PART 2

Financial

LETTER TO THE STAKEHOLDERS

Dear Stakeholders,

It is a pleasure for me, to look back with you once again on a good year of business at Sioen, and to present you our annual report.

Sales from continuing operations were € 326.6 million, up 1.1% on 2013, providing us with an operating result of € 27.8 million (+16.8%) and an EBITDA of € 48.8 million (+19.4%). All three divisions, Coating, Apparel and Chemicals were profitable. These earnings enabled us to invest € 7.0 million in a new plant and equipment, € 6.0 million in research and development and pay a dividend of € 0.37 per share (2013: € 0.33), all out of cash flow.

In short, we are where we want to be: applying our unique fund of technical know-how in order to create strong positions in various niches of textile coating and related markets (truck covers, protective clothing, sports and military clothing, specialty inks and pastes, …) all under the banner of 'protection through innovation'.

For me, Sioen is a very special company, a bit unique of its kind, with a very specific approach. We are not out to maximize short-term profit nor do we want to grow at all costs. We do not seek to impress with the latest high-sounding marketing and business jargon. We do not spend days in fruitless planning exercises, but we do spend a lot of time with our customers and prospective customers, with industrial associations, with EU development programmes, watching and listening closely for new potential applications of our technical expertise. We are their solutions provider. We test new markets, knowing some will work, others not. We regularly examine good acquisition investments, looking hard at their fit with our existing business and approach. We insist that innovation is everyone's responsibility and do all we can to encourage it.

We run a light-weight, 'bottom-heavy' organization, in which everyone is expected to pull together in a common venture, in which everyone is encouraged to be innovative in their own field.

This is Sioen and how it works. We are profitable, innovative, with loyal and qualified employees in search for growth. We thank all our stakeholders for their support and together we are looking at a bright future.

Read on to learn more about us.

Michèle Sioen*
CEO Sioen Industries

FOR THE ENTIRE VIDEO,
CHECK OUT SIOEN INDUSTRIES ON YOUTUBE:
WWW.YOUTUBE.COM/USER/SIOENINDUSTRIES

*REPRESENTING M.J.S. CONSULTING BVBA

VISION, MISSION, STRATEGY, VALUES

Protection through innovation

WHAT WE WANT TO BE

In line with our corporate slogan 'Protection through Innovation', we want to be a market leader in selected sectors of the technical textiles and technical apparel market, with an emphasis on the protection of people and their assets.

HOW WE INTEND TO GET THERE

- by constant close contact and interaction with customers
- by cooperation with research centres, universities and other sources of expertise
- by scanning existing and potential markets for new and innovative applications
- by keeping a constant watch on new protective standards and adapting rapidly to them
- by maintaining a fully equipped R&D and testing centre at Ardooie
- by an 'everything is possible' spirit

"Download our entire social responsability manifest here:"

OUR VALUES

It is fashionable today for business companies to proclaim their values, their ethics and their corporate citizenship. Much of this is simply the ages-old rules of good business: keeping one's word, avoiding conflicts of interest, abiding by financial and social legislation. Of particular importance to Sioen's business are:

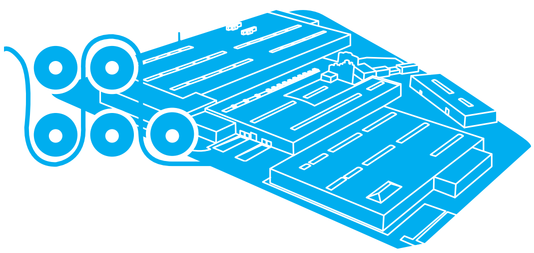
- **CONFIDENTIALITY.** Being trusted to protect and properly use confidential and proprietary information, is vital to Sioen's reputation.

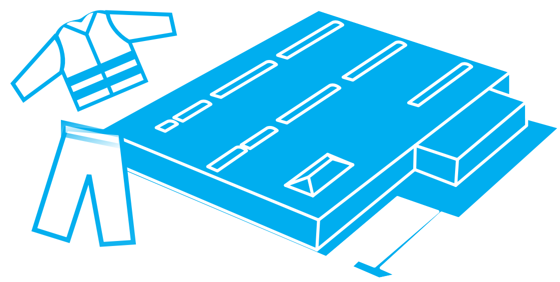
- **ANTI BRIBES.** In certain areas in which we operate bribery is not uncommon. Sioen has made it very clear to our customers and employees that this is unacceptable practice.

- **NO CHILD LABOUR.** We take care to ensure this happens neither in our own plants, or those of our suppliers.

- **HONEST PEOPLE DEALINGS.** We recognize that, in today's more fragmented world, the workplace is for many employees, a primary source of personal stability and continuity. All the more reason to practise open communication, listening to our employees' wishes, aspirations and needs.

GROUP STUCTURE





COATING

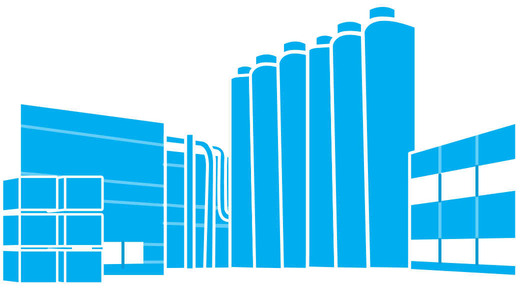
	Sioen Industries NV[1] Spinning, weaving, direct coating, online coating, Belgium
100.0%	**Saint Frères SAS** Direct coating, France
100.0%	**Sioen Shanghai**[2] Sales office, China
100.0%	**Sioen Fabrics SA** Transfer coating, Calendering, Belgium
100.0%	**Siofab SA** Transfer coating, Portugal
100.0%	**Pennel Automotive SAS** France
100.0%	**Coatex NV** Processing of coated fabrics and films, Belgium
100.0%	**Saint Frères Confection SAS** Heavy-duty manufacturing, France
100.0%	**Sioen Felt & Filtration SA** Felt and filter production, Belgium

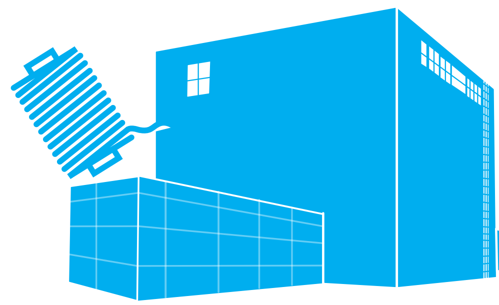
APPAREL

99.7%	**Sioen NV** Apparel / Central distribution unit, Belgium	
10.5%	**Confection Tunisienne de Sécurité SARL** Apparel, Tunisia	**89.5%**
	Sioen Ireland[3] Apparel, Ireland	**100.0%**
100.0%	**Mullion Survival Technology Ltd.** Apparel, UK	
95.0%	**PT. Sioen Indonesia** Apparel, Indonesia	**5.0%**
95.0%	**PT. Sungin Tex** Apparel, Indonesia	**5.0%**
	Sioen France SAS Sales office, France	**99.8%**
99.7%	**Sioen Tunisie SARL** Sales office, Tunisia	
99.9%	**Sioen Zaghouan SARL** Apparel, Tunisia	**0.1%**
5.0%	**Siorom SRL** Apparel, Romania	**95.0%**
	P. van Ochten Bedrijfskleding BV Apparel, the Netherlands	**100.0%**

SIOEN INDUSTRIES NV

SHARED SERVICE CENTER





CHEMICALS

100.0% **European Master Batch NV**
Production pastes, inks, varnishes, Belgium

Richard SAS **99,9%**
Paste production, France

OTHER

100.0% **Roltrans Tegelen BV**[4]
the Netherlands (real estate)

Roltrans Group America Inc. **100.0%**
USA (real estate)

Roland Planen GmbH **100.0%**
Germany (dormant)

Roland Real Estate Sp.z.o.o **100.0%**
Poland (real estate)

Roland Ukraine llc. **14.5%** **85.5%**
Ukraine (dormant)

(1) Merger Holding company Sioen Industries (Shared Service Center) and Belgian direct coating companies at July 1st 2009
(2) Official name: Sioen Coated Fabrics (Shanghai) Trading Co. Ltd.
(3) Official name: Gairmeidi Caomhnaithe Dhun na nGall Teoranta
(4) Respectively through Monal SA and Roltrans Group BV

REPORT OF THE BOARD OF DIRECTORS

1| COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Operating result:
The operating result was on the one hand positively influenced by:

- An increase in production efficiency in the apparel division (a change in sales mix resulted in fewer but larger production batches)
- Continuous rigorous cost control

On the other hand Sioen decided to accelerate the upgrade of part of a production line. As a consequence Sioen recorded an exceptional (one time) depreciation charge in the section "non-recurring result".

As a result, the operating result from continuing operations increased from EUR 23.8 million last year to EUR 27.8 million in 2014.

Financial result:
Financial result of the Group amounted to EUR -4.0 million over 2014 against EUR -3.9 million in 2013.

Income tax:
Income tax amounts to EUR 6.9 million over the year 2014 against EUR 5.2 million over 2013.

Profit (loss) for the period from continuing operations:
The company recorded EUR 16.9 million profit over the year 2014 against EUR 14.7 million over 2013.

Profit (loss) for the period from discontinued operations:
The loss amounted to EUR 0.4 million over the years 2014 and 2013.

Net cash flow from continuing operations:
The net cash flow from continuing operations amounted to EUR 37.9 million over 2014 against EUR 31.7 million in 2013.

Dividend:
The Board of Directors will propose to the General Shareholders' Meeting to pay out a dividend of 0.37 Euro per share.

COATING DIVISION

The coating division specializes in the coating (applying a protective layer) of textiles. This division is fully vertically integrated. Everything starts with the extrusion of technical yarns (polyester), which are woven into technical fabric and then coated with various polymers (PVC, PU, silicons, etc.). The Group is the only player in the world with full competence in various coating technologies, each with its own specific products and markets. In 2014, the coating division achieved sales from continuing operations of EUR 182.1 million versus EUR 185.3 million over the same period last year, or a decrease with 1.7%. On the one hand our core markets (transport and building) performed to our expectations. On the other hand sales of technical yarns lagged behind due to the renewal process of homologations.

APPAREL DIVISION

This division stands for 'technical protective clothing'. The apparel division is an innovative producer of a wide range of high-quality technical protective garments that meet all European standards. Sioen Apparel is active in various sectors where attention to safety is a priority. Attention to customer needs, strong quality consciousness and continuing research and development, combined with technically advanced products, are the basis of the successful development of this division. In 2014, the apparel division achieved sales from continuing operations of EUR 105.3 million versus EUR 98.5 million over the same period last year. Strong performances in all product lines boosted sales with 6.9% in 2014.

CHEMICALS DIVISION

Sioen Chemicals processes basic raw materials (PVC powders, pigments, etc.) into high quality technical semi-finished products (pigment pastes and inks) for a wide range of applications. In 2014, the chemicals division achieved sales from continuing operations of EUR 39.2 million versus EUR 39.1 million in 2013, or a status quo.

DIVISION OTHER

This division consists of the real estate activities.

2I FINANCIAL AND OTHER RISKS

We refer to capture 3.6.27. Financial risk management, 3.6.28. Capital structure management and part 4. "Corporate governance statement" in this "Report of the Board of Directors".

3I OUTLOOK

Volatile economic and financial indicators provide little ground for medium and long term growth projections. Cost efficiency, an extensive product portfolio and a strong focus on innovation are the foundations we build our future on.

4I CORPORATE GOVERNANCE STATEMENT

4.1. GOVERNANCE

The Sioen family has been supported by external, independent Directors since 1986. Their expertise and experience contribute to the proper and effective management of the company. On 22 March 2005, the Board of Directors adopted a Corporate Governance Charter, in accordance with the Belgian Corporate Governance Code. The Corporate Governance Charter has been in force since the General Shareholders' Meeting of 2005 and can be consulted on the Sioen Industries website (www.sioen.com). Since the Corporate Governance Charter came into effect, a number of minor amendments have been made to it, reflecting changes to the environment, such as the dematerialization of shares, or a small change in the shareholder structure. A new Belgian corporate governance code has been issued since 2009 (which can be consulted on www.corporategovernancecommittee.be). This 2009 code has been adopted as Sioen Industries' reference code (Article 96, paragraph 2 of the Companies Code), without any deviation.

THE BOARD OF DIRECTORS - Composition (31/12/2014)

CHAIRMAN	**LMCL Comm. VA,** represented by Mr. L. Vansteenkiste (2), Director in various other companies, mandate expires at the 2016 General Shareholders' Meeting
MANAGING DIRECTOR	**M.J.S. Consulting BVBA,** represented by Mrs. M.Sioen (1), Director in various other companies, mandate expires at the 2016 General Shareholders' Meeting
DIRECTORS	**Mrs. J.N. Sioen-Zoete** (2), Director in various other companies, mandate expires at the 2016 General Shareholders' Meeting **D-Lance BVBA,** represented by Mrs. D. Parein-Sioen (2), Director in various other companies, mandate expires at the 2016 General Shareholders' Meeting **P. Company BVBA,** represented by Mrs. P. Sioen (1), Director in various other companies, mandate expires at the 2016 General Shareholders' Meeting **Louis Verbeke BVBA,** represented by Mr. L.-H. Verbeke (2), Director in various other companies, mandate expires at the 2016 General Shareholders' Meeting **Mr. L. Vandewalle** (3), Director in various other companies, mandate expires at the 2016 General Shareholders' Meeting **Lemon Comm. V,** represented by Mr. J. Noten (3), mandate expires at the 2018 General Shareholders' Meeting **Mr. M. Delbaere** (3), Director in various other companies, mandate expires at the 2018 General Shareholders' Meeting
SECRETARY	**Asceca Consulting BVBA,** represented by Mr. G. Asselman
STATUTORY AUDITOR(4)	**Deloitte Bedrijfsrevisoren CVBA,** represented by Mr. M. Dekeyser

(1) Executive Director
(2) Non-executive Director
(3) Independent Director

(4) The Statutory Auditor's mandate expires at the General Shareholders' Meeting of 2017.

Statutory appointments

The mandates of all Directors expired at the end of the General Shareholders' Meeting of 25 April 2014. The decision was made to renew these mandates. Mr. Ph. Haspeslagh decided not to renew his mandate. As a consequence, Mr. M. Delbaere was appointed as new member of the Board of Directors. The mandate of Deloitte Auditors c.v.b.a. (represented by Mr. M. Dekeyser) had been renewed for a period of 3 years. The mandate expires at the end of the General Assembly in 2017.

New Board Member 2014

Mr. Michel Delbaere, CEO Crop's Group.

After he studied law at the KU Leuven and economics at the UCL, he worked at Morgan Guaranty Trust Company of New York (J.P. Morgan) from 1975 to 1978. In 1978 he founded the food company Crop's NV in Ooigem (West Flanders).

Current mandates:
Since 1978: founder and managing Director of the Crop's Group
Since 1995: Board of Directors and honorary chairman FEVIA (Belgian food industry federation) , regional Board of Directors BNP Paribas Fortis
Since 2002: member of the management committee of VBO
Since 2006: Board of Directors FoodDrinkEurope (European food industry federation)
Since 2008: Board of Directors VPK
Since 2011: independent Director Bank Delen
Since 2012: VOKA chairman

The Board of Directors and how it works

In accordance with the Articles of Association, the Board of Directors regularly meets depending on the needs and the interests of the company. In 2014, the Board held five meetings. The number of meetings attended by Directors individually in 2014 is as follows:

LMCL Comm. VA (represented by Mr. Luc Vansteenkiste)	5
M.J.S. Consulting BVBA (represented by Mrs. Michèle Sioen)	5
Mrs. Jacqueline Sioen-Zoete	4
D-Lance BVBA (represented by Mrs. Danielle Sioen)	5
P. Company BVBA (represented by Mrs. Pascale Sioen)	5
Louis Verbeke BVBA (represented by Mr. Louis-Henri Verbeke)	5
Mr. Luc Vandewalle	4
Lemon Comm. V (represented by Mr. Jules Noten)	4
Mr. Michel Delbaere	3

The permanent agenda of each Board meeting includes the discussion and decision on the division results, the consolidated results, current investments and projects, new projects and presentation of investment opportunities. Besides the regular items, the strategic development of the company is regularly discussed and guidance is provided to the R & D projects. The Board also deals with specific items in terms of concrete issues and current events.

Working committees

The Sioen Industries Group has the following working committees:

1I Audit Committee

In 2014 the Audit Committee consisted of two independent Directors, being Mr. Vandewalle (Chairman) and Lemon Comm. V (represented by Mr. J. Noten) and one non-executive Director: Louis Verbeke BVBA (represented by Mr. L.-H. Verbeke). The duration of the mandate of members of the Committee coincides with their term as Director.

