

2014

ANNUAL REPORT
(SUMMARY)

COMPAGNIE DU
BOIS SAUVAGE



SUMMARY OF THE ANNUAL REPORT OF COMPAGNIE DU BOIS SAUVAGE
ANNUAL MEETING OF SHAREHOLDERS ON 22 APRIL 2015
Financial Year 2014

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Compagnie du Bois Sauvage is an investment holding company, quoted on NYSE Euronext Brussels, with a stable 'family' principal shareholder.

The Company aims to focus on a limited number of holdings, whether listed on the stock exchange or not, mainly in the industrial sector. Its goal is to reserve the necessary means for the development of the companies of the Group.

It aims to maintain close relations with the companies in which it invests and to be involved in the recruitment of executives and in strategic development.

In the interests of its own shareholders, the Company requires a regular income from its investments in order to provide a steadily growing dividend, if possible.

1. LETTER TO THE SHAREHOLDERS

The weak and uneven economic recovery in Europe was characterized in 2014 by sluggish growth and a risk of deflation.

The holdings of Compagnie du Bois Sauvage showed contrasting results, with some companies succeeding in maintaining sound profitability and posting good results, and others taking a bit longer to return to a good level of profitability.

It is in this context that operating profit before disposals and fair value adjustments of Compagnie du Bois Sauvage stands at EUR 24.3 million (versus EUR 7.8 million in 2013). This significant improvement is due mainly to the fact that in 2013 operating profit had been affected by non-recurring elements.

The 2014 result takes account, in particular, of:

- the 6.9% increase in turnover of the Neuhaus Group (5.5% at constant scope) and the consolidation of its good operating profitability;
- the continued decrease of the Group's finance costs (EUR 5.8 million in 2014 versus EUR 6 million in 2013),
- the decrease in dividends received at EUR 6.3 million in 2014 as compared to EUR 8 million in 2013, resulting mainly from a decrease in profits at Berenberg Bank after several exceptional years,
- the results of equity accounted associates at EUR -1.7 million in 2014 (EUR -13 million in 2013). The significant increase is due mainly to Recticel, which in 2013 was charged a fine within the framework of the inspections in the polyurethane foam sector (EUR 7.9 million attributable to the Compagnie du Bois Sauvage Group).

Net loss attributable to the Group of EUR -1.1 million takes into account profit on disposals of EUR 3.4 million, fair value adjustments of EUR -18 million, mainly at Codic International (EUR -14.7 million) and Noël Group (EUR -2.3 million), and tax expenses of EUR 7.2 million.

Net comprehensive income attributable to the Group was EUR -5.1 million, as compared to EUR -15.1 million in 2013. This amount corresponds to the net profit or loss attributable to the Group, mainly adjusted for fair value adjustments of the investments in Matignon Technologie II (EUR +1.4 million), Gotham City (EUR +1.4 million), Berenberg Bank (EUR -7 million) and Umicore (EUR -1.2 million), as well as for exchange rate differences on foreign operations (EUR +3.5 million) and the share of hedging and actuarial reserves of Recticel (EUR 2.9 million).

The Company bolstered up its equity by EUR 11.5 million following the exercise of 3,150 subscription rights at a price of EUR 107.93 per share (April 2014) and 46,504 warrants 2013-2015 at a price of EUR 239 per share (July 2014). In November 2014 the Company repaid a debenture loan for EUR 60 million, at maturity, and as a consequence had a positive consolidated net cash flow of EUR 5.8 million as at 31 December 2014.

After the 2013 dividend payment (EUR 11.5 million), the Group's equity amounted to EUR 312.8 million.

In the light of a very strong operating profit and of the solidity of its assets, the Company is proposing to continue its dividend growth policy and to take the dividend to EUR 7.36 gross per share, thereby indicating its confidence in the future.

During 2014, the Compagnie du Bois Sauvage Group mainly:

- subscribed to the capital increase of Noël Group (USA) for an amount of USD 4.8 million,
- received repayments of USD 3.3 million from the DSF III and Gotham City (USA) funds,
- paid up or subscribed a total additional amount of EUR 0.3 million into the funds Théodorus II and Euro-screen and the capital of Nanocyl,
- sold its holding in Codic International SA (23.81%), leading to a negative IFRS result of EUR 14.7 million. The EUR 4 million loan to Codic International has been jointly repaid,
- sold its holding in TC-Ré (26.41%), generating a net capital gain of EUR 1.5 million above its valuation in the accounts at the end of 2013,
- received a repayment of EUR 2 million from the Matignon Technologie II fund,
- received loan repayments from Rec-Man and DIGroup for an amount of EUR 1.9 million,
- contributed its holding in dcinex (2.85%) to the takeover bid by Ymagis in exchange for cash, bonds and shares in Ymagis,
- reduced its holding in Ter Beke (disposal of 4,629 shares),

