858	129,620
of which : Sales	135,650	129,744
Operating expenses	(137,169)	(128,645)
Operating profit	1,689	975
Net financial income	284	712
Exceptional income	-	(235)
Profit before tax	1,973	1,452
Income tax	(404)	(4)
<b>NET PROFIT</b>	<b>1,569</b>	<b>1,448</b>





# General Information



## ROSIER sa

Route de Grandmetz 11a  
B - 7911 MOUSTIER (Hainaut)  
☎ : + 32 69 87 15 30  
Fax : + 32 69 87 17 09



## ROSIER FRANCE sas

Z.A. La Courtilière  
F - 62123 BEAUMETZ-LES-LOGES  
☎ : + 33 3 21 55 61 04  
Fax : + 33 3 21 55 30 04



## ROSIER NEDERLAND b.v.

Postbus 70  
NL - 4550 AB SAS VAN GENT  
Westkade 38a  
NL - 4551 BV SAS VAN GENT  
☎ : + 31 115 45 60 00  
Fax : + 31 115 45 16 47

info@rosier.eu • [www.rosier.eu](http://www.rosier.eu)



# ANNUAL REPORT 2014

## *SUMMARY*

Route de Grandmetz 11a  
B - 7911 MOUSTIER (Belgium)

[www.rosier.eu](http://www.rosier.eu)



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