In 2014 the Audit Committee met four times. The external auditor attended two meetings. The number of meetings attended by individual members of the Audit Committee in 2014 is as follows:

Louis Verbeke BVBA (represented by Mr. Louis-Henri Verbeke)	4
Mr. Luc Vandewalle	3
Lemon Comm. V (represented by Mr. Jules Noten)	3

In accordance with Article 526 bis of the Companies Code, the Company declares that at least one of the members of the Audit Committee complies with the requirements of independence and possesses the necessary expertise in accounting and auditing. In 2014, the Audit Committee assisted the Board in discharging its responsibilities for monitoring control in the broadest sense. This included the following tasks: analysis of the consolidated financial statements of the company, both for annual and half-yearly and quarterly consolidated results, analysis of possible impairments, evaluation of systems of internal control, review of the content of the annual financial report as far as following matters is concerned: financial information and comments on internal control and risk management, supervision and monitoring of the auditor's independence.

2I Remuneration and Nomination Committee

The Remuneration Committee in 2014 was composed of three Directors: LMCL Comm.VA (represented by Mr. L. Vansteenkiste, chairman), Mr. M. Delbaere (independent Director) and Lemon Comm. V (represented by Mr. J. Noten, independent Director). The Remuneration Committee advises the Board on the remuneration policy in general and on the remuneration of the members of the Board of Directors and the Executive Committee in particular. Also stock option plans are advised by the Remuneration Committee. Currently there are no stock options for shares of Sioen Industries. The Board of Directors presents the remuneration report to the General Meeting.

The Remuneration Committee discussed, amongst others, the functioning of the members of the Management Committee, the principles and parameters of the variable part of the remuneration, performed benchmarks as to the remunerations of the members of the Management Committee and Board of Directors and formulates proposals to the Board of Directors.

The Remuneration Committee met twice in 2014. The number of meetings attended by individual members of the Remuneration Committee and the CEO in 2014 is as follows:

LMCL Comm. VA (represented by Mr. Luc Vansteenkiste)	2
Mr. Michel Delbaere	0
Lemon Comm. V (represented by Mr. Jules Noten)	2

The term as members of the Committee coincides with their term as Director.

The Nomination Committee met twice in 2013.

Management Committee

The members of the Management Committee (per 31 December 2014):

M.J.S. Consulting BVBA,
(represented by Mrs. Michèle Sioen)

P. Company BVBA,
(represented by Mrs. Pascale Sioen)

Asceca Consulting BVBA,
(represented by Mr. Geert Asselman)

Devos Trading Company BVBA
(represented by Mr. Michel Devos)

Flexcor NV
(represented by Mr. Frank Veranneman)

Mr. Bart Vervaecke

GPW Lobbestael BVBA,
(represented by Mr. Grisja Lobbestael)

Secretary: Mr. Robrecht Maesen.

Remuneration report

Remuneration policy for the CEO, the Directors and the members of the Management Committee

1| General principles of the remuneration policy

- The company compensates the CEO, the Directors and the executive management fairly.

- The level and structure of the remuneration is such that qualified and expert professionals can be attracted, retained and motivated, taking into account the nature and scope of their individual responsibilities.

- For non-executive Directors, any form of variable compensation is explicitly excluded.

- To align the interests of the CEO and the executive management to those of the company and its shareholders, a portion of the remuneration package is linked to the performance of the company and individual performance.

- On the advice of the Remuneration Committee the Board approves contracts for the appointment of the CEO and other members of the executive management.

- Contracts of the CEO or the executive management signed on or after 1 July 2009 incorporate no specific provisions relating to early termination.

- The Remuneration Committee monitors the market conformity of the fees. This assessment is based on the practical experience of the members in other companies.

- The Remuneration Committee wishes, through a stable and long term policy, to contribute to a sustainable business climate. Consequently, the above-stated principles will be sustained on the long term, and in particular, for the next two financial years.

<u>Contractual relationships between the company, including related companies, and its Directors and members of the executive management</u>

All contracts, whether a conflict of interest rule is applicable or not, shall be submitted to the Remuneration Committee, that makes a decision.

Through the internal control and reporting systems, reporting to the Remuneration Committee is done at regular intervals. The Remuneration Committee in turn reports to the Board of Directors.

If the conflict of interest rule plays, this is signaled and the procedure described in law enters into force.

<u>Transactions between the company, including related companies, and its Directors and members of the executive management</u>

All transactions with Directors and the executive management are reported at regular intervals. The Audit Committee ensures that these transactions occur according to the “arms length” principle.

2I Determination of the individual remuneration level of the CEO, the non-executive Directors and the executive management

The Board of Directors decides on the remuneration policy for the CEO based on a proposal by the Remuneration Committee.

The remuneration is a competitive and motivating package consisting of:

- A basic compensation component.
- A variable compensation determined by the Group results from the previous year, of up to 25% of the basic compensation. This compensation is paid in cash.
- No compensation is paid for insurances or pensions.
- There is no provision for a long-term performance related remuneration.

On the advice of the Remuneration and Nomination Committee, the Board of Directors approves the remuneration of the executive management, as proposed by the CEO. The remuneration is a competitive and motivating package consisting of:

- A basic compensation component.
- A variable compensation determined by the Group results on the one hand and the contribution of the various executives within their respective areas of responsibility on the other hand. This variable compensation is up to 20% of the basic compensation and is paid in cash.
- A compensation is paid for insurances or pensions
- There is no provision for a long-term performance related remuneration.

The General Shareholders' Meeting determines the remuneration of the members of the Board of Directors. The remuneration of the members of the Board of Directors and the various Committees is split into a base fee and attendance fees, each representing approximately 50% of the total remuneration if all meetings are attended.

Departure fees

- The departure fee in case of an early termination of the contract shall not exceed 12 months (basic and variable remuneration).

- On the advice of the Remuneration Committee, the Board can approve a higher severance pay. This shall not exceed 18 months (basic and variable remuneration).

- There are no specific individual agreements with Directors, the CEO and the executive management with respect to departure fees.

There are no specific recruitment agreements, or agreements on a golden parachute with the executive management.

3I The principles with respect to determining the amount of the variable part of the remuneration

- The variable part of the remuneration will always consist of two or more components.

- The first part of the variable compensation will always relate to the results of the Group. This is to strengthen the Group cohesion and to prevent counter-productive internal competition.

- The second part of the variable part of the remuneration will cover the individual areas of responsibility of the member.

- The variable remuneration of the CEO and CFO will only depend on the Group results.

- The variable remuneration is based on the following principles:
  - Turnover (the achievement of certain annual revenue targets and/or growth rates)
  - Profitability (return on sales targets and/or investment projects)
  - Debt level (the debt of the company is key. In order to ensure future growth, it must be within certain limits).
  - Personal objectives (depending on the function). These mainly relate to qualitative objectives. (For example initiate the development of a long term strategy.)

- Depending on the needs, the CEO can propose to the Remuneration Committee to adjust the significance of some parameters annually.

- The personal objectives are set annually through individual interviews and the variable remuneration linked to this is up to 30% of the total variable remuneration.

- Contracts signed on or after 1 July 2009 refer specifically to the criteria (as stated in the Belgian Corporate Governance Code) to be taken into account in determining the variable portion of compensation.

4I Recovery right
There is no provision for recovery right in favor of the company.

5I Evaluation of the remuneration
The remuneration of the CEO and each executive manager is evaluated on an annual basis (by the Remuneration Committee) as follows:

- The basic compensation is determined by the job responsibilities.
- The variable compensation is determined by formal objectives determined at the beginning of the year and evaluated at the end of the year. Only the qualitative part of the variable remuneration is agreed by the members of the Committee.

Remuneration of the members of the Board of Directors

In 2014 following remunerations were paid to the members of the Board of Directors and executive management in their capacity as Director (no performance related remunerations are paid to the non-executive Directors):

NAME	REPRESENTED BY	FUNCTION	BOARD OF DIRECTORS		AUDIT COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE		TOTAL
			Base fee	Attendance fee	Base fee	Attendance fee	Base fee	Attendance fee	
LMCL Comm. VA	Mr. L. Vansteenkiste	Director/ Chairman	20 000	20 000			1 500	1 500	43 000
	Mrs. J. Sioen-Zoete	Director	10 000	8 000					18 000
M.J.S. Consulting BVBA	Mrs. M. Sioen	Managing Director	10 000	10 000					20 000
D-Lance BVBA	Mrs. D. Sioen	Director	10 000	10 000					20 000
P. Company BVBA	Mrs. P. Sioen	Director	10 000	10 000					20 000
Philippe Haspeslagh BVBA	Mr. Ph. Haspeslagh	Director		2 000				375	2 375
	Mr. M. Delbaere	Director	10 000	6 000			750		16 750
Lemon Comm. V	Mr. J. Noten	Director	10 000	8 000	3 000	2 250	750	750	24 750
Louis Verbeke BVBA	Mr. L. Verbeke	Director	10 000	10 000	3 000	3 000			26 000
	Mr. L. Vandewalle	Director	10 000	8 000	6 000	4 500			28 500
TOTAL			**100 000**	**92 000**	**12 000**	**9 750**	**3 000**	**2 625**	**219 375**

M.J.S. Consulting, represented by Mrs. Michèle Sioen, received in 2014, in her capacity of CEO and next to her remuneration as a member of the Board of Directors, a fixed remuneration of EUR 537 500, a variable remuneration of EUR 88 687 and a compensation for other expenses amounting to EUR 51 979.

Jack Projects, represented by Mrs. Jacqueline Sioen, received in 2014, in the context of a service agreement, a remuneration of EUR 511 250 and a compensation for other expenses amounting to EUR 26 693.

The other members of the executive management[1], including Directors in their capacity as member of executive management, received in 2014 a fixed remuneration of EUR 1 997 661 (excluding CEO), a variable remuneration of EUR 259 363 and a compensation for other expenses amount to EUR 165 223.

Other

In 2014 there were no shares, share options or other rights to acquire shares of Sioen Industries attributed to the CEO nor the other members of the executive management. There are no retirement benefit plans.

(1) The executive management consists of executive Directors and members of the Management Committee

Evaluation of the Board of Directors, Working Committees and Directors

Periodically, and at least every two years, the Board evaluates its overall performance (including the working committees). In the Board's view, this is best accomplished by the entire Board under the leadership of the Chairman, with the assistance of the Remuneration and Nomination Committee and of an external specialist when deemed appropriate.

The purpose of this assessment is to enhance the effectiveness of the Board as a whole and should specifically review area's in which the Board and/or management believe the Board may be more effective. The review of the Board as a whole necessarily includes consideration of each Director's overall contribution to the work of the Board. The results of each Board evaluation are discussed with the full Board.

The performance of individual Directors is reviewed by the Remuneration and Nomination Committee when a Director is being considered for re-nomination.

The Remuneration and Nomination Committee chooses the method and criteria for these reviews. If, at any time, the Board determines that an individual Director is not meeting the established performance standards and qualification guidelines or his or her actions reflect poorly upon the Board and the Company, the Board may request the resignation of the non-performing Director.

External audit

Within the Sioen Industries Group, external audits are mainly performed by Deloitte Bedrijfsrevisoren. They include the audit of the statutory annual accounts and consolidated accounts of Sioen Industries NV and its subsidiaries. To the extent that the audit of a number of subsidiaries are carried out by other auditors, Deloitte Bedrijfsrevisoren makes use of their work.

During the past financial year the Statutory Auditor received EUR 264 935 from Sioen Industries in respect of its statutory auditor mandate. In addition, the Statutory Auditor received EUR 2 000 for special missions/legal assignments and EUR 114 342 for other assignments outside the mandate. The mandate of Deloitte Bedrijfsrevisoren as Statutory Auditors of Sioen Industries NV expires at the General Shareholders' Meeting of 2017. Deloitte Bedrijfsrevisoren is represented by Mr. M. Dekeyser.

Internal control and risk management systems

The Board of Directors of Sioen Industries is responsible for the assessment of the risks inherent to the company and for evaluating the effectiveness of control. The internal control of the Group is based on five principles (COSO methodology):

1. Control environment
2. Risk analysis
3. Control activities
4. Information and communication
5. Supervision and monitoring

1| Control environment

The control environment is the basis of the internal control and risk management system. The control environment is defined by a mix of formal and informal rules and corporate culture on which the operation of the business relies.

Integrity and ethics

Within the Group the goal is to create an open corporate culture where communication with and respect for customers, employees and suppliers is key, without any distinction. All employees are expected to deal with the company assets with the necessary common sense and manage them as a good family man.

These informal rules / corporate culture, where appropriate, are sustained by more formal rules such as the Protocol to prevent abuse of inside information and the Corporate Governance Charter.

Competences

The Sioen family surrounds itself since 1986 with external independent Directors. Their expertise and experience contribute to effective and proper management of the company. The aim is to attract Directors with different skills and experiences in order to create a momentum that enables the group to develop further. A stimulating working environment, an "open door" policy and the ability to develop itself are the principles of the human resources policy. This enables the group to attract, to motivate and to retain qualified staff.

Governing Bodies

According to existing guidelines, the Group has the following administrative and operating committees:

- Board of Directors
- Audit Committee
- Remuneration Committee
- Nomination Committee
- Executive Management Committee

The operation of these governing bodies and their responsibilities are included above in this annual report in the chapter Corporate governance.

Company structure and delegation of powers

The Sioen Industries Group is divided into divisions each with an operational activity. Supporting administrative services are centralized within a "Shared Services Center". This structure allows the Group to centralize delegated authorizations as much as possible.

2| Risk analysis

The Board of Directors decides on the strategy of the Group, key policies and risk appetite. The role of the Board of Directors consists of pursuing the long-term success of the company and ensuring that risks are assessed and managed.The executive management is responsible for developing systems to identify, assess, manage and monitor the risks.

Targets within the risk management process

The process of risk management contributes to the achievement of operational and strategic objectives. It forms the basis of reliable internal and external information and should also guarantee the compliance with laws, regulations and internal instructions of the company.

External factors

External factors may result from technological changes, regulatory changes, competition, product trends and many more...

Internal factors

Internal factors are closely linked to the internal organization of the company and can have different causes (IT problems, human resources,…).

Risk analysis (internal and external)

Sioen Industries has analyzed the risks associated with its activities. Based on that analysis, the following risks were identified:

Risks relating to the activities of the Group

Sioen Industries is, especially in terms of income, affected by the economic performance of its divisions. On the other hand, the divisions depend on general economic trends and more specifically: the volatility of oil prices and the more or less related volatility in the prices of key raw materials (PVC, polyester, plasticizer, etc.). The processing of coated fabrics, connects the development of the Group closely with the industrial economic cycles. The division apparel (protective clothing) follows the current trend of industrial activity in Western Europe. The emphasis is less on volume and more on the technical specifications of the garments.

The Group is continuously looking for new applications, new products and new markets to stay ahead of competitors and to increase production and sales activities. If we fail to be innovative, to introduce new ideas, products, services and processes, this can have a negative impact on the operational and financial results of the Group.

Risks relating to customer commitment

The Group has no customers who represent more than 10.0% of the total balance of trade receivables (see note 3.6.9. Trade receivables) and as a consequence there is no major risk related to customer commitment.

Risks associated with seasonal activities

The consolidated income statement of the Group previously reflected the seasonal nature of the coating activities, which led to the fact that the operational results were mainly generated in the first two quarters of each year. The results of the apparel division remained stable and are primarily generated in the third and fourth quarter of each year. Future results will depend on developments in the market for technical textiles. Adverse changes in the economic environment, customer investment cycles, major developments in production and market acceptance of new applications in this market can influence this market and as a consequence the results of the Group.

Risks related to new emerging markets

The most important part of the turnover of the Group, some 90%, is realized in Europe. The activities in these markets have a low risk in terms of crime, government decisions, foreign exchange rates, political and economic uncertainty, issues that could adversely impact the results of the Group. Also, financial risks such as liquidity problems, inflation, devaluation, price, payment risks related to new emerging markets, are limited.

Risks related to recruiting and retaining staff in key positions
To develop new applications, to support and sell new products, the Group must recruit and retain the best staff with a good knowledge and the best skills. The strategy of the Group may be affected if the Group fails to recruit and retain employees related to important positions.

Credit risk management
In view of the relative concentration of credit risk (see note 3.6.9. Trade receivables), the company covers credit risk on trade receivables via an Excess of Loss credit insurance with an own risk exposure of EUR 400 thousand. In addition, credit control strategies and procedures have been elaborated in order to monitor individual customers' credit risks.

Capital structure management
The equity structure of the Sioen Group is primarily managed to:

- Protect the capital structure to ensure continued operations, resulting in an ongoing creation of shareholder value and benefits for other stakeholders;
- Payment of an appropriate dividend to shareholders.