In the context of the renewal of the authorization given by the Extraordinary General Meeting of 24 April 2013 for the buyback of own shares, Compagnie du Bois Sauvage did not buy back any own shares in 2014. Today, Compagnie du Bois Sauvage does not hold any own shares and has temporarily suspended its buyback programme. The number of shares outstanding stands at 1,625,000.

Measures to improve shareholder information were continued: the Corporate Governance Charter has been updated and is available on the website, contacts with analysts and investors have been continued, the intrinsic value is published half yearly.

The average daily number of shares exchanged in 2014 was 731.

Taking into account the elements mentioned above, the intrinsic value stood at EUR 281.9 per share as at 31 December 2014 (EUR 288.5 as at 31 December 2013), which represents a slight decrease.

In December 2014, the Company has been informed by the FSMA that its auditor would analyse any potential shortcomings in the implementation of the declaration concerning the breach of the thresholds in relation to its stake in the capital of Recticel.

Compagnie du Bois Sauvage wishes to thank its shareholders for their confidence and support during the financial year. Our thanks are also due to all the Group's employees for their professionalism and sincere commitment.

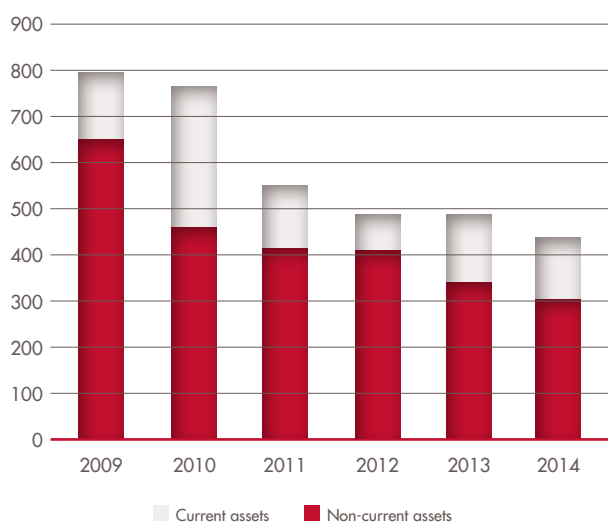
The Chairman

Frédéric Van Gansberghe
Representative of Ecostake SA/NV

2. KEY FIGURES AS AT 31 DECEMBER

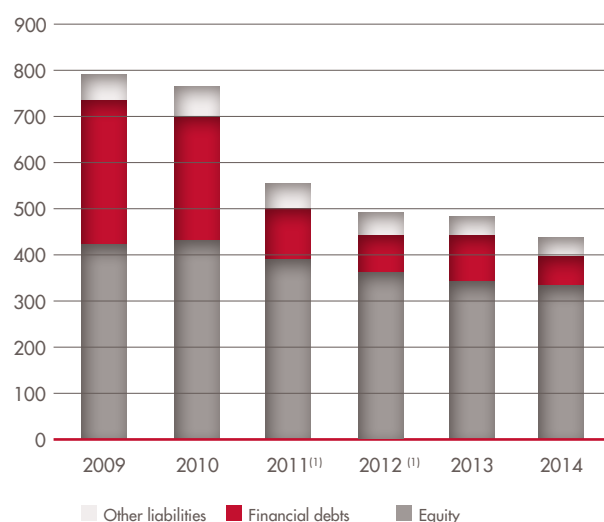
ASSETS – HISTORICAL TREND

Consolidated accounts (in millions of euros)



LIABILITIES – HISTORICAL TREND

Consolidated accounts (in millions of euros)