The capital structure of the Group is in line with the risk, that changes depending on economic developments and the risk of the underlying assets. The Sioen Group can change the dividend to shareholders, issue new shares or sell assets to change or maintain the capital structure.

The Board of Directors of Sioen Industries considers equity together with the bond of ten years (see 3.6.11. Borrowings) as permanent capital.

Interest rate risk management
Interest rate risk of the Group is relatively limited, since all long-term loans have a fixed interest rate. The strategy of the Group consists in arranging a fixed interest rate for the long-term portion of debt and keep the short term debt rates variable. Having an optimal portfolio of debt financing in the short and long term limits a potential adverse interest rate fluctuations to a minimum.

Foreign currency risk management
The purpose of the Group policy is to hedge against exchange risks arising mainly from financial and operational activities. The risks are limited by offsetting transactions in the same currency ("natural hedging") or by hedging exchange rates through forward contracts or options.

Liquidity risk management
To ensure liquidity and financial flexibility, the Sioen Group has credit lines available to meet current and future financial needs.

Budget risk management
Executive management makes its risk assessment based on different realistic estimated parameters such as market expectations, the growth of the sector, industry studies, economic realities, budgets and long-range plans, profitability studies, etc. The key elements within the Group that are subject to this include: impairments, provisions and deferred taxes.

Risk management on delegation of authorities
Not respecting the existing signing authorizations may result in commitments relating to operations not authorized by the company.

Fraud risk management
Collective or individual fraud of employees can lead to financial loss and damage the image of the Group.

Risk associated with financial statements (information policy, consolidation)
The production of complete, reliable and effective information is essential for management and governance.

IT risk management
This risk concerns the general computing environment, data security system and the use of and access to the software systems.

3I Control activities
In order to properly manage the principal risks identified, the Sioen Industries Group took the following control measures:

Formal rules and systems

- An authorization cascade system in the computer system
- Grant of approval limits
- Definition of signing authorities (authorization contract, payment authority, authority to representation…)
- Access and monitoring systems in the buildings

Physical controls

- Cycle counts of inventories
- Physical inventory of machinery and equipment

Reporting, analysis and monitoring

The Sioen Industries Group has established an internal reporting system by means of which both financial data and operational data (Key Performance Indicators) are reported on a regular basis (daily, weekly, monthly and quarterly). All deviations against budgets and against the previous reference period are carefully analyzed and explained. Besides the regular reports and analysis, there is a control matrix. In this matrix all processes of each Group company are analyzed and weak spots in the process are monitored in detail.

Data protection

Sioen attaches great importance to the security of all data stored in various computer systems and has developed specific measures. To ensure continuity and availability of critical data, they are stored in two data centers. The data centers are obviously not generally accessible and are specifically adapted to accommodate IT equipment.

4l Information and communication

To provide reliable financial information Sioen Industries makes use of a global standardized chart of accounts and has a global application of IFRS accounting standards. The controlling team is responsible for checking the consistency of the reported figures by the various subsidiaries. Regarding information systems, there is a daily backup and a cascade system to limit access to crucial information.

5l Supervision and monitoring

Supervision and monitoring is mainly performed by the Board of Directors. As no formal internal audit department is in place the Board executes this supervision and monitoring through the work of the Audit Committee and the Management Committee. Moreover the Board of Directors also uses the external audit reporting to the audit committee on their review of internal controls and risk management systems.

Protocol to prevent abuse of insider information

In order to prevent that privileged information would be used in an unlawful manner by Directors, shareholders, members of management and employees (i.e. “insiders”), or even that such an understanding could be raised, the Board of Directors of Sioen Industries NV has developed a protocol to prevent abuse of inside information (“1997 Protocol”). Following the Directive 2003/6/EU a new protocol was approved by the Board of Directors on May 1, 2005. The Protocol is primarily aimed to protect the market as such, to ensure compliance with the law and to maintain the reputation of the Group. Besides a number of prohibitions on trading in financial instruments of Sioen Industries NV, where insiders have privileged information which is not (yet) available to the public, it does include a number of preventive measures and guidelines to preserve the confidentiality of privileged information. Any insider eligible, has signed this Protocol. To verify compliance with the Protocol a Compliance Officer was appointed.

4.2. GENERAL INFORMATION

Registered office and name

The registered office of Sioen Industries, a public limited liability company under Belgian law, is established at Fabriekstraat 23, B-8850 Ardooie. The company is listed in the register of legal persons Gent, division Brugge, under enterprise number 0441.642.780.

Incorporation and publication

Sioen Industries was incorporated under the name ‘Sihold’ by deed executed before notary-public Ludovic du Faux at Moeskroen on 3 September 1990, published in the annexes to the Belgian Official Gazette of 28 September 1990, under no. 900928-197.

Financial year

The financial year begins on 1 January and ends on 31 December of each year.

Term
The company is established for an indefinite period.

Object of the company
The company's objects consist of the following activities, to be performed in Belgium or abroad, on its own behalf or on behalf of third parties, for its own account or for the account of third parties :

- spinning yarns and threads of all kinds, weaving threads of all kinds, coating and printing fabric and any other material, manufacturing plastic and plastic-coated materials, manufacturing, purchasing and selling, both in Belgium and abroad, materials that are useful for or relate to the above mentioned products and raw materials, and producing chemicals and pigments,
- manufacturing ready-to-wear outer clothing made of woven fabric, manufacturing all types of tailor made clothing and embroidery, manufacturing outer clothing made of knitted fabrics, as well as household linen and upholstery materials, manufacturing wall-covering materials, printing and finishing all fabrics, manufacturing ready-made articles and outfits for men and women, knitwear, embroidery, household and table linen, children's clothing. Manufacturing safety and sign-posting materials. Wholesale and retail trade in all of the above products,
- investing in, subscribing for, taking over, issuing, buying, selling and trading in shares, share certificates, bonds, depositary receipts, claims, funds and other securities issued by Belgian or foreign companies, either or not being commercial companies, administrative offices, institutions or associations and either or not (semi-) governed by public law,
- managing investments and participating interests in subsidiaries, holding managerial positions, providing advice, management and other services to or in line with the activities performed by the company itself.These services can be provided pursuant to a contractual appointment or an appointment in accordance with the provisions of the articles of association, as well as in the capacity of external advisor or body of the client.

The company can realize these objects provided that it meets the legal requirements.

The company can perform, both in Belgium and abroad, all industrial, commercial, financial, movable and immovable activities which may either directly or indirectly extend or promote its business. It can acquire all movable and immovable goods, even if they are not related to the company's objects, neither directly nor indirectly.

The company can in any manner whatsoever acquire interests in all associations, businesses, undertakings or companies that have the same, similar or related objects or that may promote the company's business or facilitate the sale of its products or services; the company can cooperate or merge with such associations, businesses, undertakings or companies.

Consultation of documents
The statutory and consolidated accounts of the company and additional reports are filed with the National Bank of Belgium. The Articles of Association and special reports required by the Companies Code can be obtained from the Clerk of the Commercial Court in Bruges. These documents, as well as annual and semi-annual reports to shareholders and all published information can also be requested by shareholders at the registered office of the company. The Articles of Association, the annual and semi-annual reports can also be downloaded from the website www.sioen.com.

Voting right
Article 33 of the Articles of Association states that each share gives the right to one vote at the General Meeting. However nobody can participate in the vote at the General Meeting for more than thirty-five percent of the votes attached to the total number of shares issued by the company. The holders of bonds can attend the General Meeting, but only have an advisory vote.

Article 14, sub 2 of the Articles of Association stipulates that a majority of the directors are ap-pointed among the candidates nominated by Sihold NV, as long as Sihold NV possesses either directly or indirectly at least thirty-five percent of the shares of the company.

Authorized capital
The Board of Directors is authorized, during a period of five years counting from the date of publication in the Annexes

to the Belgian Official Gazette of the deed containing the amendment of the Articles of Association of 26 April 2013 (BOG of 24 May 2013), to increase the subscribed capital in one or several parts, by a maximum amount of forty-six million euros. This renewable authority is valid for capital increases in cash, in kind or by conversion of reserves. At the moment this amount is still wholly available. Within the framework of the authorized capital, the Board of Directors is authorized, in the interest of the company and provided that the conditions referred to in Articles 535 and 592 to 599 of the Companies Code are met, to cancel or restrict the preferential subscription right that is granted to the shareholders by law. The Board of Directors is authorized to restrict or cancel the preferential subscription right in favor of one or more particular persons, even if these are not staff members of the company or its subsidiaries.

In the event of an increase of the subscribed capital, carried out within the limits of the authorized capital, the Board of Directors is authorized to ask for an issue premium. If the Board of Directors decides to do so, this issue premium should be allocated to an unavailable reserve account that can only be reduced or written off by resolution of the General Meeting passed in the manner required for the amendment of the Articles of Association.

In the absence of an explicit authorization granted by the General Meeting to the Board of Directors, the authorization of the Board of Directors to increase the subscribed capital through a contribution in cash with cancellation or restriction of the preferential subscription right of the existing shareholders or through a contribution in kind will be suspended as from the date of notification to the company by the Financial Services and Markets Authority of a public take-over bid on the shares of the company. This authorization will apply again immediately after the take-over bid is concluded. The General Meeting of 26 April 2013 explicitly authorized the Board of Directors to increase the subscribed capital in one or several parts through a contribution in cash with cancellation or restriction of the preferential subscription right of the existing shareholders or through a contribution in kind, pursuant to articles 557 and 607 of the Companies Code, as from the date of notification to the company by the Financial Services and Markets Authority of a public take-over bid on the shares of the company. This authorization was granted for a period of three years from 26 April 2013 and is renewable.

Acquisition by the company of shares in its own capital

The General Meeting of 26 April 2013 expressly authorized the Board of Directors, under the provisions of the Companies Code, to acquire or dispose of its own shares, if the acquisition is necessary to prevent imminent serious harm to the company. This authorization is valid for a period of three years from the publication of the aforementioned resolution in the annexes to the Belgian Official Gazette (BOG of 24 May 2013).

The General Meeting of 26 April 2013 authorized the Board of Directors to acquire its own shares through purchase or exchange, in accordance with the Companies Code, for the maximum number allowed by law and at a price per share that cannot be lower than the last closing price at Euronext Brussels prior to the date of acquisition, less ten per cent (10%), and that cannot be higher than the same closing price increased by ten per cent (10%), and to sell or cancel these shares. This authorization also applies to the acquisition of shares of the company by one or several of its direct subsidiaries within the meaning of the law, during a period of five years starting on 26 April 2013, and can be extended.

4.3. SHARE INFORMATION

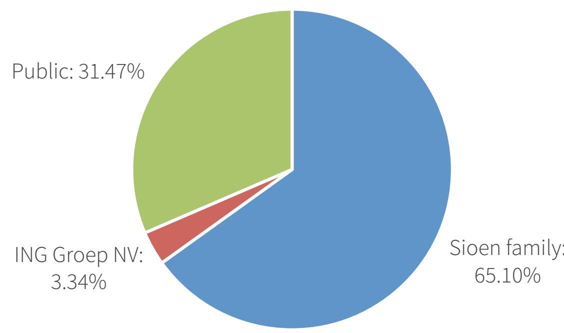
Listing

In order to be able to continue following and ensuring the company's fast growth, and in the conviction that a transparent policy would further strengthen the Group's growth possibilities, the Sioen Industries share was introduced on the cash market, double fixing, of the Brussels Stock Exchange, on 18 October 1996. A year later the share was listed on the semi-continuous segment of the forward market and then, as of 11 March 1998, has been quoted on the continuous segment of the Brussels forward market, which has become Euronext Brussels. As per 31 December 2014, the total number of shares amounts to 19 825 903. 12 906 212 shares, or 65.10%, are owned by the Sioen family, a.o. through the holding company Sihold NV, 680 000 shares, or 3.43%, are owned by ING Groep NV. The remaining number of shares, 6 239 691 or 31.47%, are spread among the public.

Evolution of the share in 2014

The share was quoted at its highest price on 3 September 2014, at EUR 12.70, at its lowest price on 9 January 2014 (EUR 8.25) and quoted EUR 11.26 on 31 December 2014. Market capitalization amounted to EUR 223.24 million on 31 December 2014.

Shareholders' structure



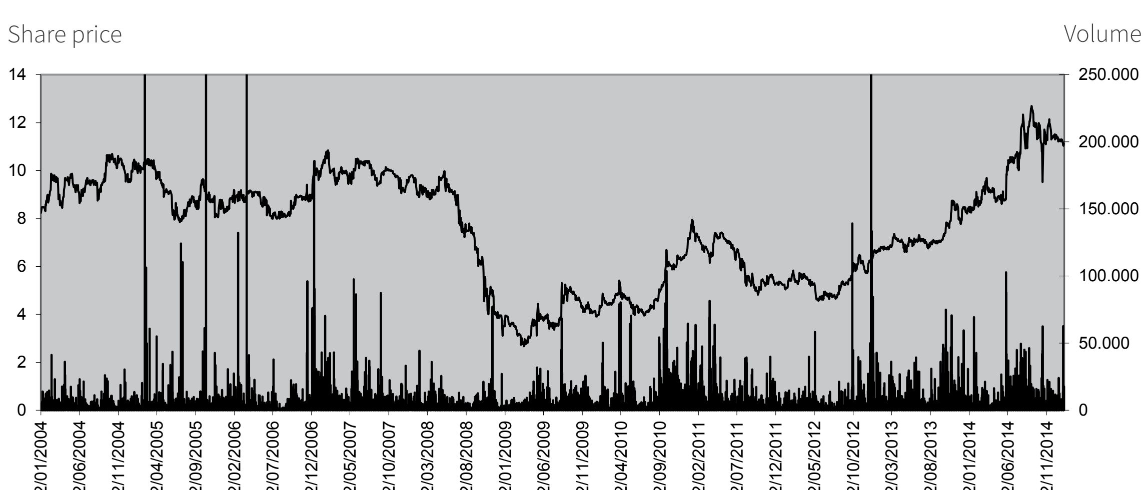
2014: financial communication policy

The Sioen Industries share was included on Euronext Brussels in Compartment B (Mid Cap).

Dividend policy

Generally, the Board of Directors wishes to strive for a pay-out ratio of more than 15%. In order to link the dividend to the cash flow expectations on the one hand and to reward the shareholders on the other hand, the Board strives to increase the dividend year after year. For the year 2014, the Board of Directors proposed the pay out of a dividend amounting to EUR 0.37 gross (EUR 0.2775 net) that will be made payable at the counters of Belfius Bank, ING Bank, BNP Paribas Fortis Bank, Bank Degroof and KBC Bank as from 11 May 2015, if approved by the General Shareholders' Meeting.

Share price evolution (till 9 January 2015)



Share codes and classification

ISIN BE0003743573
Euronext code BE0003743573
Mnemo SIOE
Type Stock - Ordinary stock - Continuous
Market Euronext Brussels - Euronext - Local securities
Compartment B (Mid Cap)

ICB Sector classificatie:
3000, Consumer Goods
3700, Personal & Household Goods
3760, Personal Goods
3763, Clothing & Accessories

Reuters: SIOE.BR
Bloomberg: SIOE.BB

OBLIGATIONS WITH REGARD TO PERIODICAL INFORMATION FOLLOWING THE TRANSPARENCY DIRECTIVE EFFECTIVE AS OF 1 JANUARY 2008

Declaration regarding the information given in this annual report 2014

The undersigned declare that:

- The annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies;
- The annual report gives a true and fair view of the development and the results of the company and of the position of the issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Michèle Sioen, CEO
Geert Asselman, CFO

FINANCIAL OVERVIEW

1I COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Operating result:
The operating result was on the one hand positively influenced by:

- An increase in production efficiency in the apparel division (a change in sales mix resulted in fewer but larger production batches)
- Continuous rigorous cost control

On the other hand Sioen decided to accelerate the upgrade of part of a production line. As a consequence Sioen recorded an exceptional (one time) depreciation charge in the section "non-recurring result".

As a result, the operating result from continuing operations increased from EUR 23.8 million last year to EUR 27.8 million in 2014.

Over 2014, the operating result from continuing operations amounted to EUR 27.8 million against EUR 23.8 million last year.

Financial result:
Financial result of the Group amounted to EUR -4.0 million over 2014 against EUR -3.9 million in 2013.

Income tax:
Income tax amounts to EUR 6.9 million over the year 2014 against EUR 5.2 million over 2013.

Profit (loss) for the period from continuing operations:
The company recorded EUR 16.9 million profit over the year 2014 against EUR 14.7 million over 2013.

Profit (loss) for the period from discontinued operations:
The loss amounted to EUR 0.4 million over the years 2014 and 2013.