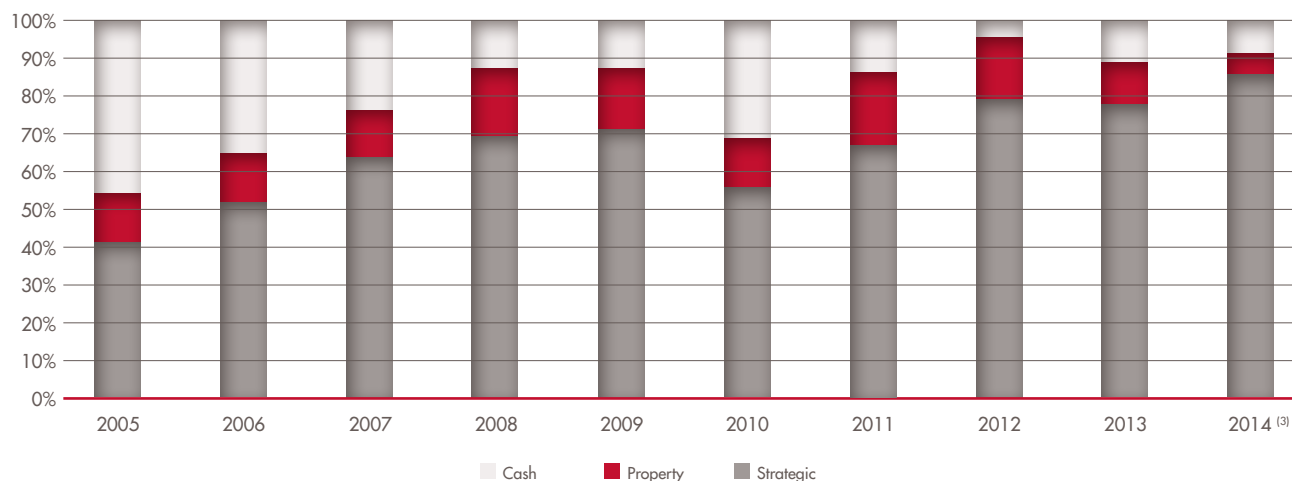


(1) Equity in 2011 and 2012 takes account of the capital reductions of respectively EUR 40.6 million and EUR 39.4 million.

EVOLUTION OF THE CONSOLIDATED PORTFOLIO

Intrinsic value as at 31 December ⁽²⁾

Total in euros: 655,300,460 838,563,340 1,060,667,920 757,680,115 758,571,487 813,968,415 571,074,038 542,063,934 558,737,076 496,405,908



(2) Valuation methods for the calculation of the intrinsic value is explained in the french version of the 2014 annual report.

(3) Excluding the cash.

In thousands of euros	2014	2013	2012 ⁽⁷⁾	2011
Group equity	312,832	318,109	344,461	369,199
Intrinsic value (in-the-money) ^{(1) (4) (6)}	459,018	456,338	452,996	443,395
Consolidated net profit (loss) (attributable to the Group)	-1,073	-1,403	15,753	31,090
Market capitalisation at year-end	333,287	337,171	300,891	258,262

	2014	2013	2012	2011
Consolidated net profit (loss) per share (attributable to the Group) (EUR)				
Basic ⁽³⁾	-0.67	-0.89	9.99	19.67
Diluted ⁽³⁾	-0.67	-0.89	9.99	19.66
Number of shares				
Outstanding	1,625,000	1,575,346	1,575,346	1,582,000 ⁽²⁾
In-the-money	1,628,400	1,581,896	1,581,896	1,585,150
Fully diluted	1,721,746	1,721,746	1,721,846	1,861,000
Intrinsic value per share at year-end (EUR)				
In-the-money ^{(4) (6)}	281.88	288.48	286.36	279.72
Fully diluted ^{(4) (6)}	279.71	284.60	282.66	275.56
Gross dividend per share	7.36	7.28	7.20	7.00

	2014	2013	2012	2011
Average daily volume exchanged	731	597	562	551
Average daily capital (EUR) ⁽⁴⁾	162,421	112,488	101,543	102,733
Price (EUR)				
Year-end	205.10	214.03	191.00	163.25
Highest ⁽⁵⁾	235.85	215.00	195.00	206.43
Lowest ⁽⁵⁾	190.00	176.12	160.01	163.25

(1) Valuation methods for the calculation of the intrinsic value is explained in the french version of the 2014 annual report.

(2) Including 4,379 treasury shares held by Compagnie du Bois Sauvage at 31 December 2011.

(3) See calculation and definitions in Note 25 on the french version of the 2014 annual report.

(4) See definitions of 'in-the-money' and 'fully diluted' on the french version of the 2014 annual report.

(5) The 2011 and 2012 statistics have been adapted following the capital reduction of EUR 26 and EUR 25 per share.

(6) The intrinsic value takes account of the capital reduction of EUR 40.6 million (EUR 26 per share) on 31 December 2011 and of EUR 39.4 million (EUR 25 per share) on 31 December 2012.