Net cash flow from continuing operations:
The net cash flow from continuing operations amounted to EUR 37.9 million over 2014 against EUR 31.7 million in 2013.

Dividend:
The Board of Directors will propose to the General Shareholders' Meeting to pay out a dividend of 0.37 Euro per share.

COATING DIVISION

The coating division specializes in the coating (applying a protective layer) of textiles. This division is fully vertically integrated. Everything starts with the extrusion of technical yarns (polyester), which are woven into technical fabric and then coated with various polymers (PVC, PU, silicons, etc.). The Group is the only player in the world with full competence in various coating technologies, each with its own specific products and markets. In 2014, the coating division achieved sales from continuing operations of EUR 182.1 million versus EUR 185.3 million over the same period last year, or a decrease with 1.7%. On the one hand our core markets (transport and building) performed to our expectations. On the other hand sales of technical yarns lagged behind due to the renewal process of homologations.

APPAREL DIVISION

This division stands for 'technical protective clothing'. The apparel division is an innovative producer of a wide range of high-quality technical protective garments that meet all European standards. Sioen Apparel is active in various sectors where attention to safety is a priority. Attention to customer needs, strong quality consciousness and continuing research and development, combined with technically advanced products, are the basis of the successful development of this division. In 2014, the apparel division achieved sales from continuing operations of EUR 105.3 million versus EUR 98.5 million over the same period last year. Strong performances in all product lines boosted sales with 6.9% in 2014.

CHEMICALS DIVISION

Sioen Chemicals processes basic raw materials (PVC powders, pigments, etc.) into high quality technical semi-finished products (pigment pastes and inks) for a wide range of applications. In 2014, the chemicals division achieved sales from continuing operations of EUR 39.2 million versus EUR 39.1 million in 2013, or a status quo.

DIVISION OTHER

This division consists of the real estate activities.

2| CONSOLIDATED FINANCIAL STATEMENTS

2.1| CONSOLIDATED STATEMENT OF FINANCIAL POSITION /AT 31 DECEMBER 2014/IN THOUSANDS OF EUROS

ASSETS	NOTE	2014	2013
Non-current assets			
Intangible assets	3.6.1	4 711	5 885
Goodwill	3.6.2	18 239	18 244
Property, plant and equipment	3.6.3	81 251	92 495
Investment property	3.6.4	6 329	6 674
Long term trade receivables	3.6.6		12
Other long term assets	3.6.7	204	1 075
Deferred tax assets	3.6.18	5 502	3 804
TOTAL NON-CURRENT ASSETS		**116 236**	**128 189**
Current assets			
Inventories	3.6.8	86 346	85 407
Trade receivables	3.6.9	47 975	49 380
Other receivables	3.6.10	4 050	3 652
Other financial assets	3.6.10	46 998	36 997
Cash and cash equivalents	3.6.10	51 450	40 660
Deferred charges and accrued income	3.6.10	2 118	2 388
TOTAL CURRENT ASSETS		**238 937**	**218 484**
Assets related to discontinued operations	3.6.16		647
TOTAL ASSETS		**355 173**	**347 320**

EQUITY & LIABILITIES	NOTE	2014	2013
Equity			
Share capital		46 000	46 000
Retained earnings		120 062	114 076
Other reserves		-8 557	-7 287
TOTAL EQUITY	**2.4**	**157 505**	**152 789**
Equity attributable to the owners of the company		157 505	152 789
Non-controlling interest		0	0
Non-current liabilities			
Borrowings	3.6.11	99 839	99 712
Provisions	3.6.13	1 330	428
Retirement benefit obligations	3.6.14	3 254	2 436
Deferred tax liabilities	3.6.18	8 396	8 034
Obligations under finance leases	3.6.12	7 034	8 990
Other amounts payable		3	3
TOTAL NON-CURRENT LIABILITIES		**119 856**	**119 603**
Current liabilities			
Trade and other payables	3.6.15	28 755	29 088
Borrowings	3.6.11	13 775	16 135
Provisions	3.6.13	572	916
Retirement benefit obligations	3.6.14	21	
Current income tax liabilities	3.6.15	1 219	1 390
Social debts	3.6.15	9 789	9 595
Other amounts payable	3.6.15	3 835	3 796
Obligations under finance leases	3.6.12	1 949	2 682
Derivatives fair value		15 653	6 537
Accrued charges and deferred income	3.6.15	2 177	2 297
TOTAL CURRENT LIABILITIES		**77 745**	**72 436**
Liabilities directly associated with assets from discontinued operations	3.6.16	67	2 492
TOTAL EQUITY AND LIABILITIES		**355 173**	**347 320**

2.2I CONSOLIDATED INCOME STATEMENT /FOR THE YEAR ENDED 31 DECEMBER 2014

2. 2. 1I By function /in thousands of euros

	NOTE	2014	2013
Net sales	3.5.1	326 558	322 973
Cost of sales	3.5.1	-252 859	-257 249
MANUFACTURING CONTRIBUTION		**73 699**	**65 724**
Sales and marketing expenses	3.5.1	-17 029	-17 136
Research and development expenses	3.5.1	-5 950	-5 703
Administrative expenses	3.5.1	-20 306	-21 688
Financial income		4 933	3 986
Financial charges		-8 910	-7 910
Other income	3.5.1	3 793	3 741
Other expenses	3.5.1	-1 490	-888
Non-recurring result (1)	3.5.1	-4 911	-234
PROFIT (LOSS) BEFORE TAXES		**23 829**	**19 892**
Income tax	3.5.2	-6 918	-5 187
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**16 911**	**14 705**
Profit (loss) for the period from discontinued operations	3.5.3.2	-415	-420
GROUP PROFIT (LOSS)		**16 496**	**14 284**
Group profit (loss) attributable to shareholders of Sioen Industries		16 496	14 284
Group profit (loss) attributable to non-controlling interest		0	0
EBIT FROM CONTINUING OPERATIONS		**27 806**	**23 816**
EBITDA FROM CONTINUING OPERATIONS		**48 761**	**40 825**
REBIT FROM CONTINUING OPERATIONS		**32 717**	**24 050**
REBITDA FROM CONTINUING OPERATIONS		**49 146**	**40 825**
NET CASH FLOW FROM CONTINUING OPERATIONS		**37 867**	**31 715**

Non-GAAP measures are explained under the section 'definitions', p 125.

(1) Non-recurring items relate to impairment losses, restructuring expenses, costs related to disposal of assets and start-up costs of new, significant investment projects until the product is ready to be sold at normal market conditions.

Earnings per share /in euro

		2014	2013
BASIC EARNINGS PER SHARE			
Net earnings for the period		**16 495 722**	**14 284 346**
Net earnings from continuing operations		16 911 138	14 704 753
Net earnings from discontinued operations		-415 416	-420 407
Weighted average ordinary shares outstanding		**19 825 903**	**20 143 541**
Ordinary shares per 01 January		19 825 903	20 456 805
Ordinary shares per 31 December		19 825 903	19 825 903
Basic earnings per share		**0.83**	**0.71**
Basic earnings per share from continuing operations		**0.85**	**0.73**

DILUTED EARNINGS PER SHARE			
Net earnings for the period		**16 495 722**	**14 284 346**
Net earnings from continuing operations		16 911 138	14 704 753
Net earnings from discontinued operations		-415 416	-420 407
Weighted average ordinary shares outstanding		**19 825 903**	**20 143 541**
Ordinary shares per 01 January		19 825 903	20 456 805
Ordinary shares per 31 December		19 825 903	19 825 903
Diluted earnings per share		**0.83**	**0.71**
Diluted earnings per share from continuing operations		**0.85**	**0.73**

2. 2. 2I By nature /in thousands of euros

	NOTE	2014	2013
Net sales		326 558	322 973
Changes in stocks and WIP (work in progress)		2 287	-14
Other operating income (2)		4 118	4 095
Raw materials and consumables used		-165 643	-165 058
GROSS MARGIN		**49.98%**	**48.89%**
Services and other goods		-46 958	-47 595
Remuneration, social security and pensions		-67 448	-69 661
Depreciations		-16 470	-16 493
Write off inventories and receivables		584	-201
Other operating charges (3)		-4 311	-3 997
Non-recurring result (1)		-4 911	-234
OPERATING RESULT		**27 806**	**23 816**
Financial result		-3 977	-3 924
Financial income		4 933	3 986
Financial charges		-8 910	-7 910
PROFIT (LOSS) BEFORE TAXES		**23 829**	**19 892**
Income tax	3.5.2	-6 918	-5 187
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**16 911**	**14 705**
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REBITDA FROM CONTINUING OPERATIONS		**49 146**	**40 825**
NET CASH FLOW FROM CONTINUING OPERATIONS		**37 867**	**31 715**

Non-GAAP measures are explained under the section 'definitions', p 125.

(1) Non-recurring items relate to impairment losses, restructuring expenses, costs related to disposal of assets and start-up costs of new, significant investment projects until the product is ready to be sold at normal market conditions.

(2) Other operating income mainly consists of rental income for buildings, transport recharges, received indemnities, R&D subventions and gain on sale of assets. In the consolidated income statement by function (2.2.1), transport recharges are not included in 'Other income' but spread by function.

(3) Cover a number of general expenses, mostly non-profit related taxes such as property tax, 'taxe professionelle' in France and similar. In the consolidated income statement by function (2.2.1), taxes on tangible assets are not included in 'Other expenses' but spread by function.

2. 2. 3I Consolidated statement of total comprehensive income /in thousands of euros

	NOTE	2014	2013
GROUP PROFIT (LOSS)	**2.2.1**	**16 496**	**14 284**
Exchange differences on translating foreign operations			
Exchange difference arising during the period	2.4	1 456	-413
Cash flow hedges			
Gains (losses) arising during the year	2.4	-9 644	2 020
Income tax	2.4	3 278	-686
Net other comprehensive income (loss) potentially to be reclassified to profit or loss in subsequent periods		***-4 910***	***921***
Revaluation surplus			
Revaluation surplus arising during the period	2.4		76
Remeasurement of defined benefit obligation			
Gains (losses) arising during the period	2.4	-465	656
Income tax	2.4	132	-172
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		***-332***	***560***
Other comprehensive income (loss) after tax impact		**-5 242**	**1 481**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**2.4**	**11 253**	**15 765**

Attributable to shareholders of Sioen Industries		11 253	15 765
Attributable to non-controlling interests		0	0

2. 3I CONSOLIDATED STATEMENT OF CASH FLOWS /FOR THE YEAR ENDED 31DECEMBER 2014 / IN THOUSANDS OF EUROS

	NOTE	2014	2013
GROUP PROFIT (LOSS)	**2.2.1**	**16 496**	**14 284**
Income tax [1]		7 303	5 499
Financial charges [1]		8 910	7 911
Financial income [1]		-4 933	-3 989
OPERATING RESULT[1]		**27 776**	**23 705**
Depreciation and amortisation of non-current assets		20 920	16 493
Write off inventories and receivables		-584	-119
Provisions		532	485
Movements in working capital:			
Inventories		-940	-523
Trade receivables		1 417	433
Other long term assets, other receivables & deferred charges and accrued income		745	601
Trade and other payables		-333	121
Current income tax liabilities, social debts, other amounts payable & accrued charges and deferred income		-59	-319
Amounts written off inventories and receivables		638	569
Cash flow from operating activities		*50 112*	*41 446*
Income taxes paid		-5 336	-3 080
NET CASH FLOW FROM OPERATING ACTIVITIES		**44 776**	**38 366**

(1) Including discontinued operations

	NOTE	2014	2013
Interest received		1 133	1 094
Other financial assets (deposits)		-10 000	-13 385
Acquisitions/sale of subsidiaries		-1 900	-3 023
Investments in intangible and tangible fixed assets		-8 280	-4 577
Disposal and sale of intangible and tangible fixed assets		490	477
Increase in capital grants			991
NET CASH FLOW FROM INVESTING ACTIVITIES		**-18 557**	**-18 423**
Net cash flow before financing activities		*26 219*	*19 943*
Purchase of treasury shares			-4 586
Interest paid		-5 968	-5 928
Disbursed dividend		-6 683	-6 506
Increase/(decrease) short term borrowings		-2 361	-5 888
Increase/(decrease) obligations under finance leases		-2 691	-2 782
Other		589	-354
Currency result		229	-235
NET CASH FLOW FROM FINANCING ACTIVITIES		**-16 885**	**-26 279**
Impact of cumulative translation adjustments and hedging		1 456	-413
CHANGE IN CASH AND CASH EQUIVALENTS		**10 790**	**-6 749**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**40 660**	**47 409**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**2.1**	**51 450**	**40 660**

2. 4I CONSOLIDATED STATEMENT OF CHANGES IN EQUITY /FOR THE YEAR ENDED 31 DECEMBER 2014/ IN THOUSANDS OF EUROS

			OTHER RESERVES								
	SHARE CAPITAL	RESERVES	FOREIGN CURRENCY TRANSLATION RESERVE	REVALUATION SURPLUS	PENSION RESERVES	TREASURY SHARES	HEDGING RESERVES	EQUITY BEFORE NON-CONTROLLING INTEREST	NON-CONTROLLING INTEREST	EQUITY	NOTE
BALANCE AT 1 JANUARY 2014	**46 000**	**114 076**	**-298**	**76**	**9**	**-3 972**	**-3 102**	**152 789**		**152 789**	**2.1**
Group profit (loss)		16 496						16 496		16 496	2.2.1
Hedging							-9 644	-9 644		-9 644	2.2.3
Currency translation adjustments			1 456					1 456		1 456	2.2.3
Remeasurement of defined benefit obligation					-465			-465		-465	2.2.3
Revaluation surplus											
Deferred tax					132		3 278	3 410		3 410	2.2.3
Total comprehensive income for the period		**16 496**	**1 456**		**-332**		**-6 366**	**11 253**		**11 253**	**2.2.3**
Payment of dividends		-6 543						-6 543		-6 543	
Purchase of treasury shares											
Adjustments linked to treasury shares						5		5		5	
Elimination of treasury shares purchased		-3 967				3 967					
BALANCE AT 31 DECEMBER 2014	**46 000**	**120 062**	**1 159**	**76**	**-324**		**-9 468**	**157 505**		**157 505**	**2.1**

	SHARE CAPITAL	RESERVES	OTHER RESERVES: FOREIGN CURRENCY TRANSLATION RESERVE	OTHER RESERVES: REVALUATION SURPLUS	OTHER RESERVES: PENSION RESERVES	OTHER RESERVES: TREASURY SHARES	OTHER RESERVES: HEDGING RESERVES	EQUITY BEFORE NON-CONTROLLING INTEREST	NON-CONTROLLING INTEREST	EQUITY	NOTE
BALANCE AT 1 JANUARY 2013 RESTATED(1)	**46 000**	**112 493**	**116**		**-475**	**-5 751**	**-4 436**	**147 947**		**147 947**	
Group profit (loss)		14 284						14 284		14 284	2.2.1
Hedging							2 020	2 020		2 020	2.2.3
Currency translation adjustments			-413					-413		-413	2.2.3
Remeasurement of defined benefit obligation					656			656		656	2.2.3
Revaluation surplus				76				76		76	2.2.3
Deferred tax					-172		-686	-858		-858	2.2.3
Total comprehensive income for the period		**14 284**	**-413**	**76**	**484**		**1 334**	**15 765**		**15 765**	**2.2.3**
Payment of dividends		-6 342						-6 342		-6 342	
Purchase of treasury shares						-4 581		-4581		-4 581	
Adjustments linked to treasury shares											
Elimination of treasury shares purchased		-6 361				6 361					
BALANCE AT 31 DECEMBER 2013	**46 000**	**114 076**	**-298**	**76**	**9**	**-3 972**	**-3 102**	**152 789**		**152 789**	**2.1**

(1) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-revised.

3I NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS/ FOR THE YEAR ENDED 31 DECEMBER 2014

3. 1I APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2014, all of which were endorsed by the European Union.

Standards and interpretations applicable for the annual period beginning on 1 January 2014

- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 *Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014)

The mandatory application of all amendments to or improvements of standards and interpretations listed above did not give rise to any major effects on the Group's financial position and financial performance.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2014

- IFRS 9 *Financial Instruments and subsequent amendments* (applicable for annual periods beginning on or after 1 January 2018 but not yet endorsed in the EU)
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in EU)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IAS 19 *Employee Benefits - Employee Contributions* (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU)

- Amendments to IAS 27 *Separate Financial Statements - Equity Method* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)

- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 17 June 2014)

Based on its current assessment, the Group believes that the impact of IFRIC 21 will be that several levies will no longer be allowed to be spread over the calendar year, as the obligating event occurs at a specific point in time and after which the Group can no longer avoid the outflow of economic benefit by its own actions. This might impact the Group's financials in 2015.

It is expected that the other standards and interpretations, not yet applicable, will have no significant impact on the Group's consolidated financial result or position.

3. 2I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. 2. 1I Statement of compliance

The consolidated financial statements are drawn up in conformity with the International Financial Reporting Standards (IFRSs), as accepted within the European Union.

3. 2. 2I Basis of preparation

The consolidated annual financial statements of Sioen Industries NV (the 'Company') include the annual financial statements of the Company and its subsidiaries (together referred to below as the 'Group').

The consolidated annual financial statements give a general overview of the Group's activities and the results obtained. They give an accurate picture of the entity's financial position, financial performance and cash flow, and are drawn up on a going concern basis.

The annual financial statements are stated in thousands of euros, unless stated otherwise, as the euro is the currency of the primary economic environment in which the Group is active. The annual financial statements of foreign participations are converted in accordance with the principles described in the section 'Foreign currencies'.

The consolidated financial statements are presented on the basis of the historical cost method, unless otherwise stipulated in the accounting principles set out below.

3. 2. 3I Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. The companies in question are accounted for by the full consolidation method. All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity herein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquired identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Subsidiaries' annual financial statements are drawn up for the same financial year as those of the parent company and on the basis of uniform financial reporting principles for comparable transactions and other events in similar circumstances.

Foreign currencies

On the basis of the Group's relevant economic environment and its transactions, the euro has been chosen as the reporting currency. Foreign subsidiaries' financial statements are converted as follows: transactions in foreign currencies are converted at the exchange rate which is applicable on the date of the transaction. On each balance sheet date, cash assets and liabilities expressed in foreign currency are converted at the closing rate. Non-cash assets and liabilities which are shown at their fair value in a foreign currency are converted at the exchange rate which is applicable when their fair value was determined.

Gains and losses arising from such conversions are recorded in the income statement. However, if they are deferred (e.g. exchange rate differences related to long term intercompany loans), they are recorded as equity. Assets and liabilities from the Group's foreign activities are converted at the closing rate.

Income and expenses are converted at the average exchange rate over the period, unless exchange rates have fluctuated significantly. The resultant exchange rate differences are recorded in equity, under the heading 'CTA or Conversion differences'.

If a foreign activity is disposed of, the cumulative amount of the exchange rate differences that was recognized in equity, is recorded in the income statement.

Goodwill and adjustments to the fair value arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted at the closing rate.

Business combinations

If the Group takes over an entity or business activity, the identifiable assets, liabilities and contingent liabilities of the party which has been taken over are adopted at their fair value. Subsidiaries' financial statements are included in the scope of consolidation from the date of acquisition until control ceases. The difference between the cost price and the acquiring party's stake in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. If this difference is negative, the surplus, after reassessment of the fair values, is accounted for directly in the income statement.

If the Group increases its interest in an investment in which it did not yet have control, the surplus or deficit compared with the net asset, after adjustment to the fair value that was acquired, is processed as if it were a new acquisition according to the methodology explained in the section above. If the Group increases its interest in an investment in which it already had control, the greater or lesser price that was paid vis-à-vis the share in the net assets that was acquired, is included directly in the company's own equity.

3. 2. 4I Balance sheet

Intangible assets

Intangible assets are valued at cost price. Intangible assets are recognized if it is likely that the Group will receive the associated future economic benefits and if the asset's cost price can be reliably determined. After their initial recognition in the accounts, all intangible assets are valued at cost price, less any accumulated depreciation or impairments. Intangible assets are depreciated on a straight-line basis over the best estimate of their economic life.

The remaining economic life and the depreciation method used are reassessed at the close of every financial year. Any change in the economic life of an intangible asset is treated as a revaluation.

Internally generated intangible assets are only recognized if all the following conditions are satisfied:
- an identifiable asset has been generated;
- it is likely that the generated asset will yield future economic benefits and
- the asset's cost price can be reliably determined.

Subsequent expenditure on capitalized intangible assets is only included in the balance sheet if it increases the likely future economic benefits associated with the asset concerned. All other expenditure is recorded in the income statement at the time it is incurred.

Licences, patents and similar rights

Expenditure on purchased licences, patents, trademarks and similar rights is capitalized and depreciated on a straight-line basis over the contractual term, where applicable, or over the estimate economic life, which is deemed to be no more than five years.

Computer software

Expenditure relating to the development or maintenance of computer software is normally offset against the result of the period in which it is incurred. Only external expenditure which is directly related to the purchase and implementation of purchased software is recorded as an intangible asset and depreciated on a straight-line basis over three years. Purchased ERP software and the associated implementation costs are depreciated on a straight-line basis over seven years.

Research and development

Research expenditure with a view to the acquisition of new scientific or technological insights or knowledge is included as a cost in the income statement as it arises. Development expenditure in which research results are used in a plan or design for the production of new or substantially improved products and processes prior to commercial production or implementation is only recognized in the balance sheet if all the following conditions are satisfied:

- the product or process is precisely defined and the expenditure is individually identifiable and reliably measurable;
- the product's technical feasibility has been sufficiently demonstrated;
- the product or process will be commercialized or used within the company;
- the assets will generate future economic benefits (e.g. a potential market exists for the product or its internal usefulness has been sufficiently proven);
- the appropriate technical, financial and other resources are available to finalize the project.

If the above criteria are not satisfied, the development costs are taken to the income statement as they arise. Capitalized development costs are depreciated on a straight-line basis over the expected duration of the generated benefits from the start of commercial production or the implementation of the product or process.

Goodwill

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss. Goodwill is recorded as an asset and subjected to an impairment test at least once a year. Any impairment loss is immediately recorded in the profit and loss account and is not subsequently written back. Negative goodwill represents the amount by which the fair value of the Group's interest in the acquired assets and liabilities at the time of acquisition exceeds the price paid. On the disposal of a subsidiary, associated undertaking or entity over which joint control is exercised, the related goodwill is included in the calculation of the gain or loss on disposal.

Property, plant and equipment

Tangible assets are valued at cost price less accumulated depreciation and impairments. A tangible asset is recognized if it is likely that the Group will receive the associated future economic benefits and if the asset's cost price can be reliably determined.

The cost price includes all direct costs and all directly attributable costs incurred in order to bring the asset to the location and condition necessary for it to function in the intended way.

Subsequent expenditure associated with a tangible asset is usually recorded in the income statement as it is incurred. Such expenditure is only capitalized if it can be clearly shown to result in an increase in the expected future economic benefits from the use of the tangible asset compared with the original estimate. Repair and maintenance costs which do not increase the likely future economic benefits are recorded as costs as they are incurred.

The different categories of tangible assets are depreciated by the straight-line method over their estimated economic life. Depreciation commences once the assets are ready for their intended use.

The estimated economic life of the main tangible assets lies within the following ranges:

Buildings	20 years
Machines	5 to 15 years
Equipment	10 years
Furniture	5 years
Hardware	5 years
Vehicles	5 years

If an asset's book value is lower than the estimated realizable value, it is immediately written down to the realizable value.

The gain or loss on the sale or disposal of an asset is determined as the difference between the net income on disposal and the asset's book value. This difference is recorded in the income statement.

Impairment of tangible and intangible assets
As goodwill, which is subjected to an impairment test every year, intangible assets and tangible assets also are subject to an evaluation when there is an indication that their book value may be lower than their realizable value. If an asset does not generate a cash inflow which is independent of other assets, the Group estimates the realizable value of the division to which the asset belongs.

The realizable value is the highest value of the fair value minus sales costs and the value to the business.

The method of the going concern value uses cash flow forecasts based on the financial budget that is approved by the management. Cash flows after this period are extrapolated by making use of the most justified percentage growth over the long term for the sector in which the division is active. The management bases its assumptions (prices, volumes, return) on past performances and on its expectations with regard to the development of the market. The weighted average growth percentages are in conformity with the forecasts included in the sector reports. The discount rate used is the estimated weighted average equity cost of the Group before taxes, and takes account of the current market evaluations of the time value of money and the risks for which the future cash flows are adapted.

If the realizable value of an asset (or division) is estimated to be lower than its book value, the asset's (or division's) book value is reduced to its realizable value. An impairment loss is immediately recorded in the income statement.

If an impairment loss is subsequently written back, the asset's (or division's) book value is increased to the revised estimate of its realizable value, but only to the extent that the increased book value is no higher than the book value that would have been recorded if no impairment loss had been recorded for the asset (or division) in previous years. However, impairment losses on goodwill are never written back.

Borrowing costs
The borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred. In 2014 capitalized no borrowing costs were capitalized.

Lease agreements
Financial leasing
Lease agreements which assign to the Group all the main risks and benefits associated with ownership are regarded as financial leasing. The assets acquired under financial leasing arrangements are stated in the balance sheet at their fair value at the start of the lease agreement, or, if this is lower, at the present value of the minimum lease payments, less accumulated depreciation and impairments. The discount rate used in the calculation of the present value of the minimum lease payments is the interest rate implicit in the lease agreement, where this can be determined, or otherwise the company's marginal borrowing rate. Initial direct costs are included in the capitalized amount. Lease payments are broken down into interest charges and repayments of the principal. The interest charges are spread over the duration of the lease agreement such that a constant periodic interest rate is obtained on the outstanding balance for each period. A financial lease agreement results in the recording of

both a depreciation amount and an interest charge in each period. The depreciation rules for assets acquired under financial leasing arrangements are consistent with those for assets over which full ownership is acquired.

Operational leasing
Lease agreements in which all the main risks and benefits associated with ownership reside with the lessor are regarded as operational leasing. In operational leasing, the lease payments are recorded as costs and spread on a straight-line basis over the lease period. The total value of discounts or benefits granted by the lessor is offset against the leasing costs and spread on a straight-line basis over the lease period.

Investment property
A property investment, i.e. one which is maintained in order to generate rental income, an appreciation of value or both, is shown at amortized cost on the balance sheet date.

Financial investments
Investments are recorded in/removed from the accounts on the transaction date, i.e. the date on which an entity undertakes to buy or sell the asset in question. Financial investments are valued at the fair value of the price paid, plus the transaction costs.

Investments held for trading or available for sale are recorded at their fair value. If investments are maintained for trading purposes, the gains and losses arising from changes in the fair value are taken to the profit and loss account for the period in question. In the case of investments which are available for sale, gains and losses arising from changes in the fair value are immediately recognized in equity until the financial asset is sold or subject to impairment.

In this case, the cumulative gain or loss which had previously been recognized in equity is included in the income statement for the period. Participations which are classified as available for sale, which are not listed on an active market and whose fair value cannot reliably be determined using alternative valuation rules are valued at cost price. Financial investments which are held until they mature are valued at their amortized cost price, using the effective interest method.

Investment grants
Investment grants relating to the purchase of tangible fixed assets are offset against the purchase price or manufacturing cost of the assets in question.

The expected amount is recorded in the balance sheet at the time of initial approval, and, if necessary, corrected subsequently at the time of definitive allocation of the grant. The grant is recorded in the income statement in proportion with the depreciation of the tangible assets for which it was obtained.

Inventories
Inventories are valued at the lower of cost price or realizable value. The cost price includes all direct and indirect costs incurred to bring the goods to the stage of completion they have reached on the balance sheet date. The cost price is calculated using the weighted average cost price method. The realizable value is the estimated sale price minus the estimated finishing costs and costs associated with marketing, sale and distribution.

Receivables
Short-term receivables are stated at nominal value, less suitable provisions for any receivables regarded as doubtful. Long-term receivables are valued at amortized cost price.

Cash and cash equivalents
Cash and short-term investments which are maintained until the end of the period are stated at their cost price. Cash equivalents are short-term, extremely liquid investments which can be converted immediately into cash of a known amount, and which do not carry any material risk of change of value.

Financial liabilities and equity instruments
Financial liabilities and equity instruments are classified on the basis of the economic reality of the contractual agreement. An equity instrument is a contract which includes the residual right to a share in the Group's assets, after the deduction of all liabilities. Equity instruments issued by the Company are recorded to the amount of the received consideration, less the direct costs of issue.

Income tax
Income tax expense represents the sum of the tax due for the reporting period and deferred taxes. The tax due for the reporting period is based on the taxable profit for the period. Taxable profit differs from the net profit in the income statement, because it excludes certain items of

income or expenditure which are taxable or deductible in subsequent years, or which will never be taxable or deductible. The current tax liability is calculated on the basis of the tax rates for which the legislative process has been (substantially) completed by the balance sheet date.

Deferred taxes are taxes which are expected to be paid or recovered on the basis of differences between the book value of assets or liabilities in the annual accounts and their taxable value used for the calculation of the taxable profit. They are accounted for using the balance sheet liability method. Deferred tax liabilities are usually recognized for all taxable temporary differences and deferred tax receivables are recognized to the extent that it is likely that a taxable profit will be available against which the recoverable temporary difference can be offset. Such assets and liabilities are not recorded if the temporary differences arise from goodwill or from the initial recognition (other than in connection with a business combination) of other assets and liabilities in a transaction which has no effect on the taxable profit or the profit before tax.

Deferred tax liabilities are recognized for taxable temporary differences which relate to investments in subsidiaries, associated undertakings and enterprises accounted for by the equity method unless the Group can determine the time when the temporary difference will be resolved or if it is likely that the temporary difference will not be resolved in the near future. The book value of deferred tax receivable is assessed at every balance sheet date and reduced if it is no longer likely that sufficient taxable profit will be available to make it possible to use all or some of the benefit of the deferred tax receivable.

Deferred taxes are valued on the basis of the tax rates which are expected to apply in the period in which the tax recovery is realized or the liability is settled. Deferred taxes are recorded as income or expenses in the income statement for the period, unless the taxation arises from a transaction or event that has been directly included in equity. In this case, the deferred tax is also accounted for in equity.

Retirement benefit obligation

In accordance with laws and practices of each country, associated entities have either defined benefit plans or defined contribution plans.

Defined contribution plans

Contributions to defined contribution plans are recorded as an expense as they fall due.

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return. Hence, those plans classify as defined benefit plans. The IASB recognized that the accounting for such so-called “contribution-based plans” in accordance with the currently applicable defined benefit methodology is problematic. Considering as well the uncertainty with respect to the future evolution of the minimum guaranteed rates of return in Belgium, the company adopted a retrospective approach whereby the net liability recognized in the statement of financial position is based on the sum of the positive differences, determined by individual plan participant, between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date (i.e. the net liability is based on the deficit measured at intrinsic value, if any).

Defined benefit plans

In defined benefit plans, the amount on the balance sheet (the ‘net liability’) corresponds to the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in the income statement at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

Provisions

Provisions are established in the balance sheet if the Group has a legally enforceable or de facto liability on the balance sheet date as a result of an event in the past, for which it is likely that an outlay will be required of resources which contain economic benefits, and if this outlay can be reliably estimated.

The amount recorded as a provision is the best estimate on the balance sheet date of the outlay required to satisfy the existing liability, if necessary discounted if the time value of money is relevant.

Provisions for reorganisation costs are recorded if the Group has a detailed formal plan for the reorganisation that has already been communicated to the parties concerned before the balance sheet date.

Interest-bearing financing

Interest-bearing financing is recorded at the value of the income received less transaction costs incurred. It is then valued at amortized cost price using the effective interest rate method. Any difference between the income (after deduction of transaction costs) and the redemption value (including premiums payable on redemption) is recorded in the income statement over the period of the financing.

Trading accounts payable and other payables

Non-interest-bearing trade liabilities are valued at their cost price, which represents the fair value of the amount payable.

Derivative financial instruments

The Group uses various derivatives to hedge against currency risks arising from its operating activities, financing and investment activities. The net risk of all Group subsidiaries is managed centrally in line with the objectives and rules established by the Group management. It is the Group's policy to avoid engaging in speculative transactions or transactions with a leverage effect and not to engage in trading in financial instruments under any circumstances.

Derivative financial instruments are treated as follows:

Cash flow hedging

Changes in the fair value of derivative financial instruments which are ascertained to provide effective hedging for future cash flows are recorded directly in equity, while the non-effective element of the gain or loss on the hedging instrument is recorded in the profit and loss account. If the cash flow hedging of a fixed commitment or a highly likely future transaction results in the recognition of a non-financial asset or liability, then the associated profits and losses on the derivative instrument which were formerly recorded in equity are now included in the initial valuation of the non-financial asset or liability at the time of recognition. For hedges which do not result in the recognition of a non-financial asset or liability, amounts which were deferred in equity are recorded in the profit and loss account for the period during which the hedged item affects the gain or loss.

Fair value hedging

A derivative instrument is recorded as a fair value hedge if the instrument hedges against the risk that the fair value of the recorded assets and liabilities may change. Derivatives accounted for as fair value hedges and hedged assets and liabilities are recorded at their fair value. The corresponding changes in the fair value are recorded in the income statement.