(7) Comparative figures for 2012 have been adapted to reflect the application of the revised standard IAS 19. The impact is EUR -5,643,000 on the equity accounted value and on consolidated equity as at 31 December 2012.

Consolidated and Separate Financial Statements as at 31 December 2014

Presented to the General Meeting of 22 April 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

In thousands of euros	2014	2013
Non-current assets	305,162	344,479
Property, plant and equipment	38,779	38,967
Investment property	10,423	10,852
Goodwill	10,962	10,962
Intangible assets	20,015	18,901
Equity-accounted investments	69,106	100,352
Investments available for sale	149,167	157,229
Other assets	4,496	5,279
Deferred tax assets	2,214	1,937
Current assets	133,756	133,358
Inventories	15,838	14,019
Trade and other receivables	39,471	42,479
Current tax assets	6,541	6,292
Financial assets at fair value through profit or loss	9,978	9,571
Other assets	3,936	8,551
Cash and cash equivalents	57,992	52,446
Non-current assets held for sale	0	9,517
Total assets	438,918	487,354

In thousands of euros	2014	2013
Equity	333,063	336,775
Group equity	312,832	318,109
Share capital	139,271	127,816
Retained earnings	115,712	128,467
Reserves	57,849	61,826
Non-controlling interests	20,231	18,666
Liabilities	105,855	150,579
Non-current liabilities	51,162	51,887
Borrowings	44,553	44,447
Provisions	1,528	1,316
Deferred tax liabilities	4,941	5,791
Other non-current liabilities	140	333
Current liabilities	54,693	98,692
Borrowings	17,576	61,155
Provisions	1,427	560
Trade and other payables	27,688	28,585
Current tax liabilities	6,311	5,672
Other liabilities	1,691	2,720
Total equity and liabilities	438,918	487,354

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER

In thousands of euros	2014	2013
Operating income	194,632	184,007
Turnover	182,549	171,256
Interest and dividends	7,392	9,133
Rental income	897	2,514
Other income	3,794	1,104
Operating expenses	-168,608	-163,266
Raw materials and consumables used	-103,168	-92,436
Employee expenses	-49,509	-46,045
Depreciation, impairment losses and provisions	-8,668	-8,195
Finance costs	-5,850	-5,978
Other expenses	-1,413	-10,612
Share of profit (loss) of equity accounted investments	-1,722	-12,974
Operating profit (loss) before disposals, fair value adjustments and impairments	24,302	7,767
Profit (loss) on disposals	3,373	2,793
Fair value adjustments and impairments	-17,974	3,535
Profit (loss) before tax	9,701	14,095
Income tax expense	-7,234	-11,302
PROFIT (LOSS) OF THE PERIOD	2,467	2,793
Other comprehensive income	-3,977	-13,714
Items not to be reclassified subsequently to profit or loss	-2,788	-1,137
Share of other comprehensive income of equity accounted investments	-2,788	-1,137
Items to be reclassified subsequently to profit or loss	-1,189	-12,577
Investments available for sale		
Fair value adjustments	-4,624	-10,113
Transfer to profit (loss) on impairment	0	-81
Transfer to profit (loss) on disposal	66	-95
Exchange differences on foreign operations	3,500	-2,685
Share of other comprehensive income of equity accounted investments	-131	397
COMPREHENSIVE INCOME OF THE PERIOD	-1,510	-10,921
Profit (loss) of the period	2,467	2,793
Attributable to Group	-1,073	-1,403
Non-controlling interests	3,540	4,196
Comprehensive income of the period	-1,510	-10,921
Attributable to Group	-5,050	-15,117
Non-controlling interests	3,540	4,196