Non-hedging derivatives

Changes in the fair value of derivative financial instruments which do not qualify as hedging transactions are recorded in the income statement when they arise. Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated or exercised or when the hedging no longer satisfies the criteria for hedge accounting. In this case the cumulative gain or loss on the hedging instrument which is accounted for directly in equity continues to be recorded separately in equity until the expected future transaction takes place. If an expected future transaction is not expected to take place any more, the cumulative gain or loss shown in the equity is transferred to the income statement for the period.

Revenue

Revenue is recorded if it is likely that the company will receive the economic benefits associated with the transaction and the amount of the revenue can be measured reliably. Turnover is recorded after the deduction of turnover tax and discounts. Revenue from the sale of goods is recorded when the delivery and the complete transfer of risks and benefits have taken place. Interest revenue is recorded on a time basis that reflects the actual return on the asset. Royalties are included on an accrual basis in accordance with the conditions of the agreement. Dividends are recorded when the shareholder's right to receive them has arisen.

3. 2. 5I Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment analysis 2014

In order to provide the stakeholders with in-depth knowledge as to the financial strength of the Group, we assessed the recoverable amount of assets (goodwill, property, plant and equipment, intangible assets and working capital) for each of the cash-generating units (see also 3.3. Segment information). Actual cash flows may differ from the estimated cash flows in case key assumptions vary from the estimates.

Key assumptions impairment analysis 2014

The recoverable amount of our global business has been determined on the basis of a value-in-use approach. Calculations of the value in use cover a five-year period. Cash flow estimates are based on strategic plans in line with the current operational structure, which are approved by management, as well as on assumptions used in the strategic plans on the long-term development of the business environment. Estimates on future growth rates, market positions and profitability levels are the most important key assumptions. Price development of a single cost item has no material impact whereas the estimated development of total costs affects the profitability level, which is one of the key assumptions. Capital expenditure is estimated to be comprised of normal replacements. The terminal growth rate used in the calculations is based on the management's assessment on long term growth. Growth rate for 2015 is estimated at 4.2%. Future growth rate (<5 years), starting from 2015, varies between 4% and 6% based on detailed forecasts, and the terminal growth rate (> 5 years) are estimated at 2%, based on analyst forecasts and historical rates.

The post tax discount rate applied to the cash flow is based on the Group's weighted average cost of capital, in view of the business risks and is estimated at 7.4% for the coating division, 8.2% for the apparel division and 7.8% for the chemicals division. Estimates on long-term growth, development of profitability level and post tax discount rate were key assumptions used in impairment testing of divisions with significant carrying amounts of assets.

Key assumptions impairment analysis 2013

We can refer to the key assumptions used for impairment analysis 2014 as described above. The key assumptions used were the same, except for the future and terminal growth rate which were estimated at 3%.

The amount by which the division's recoverable amount exceeds its carrying amount has been assessed as follows:

0-20% exceeds moderately
20-50% exceeds clearly
Over 50% exceeds significantly

2014	CARRYING AMOUNT IN RELATION TO RECOVERABLE AMOUNT OF CASH GENERATING UNITS WITH SIGNIFICANT CARRYING AMOUNTS OF ASSETS	RECOVERABLE AMOUNT EXCEEDING CARRYING AMOUNT OF CASH GENERATING UNITS WITH SIGNIFICANT CARRYING AMOUNTS OF ASSETS (000 EUR)
Coating division	exceeds significantly	99 761
Apparel division	exceeds significantly	39 780
Chemicals division	exceeds significantly	55 367

2013	CARRYING AMOUNT IN RELATION TO RECOVERABLE AMOUNT OF CASH GENERATING UNITS WITH SIGNIFICANT CARRYING AMOUNTS OF ASSETS	RECOVERABLE AMOUNT EXCEEDING CARRYING AMOUNT OF CASH GENERATING UNITS WITH SIGNIFICANT CARRYING AMOUNTS OF ASSETS (000 EUR)
Coating division	exceeds clearly	65 695
Apparel division	exceeds significantly	52 001
Chemicals division	exceeds significantly	27 279

Sensitivities

The Group's impairment review is sensitive to a change in key assumptions used, notably the discount rates and the perpetuity rates. Below an overview of the Group's sensitivity analysis is given.

2014	EXCESS DISCOUNTED CASH FLOW (DCF) VERSUS CARRYING VALUE (%)	CHANGE IN EXCESS RECOVERABLE AMOUNT IF EBIT IN RESIDUAL VALUE DECREASES WITH 1%	CHANGE IN EXCESS RECOVERABLE AMOUNT IF DISCOUNT RATE INCREASES WITH 1%	CHANGE IN EXCESS RECOVERABLE AMOUNT IF DISCOUNT RATE DECREASES WITH 1%	CHANGE IN EXCESS RECOVERABLE AMOUNT IF LONG TERM GROWTH RATE DECREASES WITH 1%
Coating division	76.7%	-3.4%	-36.1%	52.5%	-29.4%
Apparel division	73.4%	-4.0%	-32.6%	45.2%	-25.8%
Chemicals division	241.7%	-2.2%	-21.6%	30.6%	-17.4%

2013	EXCESS DISCOUNTED CASH FLOW (DCF) VERSUS CARRYING VALUE (%)	CHANGE IN EXCESS RECOVERABLE AMOUNT IF EBIT IN RESIDUAL VALUE DECREASES WITH 1%	CHANGE IN EXCESS RECOVERABLE AMOUNT IF DISCOUNT RATE INCREASES WITH 1%	CHANGE IN EXCESS RECOVERABLE AMOUNT IF DISCOUNT RATE DECREASES WITH 1%	CHANGE IN EXCESS RECOVERABLE AMOUNT IF LONG TERM GROWTH RATE DECREASES WITH 1%
Coating division	47.5%	-4.8%	-56.8%	90.2%	-48.0%
Apparel division	102.8%	-3.5%	-32.6%	48.2%	-26.9%
Chemicals division	106.5%	-2.9%	-33.6%	51.3%	-28.0%

3. 3I SEGMENT INFORMATION

3. 3. 1I Adoption of IFRS 8 operating segments

/in thousands of euros

The Group has adopted IFRS 8 operating segments with effect from 1 January 2009.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

Cash generating units

For the purposes of management reporting to the chief operating decision maker, the Group is organized into three reportable operating divisions - coating, apparel and chemicals. The principal products and services of each of these operating divisions are described in the first part of this annual report.

Financial information for each operating division is also available in a disaggregated form in line with the identified cash generating units.

The Group's three principal activities, basis for the identification of the cash generating units, are:

- the production of a wide variety of technical textiles, coated with various polymers and marketed in different markets. The **coating operations** are fully integrated and interdependent. The main area of activity within this division, with a centralized R&D, marketing and sales department, is the polymer know how. This approach allows the coating division to explore different end-user markets with a wide variety of products.

- the production of technical protective clothing. With a central R&D, sales and marketing department, the main area of activity of the **apparel division** is the innovation and production of high-quality technical protective clothing that meets all European standards. This operating division is active in various sectors (industry, leisure wear, specialized markets) were attention to safety is a priority.

- the processing of basic raw materials into high quality technical semi-finished products. An intensive cooperation of central R&D and sales department, within the **chemicals division**, is the key driver for the development of high quality pigment pastes, decorative inks, varnishes and inks for digital printing for various markets.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

YEAR ENDED 31 DECEMBER 2014	COATING	APPAREL	CHEMICALS	OTHER	TOTAL FROM CONTINUING OPERATIONS	NOTE
Revenue from external customers	182 072	105 314	39 173	-1	**326 558**	**2.2.1**
Intersegment revenues	5 161	2	8 451			
Segment operating profit	14 542	12 040	4 256	-39	**30 799**	
YEAR ENDED 31 DECEMBER 2013						
Revenue from external customers	185 303	98 540	39 118	12	**322 973**	**2.2.1**
Intersegment revenues	5 380	10	7 936			
Segment operating profit	14 534	8 764	3 416	-15	**26 699**	

Intersegment sales are undertaken at prevailing market conditions.

	NOTE	2014	2013
SEGMENT OPERATING PROFIT		**30 799**	**26 699**
Reconciling items:			
Elimination of intersegment profits		-2 993	-2 883
OPERATING RESULT	**2.2.2**	**27 806**	**23 816**
Financial charges	2.2.2	-8 910	-7 910
Financial income	2.2.2	4 933	3 986
PROFIT (LOSS) BEFORE TAX	**2.2.2**	**23 829**	**19 892**

3. 3.1I Adoption of ifrs 8 operating segments (continued) /in thousands of euros

Segment assets and liabilities

	COATING	APPAREL	CHEMICALS	OTHER	RELATING TO DISCONTI-NUED OPERATIONS	UNALLO-CATED/ ELIMINA-TIONS	TOTAL	NOTE
YEAR ENDED 31 DECEMBER 2014								
Segment assets	224 867	99 675	32 495	10 395		-12 259	**355 173**	2.1
Segment liabilities	174 720	82 563	27 220	8 527		11 542	**304 573**	
YEAR ENDED 31 DECEMBER 2013								
Segment assets	224 163	92 645	31 497	12 151	647	-13 785	**347 320**	2.1
Segment liabilities	204 980	79 573	28 464	12 889	2 492	-31 678	**296 720**	

The segment liabilities, including the centrally contracted financial debt, have been allocated according the capital employed by the segment. The assets and liabilities of the head office (Group) have been allocated to the segments as far as possible. Unallocated assets or liabilities are head office assets/liabilities or discontinued business assets/ liabilities that cannot be allocated to the segments.

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10% or more of the total Group revenues. We refer to note 3.6.9. Trade receivables.

Other segment information

	COATING	APPAREL	CHEMICALS	OTHER	HEAD OFFICE	TOTAL	NOTE
YEAR ENDED 31 DECEMBER 2014							
Depreciations and amortisation	11 342	1 590	2 079	239	1 220	**16 470**	2.2.2
Additions to non-current assets	4 503	1 216	683	18	1 818	**8 238**	
YEAR ENDED 31 DECEMBER 2013							
Depreciations and amortisation	11 515	1 385	2 111	243	1 239	**16 493**	2.2.2
Additions to non-current assets	2 938	3 228	376	225	414	**7 181**	

3. 3. 2I Geographical information /in thousands of euros

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below. The non-current assets are excluding long term trade receivables, other long term assets and deferred tax assets.

2014	NOTE	GROSS SALES		NON-CURRENT ASSETS	CAPITAL EXPENDITURE
France		61 058	18.6%	8 506	933
Germany		54 528	16.6%		
Eastern Europe		41 603	12.7%	2 557	615
The Netherlands		36 699	11.2%	6 385	24
Belgium		31 863	9.7%	87 777	6 343
UK		24 085	7.3%	11	
Italy		12 834	3.9%		
Austria		9 415	2.9%		
Spain		7 664	2.3%		
Scandinavia		7 323	2.2%		
Switzerland		6 196	1.9%		
China		5 303	1.6%	43	
Hong Kong		4 722	1.4%		
Portugal		4 335	1.3%	349	81
Ireland		3 394	1.0%	91	
Other		17 540	5.3%	4 811	242
SUBTOTAL		**328 562**	**100.0%**	**110 530**	**8 238**

Discounts		2 004
NET SALES	**2.2.1**	**326 558**

2013	NOTE	GROSS SALES		NON-CURRENT ASSETS	CAPITAL EXPENDITURE
France		60 241	18.5%	9 224	240
Germany		58 717	18.1%		
Eastern Europe		43 517	13.4%	2 320	506
The Netherlands		26 643	8.2%	6 597	2 360
Belgium		32 862	10.1%	99 454	3 702
UK		21 933	6.7%	101	
Italy		12 678	3.9%		
Austria		8 622	2.7%		
Spain		7 412	2.3%		
Scandinavia		7 489	2.3%		
Switzerland		7 190	2.2%		
China		5 079	1.6%	46	36
Hong Kong		7 810	2.4%		
Portugal		3 743	1.2%	293	8
Ireland		3 344	1.0%	125	9
Other		17 716	5.5%	5 138	320
SUBTOTAL		**324 996**	**100.0%**	**123 298**	**7 181**

Discounts		2 023
NET SALES	**2.2.1**	**322 973**

3. 41 EXCHANGE RATES

CODE	RATE	2014	2013
EUR	average	1.0000	1.0000
	closing	1.0000	1.0000
USD	average	1.3211	1.3318
	closing	1.2141	1.3791
GBP	average	0.8031	0.8505
	closing	0.7789	0.8337
RMB	average	8.1539	8.1793
	closing	7.5358	8.3493
PLN	average	4.1939	4.2135
	closing	4.2731	4.1544
TDN	average	2.2496	2.1666
	closing	2.2622	2.2663
UAH	average	16.0927	10.8578
	closing	19.1424	11.3623

3. 5I DETAILED CONSOLIDATED INCOME STATEMENT

3. 5. 1I By function /in thousands of euros

	NOTE	2014	2013
Net sales			
Sales of goods		331 754	328 277
Subcontracting		207	212
Commissions and discounts		-5 403	-5 516
NET SALES	**2.2.1**	**326 558**	**322 973**
Cost of sales			
Purchases		-158 354	-161 444
Transport cost goods purchased		-1 725	-1 770
Stock variation		526	657
Subcontracting		-3 792	-2 472
Remuneration, social security and pensions		-43 131	-44 057
Depreciations		-13 197	-13 410
Other services and goods		-33 421	-34 674
Write off inventories and receivables		235	-79
COST OF SALES	**2.2.1**	**-252 859**	**-257 249**
Sales and marketing expenses			
Remuneration, social security and pensions		-11 452	-10 986
Depreciations		-96	-74
Other services and goods		-5 831	-5 954
Write off inventories and receivables		350	-122
SALES AND MARKETING EXPENSES	**2.2.1**	**-17 029**	**-17 136**
Research and development expenses			
Stock varation		-10	-42
Remuneration, social security and pensions		-4 367	-4 333
Depreciations		-151	-110
Other services and goods		-1 422	-1 218
RESEARCH AND DEVELOPMENT EXPENSES	**2.2.1**	**-5 950**	**-5 703**

	NOTE	2014	2013
Administrative expenses			
Remuneration, social security and pensions		-8 499	-10 286
Depreciations		-3 026	-2 899
Other services and goods		-8 781	-8 503
ADMINISTRATIVE EXPENSES	**2.2.1**	**-20 306**	**-21 688**

Other income			
Gains on disposal of items of PPE		243	88
Received indemnities		269	214
Received rent		1 396	1 949
Other		1 885	1 490
OTHER INCOME	**2.2.1**	**3 793**	**3 741**

Other expenses			
Losses on disposal of items of PPE		-134	-2
Provision liabilities & charges		-543	-81
Local taxes		-680	-730
Other		-133	-75
OTHER EXPENSES	**2.2.1**	**-1 490**	**-888**

3. 5. 1I By function (continued) /in thousands of euros

	NOTE	2014	2013
Non-recurring result			
Additional depreciation		-4 532	
Disposal of assets			-106
Restructuring expenses		-379	-128
NON-RECURRING RESULT	**2.2.1**	**-4 911**	**-234**
Financial result			
Interests received		1 110	1 571
Interests paid		-5 860	-5 910
Currency income trade receivables		604	273
Currency income trade payables		339	409
Currency expenses trade receivables		-133	-611
Currency expenses trade payables		-530	-277
Currency result other		-37	-31
Realized currency result		**243**	**-237**
Revaluation income trade receivables		293	60
Revaluation income trade payables		333	268
Revaluation expenses trade receivables		-77	-8
Revaluation expenses trade payables		-428	-303
Fair value hedging instruments		63	-218
Gain (loss) arising from cash flow hedges		414	-235
Revaluation other		-114	1 031
Unrealized currency result		**484**	**595**
Other		46	57
FINANCIAL RESULT	**2.2.2**	**-3 977**	**-3 924**
Income tax			
Current tax		-5 223	-3 745
Deferred tax		-1 695	-1 442
INCOME TAX	**3.5.2**	**-6 918**	**-5 187**
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**2.2.1**	**16 911**	**14 705**
Profit (loss) for the period from discontinued operations	3.5.3.2	-415	-420
GROUP PROFIT (LOSS)	**2.2.1**	**16 496**	**14 284**

3. 5. 2I Income taxes relating to continuing operations /in thousands of euros

	NOTE	2014		2013	
Profit (loss) before taxes	2.2.1	23 829		19 892	
INCOME TAX EXPENSE CALCULATED AT THEORETICAL TAX RATE [1]		**7 607**	**31.9%**	**6 332**	**31.8%**
Tax impact of:					
effect of expenses that are not deductible in determining taxable profit		503	2.1%	487	2.5%
effect of revenue under fabourable tax regime [2]		- 427	-1.8%	-315	-1.6%
withholding taxes related to deposits		196	0.8%	427	2.1%
deferred tax assets not recognized		113	0.5%	69	0.3%
tax assets recognized on current year losses				-252	-1.3%
tax assets recognized on previously not recognized losses [3]		- 778	-3.3%	-2 415	-12.1%
new valuation allowance on previously recognized deferred tax assets					
adjustments recognized in current year in relation to the current tax of prior years		- 619	-2.6%	700	3.5%
notional interest deduction		- 454	-1.9%	-360	-1.8%
changes in tax regulations [4]		164	0.7%	512	2.6%
deferred tax liability related to undistributed reserves [5]		613	2.6%		
INCOME TAX EXPENSE RECOGNIZED IN PROFIT OR LOSS	**2.2.1**	**6 918**	**29.0%**	**5 187**	**26.1%**

(1) Weighted average tax rate
(2) Corporate income tax rates of 10% or lower are considered as favorable tax regimes
(3) 2014 & 2013: higher estimated recoverability of losses in Belgium within five years compared to previous estimations
(4) 2014: changed tax regime in Tunisia, 2013: fairness tax Belgium, IAS19 restatements in Indonesia and France
(5) 2014: reserve distribution Tunisia to Belgium (double tax treaty) no DBI deductibility for result 2014

3. 5. 3I Discontinued operations

3. 5. 3. 1I Abandoning of the 'specialized automotive foils in small batches' business

As per 31 December 2009, the Group abandoned its 'specialized automotive foils in small batches' business, consistent with the Group's long-term policy to focus on its core activities in the automotive market. The 'specialized automotive foils in small batches' business relates to the division coating.

3. 5. 3. 2I Analysis of profit (loss) of the year from discontinued operations /in thousands of euros

The combined results of the discontinued operations included in the income statement are set out below. The discontinued operations have been classified and accounted for at 31 December 2014 as a disposal Group related to discontinued operations.

	NOTE	2014	2013
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS			
Net sales			-6
Other operating income		3	61
Expenses		-33	-163
PROFIT (LOSS) BEFORE TAX		**-30**	**-108**
Attributable income tax		-385	-312
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**2.2.1**	**-415**	**-420**
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Net cash flow from operating activities		-25	-130
Net cash flow from investing activities			
Net cash flow from financing activities			-16
NET CASH FLOW		**-25**	**-146**

In 2014 and 2013, the income statement from discontinued operations mainly consists of costs related to the 'specialized automotive foils in small batches' business (3.5.3.1).

3. 5. 4I Dividends

The proposed gross dividend for the period ending 31 December 2014 is EUR 0.37 per share or EUR 7 335 584 in total. The proposed dividend awaits shareholders' approval at the General Shareholders' Meeting and is not shown as a liability in these financial statements.

The gross dividend for the period ending 31 December 2013 amounted to EUR 0.33 per share or EUR 6 542 548 in total.

3. 6I NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3. 6. 1I Intangible assets /in thousands of euros

Total additions of intangible assets amount to EUR 1.2 million in 2014 compared with EUR 2.2 million in 2013. Additions in 2014 mainly relate to the acquisition of software in the apparel division. In 2013, additions mainly relate to the acquisition of a product portfolio in the apparel division.

Amortization expense has been included in the line item depreciation in the income statement. Amortization expenses of intangible assets amounts to EUR 2.4 million in 2014 (2013: EUR 2.2 million). Amortization expense of customer portfolios is shown in cost of sales in the income statement by function.

An impairment analysis has been done at the end of 2014. As in 2013, no impairments were recorded. The recoverable amount of the relevant assets has been determined on the basis of their value in use. When related to continuing operations, impairment losses are included in the line item non-recurring result in the income statement.

3. 6. 1I Intangible assets (continued) /in thousands of euros

2014	FORMATION EXPENSES	DEVELOPMENT EXPENSES	CONCESSIONS, PATENTS, LICENCES ETC.	SOFTWARE	CUSTOMER PORTFOLIO	TOTAL	NOTE
ACQUISITION							
Opening balance	**1**		**11 846**	**15 142**	**7 740**	**34 729**	
Additions			27	1 171		**1 198**	
Disposals			-16	-290		**-306**	
Sales							
Transfers							
Effect of foreign currency exchange differences			11	41		**52**	
Acquired through business combinations							
Amortisation expense							
Impairment losses recognized in profit or loss							
Movement on held for sale							
Closing balance	**1**		**11 868**	**16 064**	**7 740**	**35 673**	

DEPRECIATION							
Opening balance	**1**		**9 246**	**12 597**	**7 000**	**28 844**	
Additions							
Disposals			-10	-275		**-285**	
Sales							
Transfers							
Effect of foreign currency exchange differences			11	40		**51**	
Acquired through business combinations							
Amortisation expense			1 059	1 188	105	**2 352**	
Impairment losses recognized in profit or loss							
Movement on held for sale							
Closing balance	**1**		**10 306**	**13 550**	**7 105**	**30 962**	

NET BOOK VALUE							
Opening balance			**2 600**	**2 545**	**740**	**5 885**	**2.1**
Closing balance			**1 562**	**2 514**	**635**	**4 711**	**2.1**

2013	FORMATION EXPENSES	DEVELOPMENT EXPENSES	CONCESSIONS, PATENTS, LICENCES ETC.	SOFTWARE	CUSTOMER PORTFOLIO	TOTAL	NOTE
ACQUISITION							
Opening balance	**1**		**10 092**	**14 784**	**7 740**	**32 616**	
Additions			1 766	403		**2 170**	
Disposals			-9	-30		**-39**	
Sales							
Transfers							
Effect of foreign currency exchange differences			-3	-16		**-19**	
Acquired through business combinations				1		**1**	3.6.20
Amortisation expense							
Impairment losses recognized in profit or loss							
Movement on held for sale							
Closing balance	**1**		**11 846**	**15 142**	**7 740**	**34 729**	

DEPRECIATION							
Opening balance			**8 363**	**11 461**	**6 881**	**26 705**	
Additions							
Disposals			-9	-30		**-39**	
Sales							
Transfers							
Effect of foreign currency exchange differences			-3	-16		**-19**	
Acquired through business combinations							
Amortisation expense	1		895	1 182	119	**2 197**	
Impairment losses recognized in profit or loss							
Movement on held for sale							
Closing balance	**1**		**9 246**	**12 597**	**7 000**	**28 844**	

NET BOOK VALUE							
Opening balance	**1**		**1 729**	**3 323**	**859**	**5 911**	
Closing balance			**2 600**	**2 545**	**740**	**5 885**	**2.1**

3. 6. 21 Goodwill /in thousands of euros

	NOTE	2014	2013
Opening balance		**18 244**	**17 593**
Additions			665
Disposals			-15
Sales			
Transfers			
Effect of foreign currency exchange differences		-5	1
Acquired through business combinations			
Amortisation expense			
Impairment losses recognized in profit or loss			
Movement on held for sale			
Closing balance	**2. 1**	**18 239**	**18 244**

ALLOCATION TO SEGMENTS	2014
Coating	10 950
Apparel	2 801
Chemicals	4 488

ALLOCATION TO SEGMENTS	2013
Coating	10 950
Apparel	2 806
Chemicals	4 488

Goodwill has been allocated for impairment testing purposes to the following divisions:

- Coating division
- Apparel division
- Chemicals division
- Division Other

The carrying amount of goodwill acquired in a business combination is allocated on a reasonable and consistent basis to each division, in conformity with IAS 36. For the discount factors used, applied in the value in use model, we refer to 3.2.5, Impairment analysis 2014. Management bases its assumptions on past performances and on its expectations over the coming years. An impairment analysis has been done at the end of 2014. No impairments losses have been recognized in the year.

3. 6. 3I Property, plant and equipment

During 2014, the total additions of property, plant and equipment amounted to EUR 7.0 million.

The main additions in 2014 were:
- EUR 1.2 million: investment in new machinery at Sioen Industries, online coating department
- EUR 0.8 million: investment in new machinery at the apparel division
- EUR 0.8 million: investment in new machinery at Sioen Industries, coating department
- EUR 0.6 million: investment in new machinery at Sioen Industries, spinning department
- EUR 0.6 million: investment in new machinery at the chemicals division
- EUR 0.5 million: investment in infrastructure buildings at Sioen Industries
- EUR 0.4 million: investment in hardware at Sioen Industries

During 2013, the total additions of property, plant and equipment amounted to EUR 4.1 million.

The main additions in 2013 were:
- EUR 1.0 million: investment in machinery at Sioen Industries, coating department
- EUR 0.6 million: investment in new machinery at Sioen Industries, spinning department
- EUR 0.6 million: investment in new machinery at the apparel division
- EUR 0.5 million: investment in new machinery at Sioen Industries, weaving department

In 2013, disposals mainly relate to a reality check of the asset registers in Belgium. The net book value of most assets was 0.

Buildings for rent are classified as investment property (see note 3.6.4).

The different categories of tangible assets are depreciated by the straight-line method over their estimated useful life.

Depreciation commences once the assets are ready for their intended use.

The following economic lifecycles are used in the calculation of depreciation:

Buildings	20 years
Machines	5 to 15 years
Equipment	10 years
Furniture	5 years
Hardware	5 years
Vehicles	5 years

3. 6. 3I Property, plant and equipment (continued) /in thousands of euros

2014	LAND	BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, VEHICLES AND HARDWARE	LEASING AND OTHER SIMILAR OBLIGATIONS	ASSETS UNDER CONSTRUCTION	TOTAL	NOTE
ACQUISITION								
Opening balance	**14 520**	**64 171**	**176 494**	**13 009**	**30 210**	**14**	**298 418**	
Additions		914	5 231	877			**7 022**	
Disposals		-894	-4 783	-497			**-6 174**	
Sales	-5	-260	-20	-150			**-435**	
Transfers								
Effect of foreign currency exchange differences	42	680	798	381			**1 901**	
Acquired through business combinations								
Depreciation								
Impairment losses recognized in profit or loss								
Transfer to investment property								
Movement on held for sale								
Closing balance	**14 557**	**64 611**	**177 720**	**13 621**	**30 210**	**14**	**300 733**	
IMPAIRMENT								
Opening balance		**9**	**1 500**				**1 509**	
Closing balance		**9**	**1 500**				**1 509**	
DEPRECIATION								
Opening balance	**15**	**45 542**	**132 665**	**11 961**	**14 232**		**204 415**	
Additions								
Disposals		-881	-4 780	-493			**-6 153**	
Sales			-10	-132			**-142**	
Transfers								
Effect of foreign currency exchange differences	5	450	712	355			**1 522**	
Acquired through business combinations								
Depreciation	39	2 742	13 511	459	1 581		**18 331**	
Impairment losses recognized in profit or loss								
Transfer to investment property								
Movement on held for sale								
Closing balance	**59**	**47 853**	**142 098**	**12 150**	**15 813**		**217 973**	
NET BOOK VALUE								
Opening balance	**14 505**	**18 620**	**42 329**	**1 049**	**15 978**	**14**	**92 495**	**2.1**
Closing balance	**14 498**	**16 749**	**34 122**	**1 471**	**14 397**	**14**	**81 251**	**2.1**

2013	LAND	BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, VEHICLES AND HARDWARE	LEASING AND OTHER SIMILAR OBLIGATIONS	ASSETS UNDER CONSTRUCTION	TOTAL	NOTE
ACQUISITION								
Opening balance	**14 534**	**63 986**	**178 767**	**13 669**	**30 147**	**781**	**301 884**	
Additions		582	3 131	346	63	2	**4 122**	
Disposals		-146	-5 370	-807			**-6 323**	
Sales		-15	-323	-45			**-383**	
Transfers			768			-768		
Effect of foreign currency exchange differences	-14	-236	-491	-155			**-896**	
Acquired through business combinations			12	2			**14**	3.6.20
Depreciation								
Impairment losses recognized in profit or loss								
Transfer to investment property								
Movement on held for sale								
Closing balance	**14 520**	**64 171**	**176 494**	**13 009**	**30 210**	**14**	**298 418**	
IMPAIRMENT								
Opening balance		**9**	**1 500**				**1 509**	
Closing balance		**9**	**1 500**				**1 509**	
DEPRECIATION								
Opening balance		**43 034**	**129 423**	**12 470**	**12 661**		**197 588**	
Additions								
Disposals		-128	-5 298	-801			**-6 228**	
Sales		-9	-220	-45			**-274**	
Transfers		3	-3					
Effect of foreign currency exchange differences	-1	-144	-441	-142			**-727**	
Acquired through business combinations								
Depreciation	16	2 785	9 204	479	1 571		**14 056**	
Impairment losses recognized in profit or loss								
Transfer to investment property								
Movement on held for sale								
Closing balance	**15**	**45 542**	**132 665**	**11 961**	**14 232**		**204 415**	
NET BOOK VALUE								
Opening balance	**14 534**	**20 943**	**47 844**	**1 199**	**17 486**	**781**	**102 787**	
Closing balance	**14 505**	**18 620**	**42 329**	**1 049**	**15 978**	**14**	**92 495**	**2.1**

3. 6. 3I Property, plant and equipment (continued)

3. 6. 3. 1I Assets pledged as security

There are no mortgages secured on the property, plant and equipment. The Group's obligations under finance leases (see note 3.6.12) are secured by the lessor's title to the leased assets.

3. 6. 3. 2I Impairment losses recognized

Property, plant and equipment are subject to the application of IAS 36, impairments, when there is an indication that their book value may be lower than their recoverable amount. If an asset does not generate a cash inflow which is independent of other assets, the Group estimates the recoverable amount of the division to which the asset belongs.

In 2014, the Group carried out a review of the recoverable amount of its manufacturing plant and equipment. We refer to 3.2.5, impairment analysis 2014.

When related to continuing operations, impairment losses are included in the line item non-recurring result in the income statement.

3. 6. 3. 3I Contractual commitments

At 31 December 2014, the Group did not have any material contractual commitments for the acquisition of property, plant & equipment.

3. 6. 4I Investment property /in thousands of euros

Investment property relates to industrial buildings in the Netherlands, Poland and USA, which are kept for rental income.

	NOTE	2014	2013
ACQUISITION			
Opening balance		**7 575**	**7 495**
Additions		18	225
Disposals			
Sales		-155	
Transfers			
Effect of foreign currency exchange differences		-37	-145
Acquired through business combinations			
Depreciation			
Impairment losses recognized in profit or loss			
Transfer to investment property			
Closing balance		**7 401**	**7 575**
DEPRECIATION			
Opening balance		**901**	**751**
Additions			
Disposals			
Sales			
Transfers			
Effect of foreign currency exchange differences		-61	-79
Acquired through business combinations			
Depreciation		232	229
Impairment losses recognized in profit or loss			
Transfer to investment property			
Closing balance		**1 072**	**901**
NET BOOK VALUE			
Opening balance		**6 674**	**6 744**
Closing balance	**2. 1**	**6 329**	**6 674**

There were no significant movements in 2014 and 2013.In 2014 total rental income amounted to EUR 1.1 million. Direct operation expenses relative to those industrial buildings amounted to EUR 0.9 million.

In 2013 total rental income amounted to EUR 1.6 million. Direct operation expenses relative to those industrial buildings amounted to EUR 0.9 million.
Based on valuation reports the fair value of investment property amounts to approximately EUR 9.9 million.