EARNINGS (LOSSES) PER SHARE AS AT 31 DECEMBER

In euros	2014	2013
Basic	-0.67	-0.89
Diluted	-0.67	-0.89

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Share capital		Reserves			Retained earnings	Group equity	Non-controlling interests	Equity
	Share capital	Share premium account	Revaluation / hedging reserves ⁽¹⁾	Treasury shares	Foreign currency translation reserve				
Balance as at 31 December 2012 ⁽²⁾	78,767	49,049	78,292	0	-2,752	141,105	344,461	16,633	361,094
Change in accounting standard IAS 19							0		0
Investments available for sale									
Fair value adjustments			-10,113				-10,113		-10,113
Transfer to profit (loss) on impairment			-81				-81		-81
Transfer to profit (loss) on disposal			-95				-95		-95
Share of hedging and actuarial reserves of equity accounted investments			-740				-740		-740
Foreign exchange translation differences							0		0
Other					-2,685		-2,685		-2,685
Other comprehensive income	0	0	-11,029	0	-2,685	0	-13,714	0	-13,714
Net profit (loss) of the period						-1,403	-1,403	4,196	2,793
Comprehensive income of the period	0	0	-11,029	0	-2,685	-1,403	-15,117	4,196	-10,921
Dividends paid						-11,343	-11,343	-2,058	-13,401
Share capital and share premium account							0		0
Changes in scope of consolidation							0	-105	-105
Operations with treasury shares (purchase/cancellation)							0		0
Other						108	108		108
Balance as at 31 December 2013	78,767	49,049	67,263	0	-5,437	128,467	318,109	18,666	336,775
Investments available for sale									
Fair value adjustments			-4,624				-4,624		-4,624
Transfer to profit (loss) on impairment							0		0
Transfer to profit (loss) on disposal			66				66		66
Share of hedging and actuarial reserves of equity accounted investments			-2,919				-2,919		-2,919
Changes in scope of consolidation							0		0
Foreign exchange translation differences					3,500		3,500		3,500
Other							0		0
Other comprehensive income	0	0	-7,477	0	3,500	0	-3,977	0	-3,977
Net profit (loss) of the period						-1,073	-1,073	3,540	2,467
Comprehensive income of the period	0	0	-7,477	0	3,500	-1,073	-5,050	3,540	-1,510
Dividends paid						-11,469	-11,469	-2,058	-13,527
Share capital and share premium account	2,483	8,972					11,455		11,455
Changes in scope of consolidation							0		0
Operations with treasury shares (purchase/cancellation)							0		0
Other						-213	-213	83	-130
Balance as at 31 December 2014	81,250	58,021	59,786	0	-1,937	115,712	312,832	20,231	333,063

(1) available-for-sale investments accounted for using the equity method.

(2) Comparative figures have been adapted to reflect the application of the revised standard IAS 19. The impact is EUR -5,643,000 on retained earnings of 2012 and prior years.

CONSOLIDATED CASH-FLOW STATEMENT

In thousands of euros	2014	2013
Profit (loss) before tax	9,701	14,095
Adjustments		
Profit (loss) on disposals	-3,373	-2,793
Fair value adjustments and impairments	17,974	-3,535
Share of profit (loss) of equity accounted investments	1,722	12,974
Finance costs	5,850	5,978
Interest and dividend income	-7,392	-9,133
Depreciation, impairment losses and provisions	8,668	8,195
Other	-232	-58
Increase (decrease) in working capital		
Current assets ⁽¹⁾	5,640	-15,754
Current liabilities ⁽²⁾	-1,529	820
Interest paid	-6,247	-10,255
Interest received (incl. IRS)	1,080	1,105
Dividends received		
Equity-accounted investments	4,143	3,097
Other investments	6,315	8,032
Taxes paid	-7,971	-12,048
Cash flows relating to operating activities	34,349	720
(Acquisition)/disposal of investments	16,158	-1,892
(Acquisition)/disposal of other financial instruments	182	-486
(Acquisition)/disposal of investment property	-10	26,431
(Acquisition)/disposal of other fixed assets	-8,898	-9,858
(Acquisition)/disposal of other non-current assets	10,300	6,577
Cash flows relating to investment activities	17,732	20,772
New loans	17,000	45,000
Repayment of loans	-60,473	-19,130
Capital increase/(decrease)	11,455	0
Dividends paid to the Group's shareholders	-11,469	-11,343
Dividends paid to minority shareholders	-2,058	-2,058
Sale (purchase) of treasury shares held	0	0
Other	-990	171
Cash flows relating to financing activities	-46,535	12,640
Net cash flows of the period	5,546	34,132
Cash and cash equivalents, beginning balance	52,446	18,314
Effect of exchange rate changes on cash and cash equivalents	0	0
Cash and cash equivalents, ending balance	57,992	52,446

(1) Increases and decreases in working capital relating to inventories, accounts receivable, other assets and non-current assets held for sale.

(2) Increases and decreases in working capital relating to trade and other payables.



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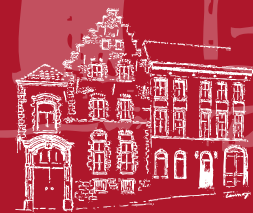
Rue du Bois Sauvage, 17

B-1000 Brussels

Tel. : +32 (0)2 227 54 50

Fax : +32 (0)2 219 25 20

www.bois-sauvage.be



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