3. 6. 5I Subsidiaries

Details of the Company's subsidiaries at 31 December 2014 are as follows:

			2014	2013	
Sioen Industries NV	Belgium	Ardooie	100.00%	100.00%	Group/coating
Saint Frères SAS	France	Flixecourt	99.97%	99.97%	coating
Sioen Coated Fabrics (Shanghai) Trading Co. Ltd.	China	Shanghai	100.00%	100.00%	coating
Sioen Fabrics SA	Belgium	Moeskroen	100.00%	100.00%	coating
Siofab SA	Portugal	Vila das Aves	100.00%	100.00%	coating
Pennel Automotive SAS	France	Roubaix	100.00%	100.00%	coating
Coatex NV	Belgium	Poperinge	100.00%	100.00%	coating
Saint Frères Confection SAS	France	Flixecourt	100.00%	100.00%	coating
Sioen Felt & Filtration SA	Belgium	Luik	100.00%	100.00%	coating
Sioen NV	Belgium	Ardooie	99.96%	99.69%	apparel
Confection Tunisienne de Sécurité SARL	Tunisia	Tunis	100.00%	100.00%	apparel
Gairmeidi Caomhnaithe Dhun Na nGall Teoranta Ltd.	Ireland	Donegal	100.00%	100.00%	apparel
Mullion Survival Technology Ltd.	United Kingdom	Scunthorpe	100.00%	100.00%	apparel
PT. Sioen Indonesia	Indonesia	Jakarta	100.00%	100.00%	apparel
PT. Sungin Tex	Indonesia	Bekasi	100.00%	100.00%	apparel
Sioen France SAS	France	Narbonne	99.83%	99.83%	apparel
Sioen Tunisie SARL	Tunisia	Tunis	99.83%	99.83%	apparel
Sioen Zaghouan SARL	Tunisia	Zaghouan	100.00%	100.00%	apparel
Siorom SRL	Romania	Iasi	100.00%	100.00%	apparel
P. Van Ochten Bedrijfskleding BV	The Netherlands	Breda	100.00%	100.00%	apparel
European Master Batch NV	Belgium	Bornem	100.00%	100.00%	chemicals
Richard SAS	France	Lomme	99.91%	99.91%	chemicals
TIS NV	Belgium	Temse	n.a.	100.00%	other
Roltrans Tegelen BV	The Netherlands	Tegelen	100.00%	100.00%	other
Monal SA	Luxemburg	Luxemburg	100.00%	100.00%	other
Roltrans Group BV	The Netherlands	Tegelen	100.00%	100.00%	other
Roltrans Group America Inc.	USA	Arlington	100.00%	100.00%	other
Roland Planen GmbH	Germany	Werlte	100.00%	100.00%	other
Roland Real Estate Sp.z.o.o.	Poland	Konin	100.00%	100.00%	other
Roland Ukraine Llc.	Ukraine	Rivne	100.00%	100.00%	other

Changes with respect to 2013: In 2014, the company TIS NV has been sold.

3. 6. 6I Long term receivables /in thousands of euros

2014	OPENING BALANCE	INCREASE	DECREASE	FAIR VALUE ADJUSTMENT	CLOSING BALANCE	NOTE
Trade debtors LT	12		-12			
LONG TERM TRADE RECEIVABLES	**12**		**-12**			**2.1**

2013	OPENING BALANCE	INCREASE	DECREASE	FAIR VALUE ADJUSTMENT	CLOSING BALANCE	NOTE
Trade debtors LT	11			1	12	
LONG TERM TRADE RECEIVABLES	**11**			**1**	**12**	**2.1**

The term of these trade receivables is between two and ten years. These long term receivables have been valued at their net present value. The carrying amount approaches the fair value as per 31 December 2014. The agreed payments are discounted at a rate of 8%.

3. 6. 7I Other long term assets /in thousands of euros

2014	OPENING BALANCE	IN-CREASE	DE-CREASE	CLASSIFIED AS HELD FOR SALE	EFFECT OF FOREIGN CURRENCY EXCHANGE DIFFERENCES	(OTHER) MOVEMENTS OR ADJUST-MENTS	CLOSING BALANCE	NOTE
Other shares: acquisition								
Guarantees and deposits: acquisition	191		-1		7		197	
Other amounts receivable LT: acquisition	884		-909		32		7	
OTHER LONG TERM ASSETS	**1 075**		**-910**		**39**		**204**	**2.1**

2013	OPENING BALANCE	IN-CREASE	DE-CREASE	CLASSIFIED AS HELD FOR SALE	EFFECT OF FOREIGN CURRENCY EXCHANGE DIFFERENCES	(OTHER) MOVEMENTS OR ADJUST-MENTS	CLOSING BALANCE	NOTE
Other shares: acquisition								
Guarantees and deposits: acquisition	620	3	-432				191	
Other amounts receivable LT: acquisition	1 689		-366		-8	-431	884	
OTHER LONG TERM ASSETS	**2 309**	**3**	**-798**		**-8**	**-431**	**1 075**	**2.1**

The decrease in other amounts receivable long term (LT) in 2014 (and 2013) is explained by reclasses of the LT loan agreement (5Y), following the sale of the Roland activities, to short term.

The decrease in guarantees and deposits in 2013 is explained by the VAT deposit in Belgium which is no longer required since 1 January 2013.

3. 6. 8I Inventories /in thousands of euros

	NOTE	2014	2013
Gross Inventory			
Raw materials		19 671	21 130
Consumables		58	58
Work in progress		2 163	3 220
Finished goods		66 202	61 792
Goods in transit		4 574	5 727
		92 668	**91 927**

Amounts written off			
Amounts written off raw materials		-2 539	-2 729
Amounts written off consumables			
Amounts written off work in progress			
Amounts written off finished goods		-3 783	-3 791
Amounts written off goods in transit			
		-6 322	**-6 520**

Net inventory			
Raw materials		17 132	18 401
Consumables		58	58
Work in progress		2 163	3 220
Finished goods		62 419	58 001
Goods in transit		4 574	5 727
	2.1	**86 346**	**85 407**

AMOUNTS WRITTEN OFF INVENTORY	2013	WRITE-DOWN	REVER-SAL	EXCHANGE RATE DIFFERENCES	ACQUIRED THROUGH BUSINESS COMBINATIONS	2014
	6 520	861	-1 102	43		**6 322**

AMOUNTS WRITTEN OFF INVENTORY	2012	WRITE-DOWN	REVER-SAL	EXCHANGE RATE DIFFERENCES	ACQUIRED THROUGH BUSINESS COMBINATIONS	2013
	6 742	1 002	-1 231	-21	28	**6 520**

Gross inventories (excluding write-offs) in respect of continuing operations increased by EUR 0.7 million compared with 2013.

Obsolescence reserves on inventories in respect of continuing operations decreased by EUR 0.2 million and amounted to EUR 6.3 million at the end of 2014 compared with EUR 6.5 million at the end of 2013.

These obsolescence reserves are recorded on the basis of a detailed ageing and rotation analysis per unit.

3. 6. 9I Trade receivables /in thousands of euros

2014	2014	NOTE
Gross trade receivables	49 812	
SUBTOTAL TRADE RECEIVABLES	**49 812**	
Impairment trade receivables doubtful	-1 836	
TOTAL FINANCIAL INSTRUMENT 'TRADE RECEIVABLES'	**47 975**	**2.1**

	OUTSTANDING		SALES	
Customer 1	4 576	9.2%	9 074	2.8%
Customer 2	1 702	3.4%	6 982	2.1%
Customer 3	1 481	3.0%	7 012	2.1%
Customer 4	1 438	2.9%	6 103	1.9%
Customer 5	1 208	2.4%	4 534	1.4%
Other	39 407	79.1%	292 853	89.7%
TOTAL	**49 812**	**100.0%**	**326 558**	**100.0%**

AGEING (PAST DUE BUT NOT IMPAIRED)	1 - 15 DAYS	16 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	> 120 DAYS
SUBTOTAL TRADE RECEIVABLES	3 322	2 531	3 951	389	154	592

IMPAIRMENT TRADE RECEIVABLES DOUBTFUL	OPENING BALANCE	INCREASE	DECREASE	WRITE OFFS	FOREIGN EXCHANGE TRANSLATION GAINS AND LOSSES	MOVEMENT FROM HELD FOR SALE	CLOSING BALANCE
	2 182	26	-93	-282	4		**1 836**

Trade receivables include EUR 49.8 million to be received from the sale of goods. Compared to last year, business activity remained at level, which is also reflected in the trade receivables.

Less than 10% of the total outstanding is expressed in foreign currency. The main foreign currencies are the USD and GBP.

An impairment is accounted for the amounts due that are defined as doubtful, amounting to EUR 1.8 million. An impairment for overdue trade receivables is recorded progressively in relation to the age of the receivables. An impairment is also recorded for trade receivables that exceed the internal credit limit. The impairment is recorded in 'sales & marketing expenses' in the consolidated income statement by function.

2013	2013	NOTE
Gross trade receivables	51 562	
SUBTOTAL TRADE RECEIVABLES	**51 562**	
Impairment trade receivables doubtful	-2 182	
TOTAL FINANCIAL INSTRUMENT 'TRADE RECEIVABLES'	**49 380**	**2.1**

	OUTSTANDING		SALES	
Customer 1	4 977	9.7%	9 144	2.8%
Customer 2	1 603	3.1%	5 167	1.6%
Customer 3	1 354	2.6%	4 217	1.3%
Customer 4	1 290	2.5%	6 094	1.9%
Customer 5	1 280	2.5%	4 304	1.3%
Other	41 057	79.6%	294 042	91.0%
TOTAL	**51 562**	**100.0%**	**322 967**	**100.0%**

AGEING (PAST DUE BUT NOT IMPAIRED)	1 - 15 DAYS	16 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	> 120 DAYS
SUBTOTAL TRADE RECEIVABLES	5 157	2 507	2 296	419	132	558

IMPAIRMENT TRADE RECEIVABLES DOUBTFUL	OPENING BALANCE	INCREASE	DECREASE	WRITE OFFS	FOREIGN EXCHANGE TRANSLATION GAINS AND LOSSES	MOVEMENT FROM HELD FOR SALE	CLOSING BALANCE
	2 506	371	-427	-273	5		**2 182**

As of 1 April 2005 the Group decided to cover itself for credit risk by concluding an excess of loss credit insurance. The average credit period on sales of goods is about 58.9 days (last year 60.9 days). Generally no interest is charged on the overdue trade receivables except when legal procedures are started.

Before accepting any new customer, the Group uses an internal credit scoring system, based on internal and external information, to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed continuously. There are no customers who represent more than 10.0% of the total balance of trade receivables.

Trade receivables disclosed above include amounts that are past due at the end of the reporting period but against which the Group has not recognized an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

3. 6. 10I Other current assets /in thousands of euros

Other receivables

	NOTE	2014	2013
FINANCIAL ASSETS			
Advances		30	59
Insurance premiums receivable			
NON-FINANCIAL ASSETS			
VAT receivable		1 941	1 839
Tax prepayment		1 272	658
Capital grants receivable			
Other		807	1 096
TOTAL OTHER RECEIVABLES	**2.1**	**4 050**	**3 652**

Other receivables consist primarily of VAT to be reclaimed amounting to EUR 1.9 million, pre-paid taxes amounting to EUR 1.3 million and EUR 0.8 million 'other', explained by the sale of the Roland business (short term component).

Other financial assets

	NOTE	2014	2013
Other investments and deposits		46 998	36 997
Options			
TOTAL OTHER FINANCIAL ASSETS	**2.1**	**46 998**	**36 997**

Other investments and deposits relate to deposits longer than 3 months. The book value of the deposit reflects the estimated market value.

Cash and cash equivalents

	NOTE	2014	2013
Cash at bank		51 374	40 590
Overnight deposits			
At hand		76	70
TOTAL CASH AND CASH EQUIVALENTS	**2.1**	**51 450**	**40 660**

Overnight deposits relate to deposits shorter than 3 months. The book value of the deposit reflects the estimated market value.

Deferred charges and accrued income

	NOTE	2014	2013
Deferred charges		1 465	1 996
Accrued income		653	316
Other			76
TOTAL DEFERRED CHARGES AND ACCRUED INCOME	**2.1**	**2 118**	**2 388**

Deferred charges amounting to EUR 1.5 million consist primarily of pre-paid rent, insurance policies and IT maintenance contracts.

3. 6. 11I Borrowings /in thousands of euros

	NOTE	2014	2013
Bond		99 839	99 712
Bank loans			
Other loans			
TOTAL BORROWINGS LONG TERM	**2.1**	**99 839**	**99 712**
Current portion of amounts payable after one year		*9*	*9*
Credit institutions short term		*13 766*	*16 127*
Bank loans		13 775	16 135
Other loans			
TOTAL BORROWINGS SHORT TERM	**2.1**	**13 775**	**16 135**

2014	MINIMUM LOAN PAYMENTS	PRESENT VALUE OF LOAN PAYMENTS
Loan payments due within one year	18 516	13 775
In two years	104 750	99 839
In three years		
In four years		
In and after five years		
TOTAL LOAN PAYMENTS	**123 266**	**113 614**

Future financial charges	9 500	
Present value of loan obligations	122 084	122 084
Less amount due for settlement within 12 months		13 775
Amount due for settlement after 12 months		99 839

2013	MINIMUM LOAN PAYMENTS	PRESENT VALUE OF LOAN PAYMENTS
Loan payments due within one year	20 877	16 135
In two years	4 750	
In three years	104 750	99 712
In four years		
In and after five years		
TOTAL LOAN PAYMENTS	**130 377**	**115 847**

Future financial charges	14 250	
Present value of loan obligations	128 088	128 088
Less amount due for settlement within 12 months		16 135
Amount due for settlement after 12 months		99 712

Long-term

The weighted average interest rate of long-term debts (including obligations under finance leases, see 3.6.12) in 2014 amounts to 4.73% compared to 4.74% in 2013. All long-term loans have a fixed interest rate.

On 14/03/2006, a EUR 100 million bond listed on Eurolist by Euronext Brussels was successfully issued, with a ten year term and fixed coupon interest of 4.75%. To cover the interest rate on this bond issue, an IRS (Interest Rate Swap) was concluded on 20 December 2005. This IRS is described in note 3.6.27. Financial risk management, and designated as ‘cash flow hedging’. The effective combined interest rate on the EUR 100 million bond is 4.72%.

The Group is not subject to any externally imposed covenants on material loan agreements, except for general terms and conditions applicable to general finance agreements in Belgium.

Short-term

As per 31/12/2014, short-term loans amounted to EUR 13.8 million (including the short term portion of the bond). There are no straight loans in EUR. Straight loans in USD amounted to USD 12.1 million with a weighted average interest rate of 1.38%.

As per 31/12/2013, short-term loans amounted to EUR 16.1 million (including the short term portion of the bond). There are no straight loans in EUR. Straight loans in USD amounted to USD 17.0 million with a weighted average interest rate of 1.49%.

No securities have been issued for these financial debts. Most (approx. 90%) of the Group’s financial liabilities are centrally contracted and managed.

According to IFRS 7.B14, the maturity analysis for financial liabilities shows the contractual undiscounted cash flows. These undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows.

3. 6. 12I Obligations under finance leases /in thousands of euros

2014	NOTE	VALUE AT THE END OF THE YEAR	WITHIN ONE YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	AFTER 5 YEARS
Leasing and other similar obligations LT	2.1	**7 034**		1 455	651	685	721	3 522
Current portion of leasing	2.1	**1 949**	1 949					
Leasing short term								
OBLIGATIONS UNDER FINANCE LEASES		**8 983**	**1 949**	**1 455**	**651**	**685**	**721**	**3 522**

	NOTE	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF LEASE PAYMENTS
Lease payments due within one year		2 359	1 949
In two years		1 757	1 455
In three years		913	651
In four years		913	685
In and after 5 years		4 752	4 243
TOTAL LEASE PAYMENTS		**10 694**	**8 983**
Future financial charges		1 371	
Present value of lease obligations		10 354	10 354
Less amount due for settlement within 12 months	2.1		1 949
Amount due for settlement after 12 months	2.1		7 034

2013	NOTE	VALUE AT THE END OF THE YEAR	WITHIN ONE YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	AFTER 5 YEARS
Leasing and other similar obligations LT	2.1	**8 990**		1 934	1 455	651	685	4 265
Current portion of leasing	2.1	**2 682**	2 682					
Leasing short term								
OBLIGATIONS UNDER FINANCE LEASES		**11 671**	**2 682**	**1 934**	**1 455**	**651**	**685**	**4 265**

	NOTE	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF LEASE PAYMENTS
Lease payments due within one year		3 183	2 682
In two years		2 339	1 934
In three years		1 779	1 455
In four years		913	651
In and after 5 years		5 793	4 950
TOTAL LEASE PAYMENTS		**14 007**	**11 671**

Future financial charges		2 529	
Present value of lease obligations		14 007	14 007
Less amount due for settlement within 12 months	2.1		2 682
Amount due for settlement after 12 months	2.1		8 990

The Group leases some of its buildings (Ardooie, Moeskroen and Poperinge). There were no new financial leases in 2014.

The interest inherent in the leases is fixed for the entire lease term. The average effective interest rate contracted is approximately 4.85% p.a. (2013 4.89% p.a.)

3. 6.13 | Provisions /in thousands of euros

2014	OPENING BALANCE	ADDITIONAL PROVISION RECOGNIZED	REDUCTIONS ARISING FROM PAYMENTS	REVERSAL	EXCHANGE RATE DIFFERENCES	ACQUIRED VIA BUSINESS COMBINATION	MOVEMENT ON HELD FOR SALE	CLOSING BALANCE
Provisions for environmental issues	681		-105					576
Provisions for other liabilities and charges	663	1 145	-257	-240	15			1 326
TOTAL PROVISIONS	**1 344**	**1 145**	**-362**	**-240**	**15**			**1 902**

2014	MORE THAN ONE YEAR	WITHIN ONE YEAR	NOTE
Provisions for environmental issues	228	348	
Provisions for other liabilities and charges	1 102	224	
TOTAL PROVISIONS	**1 330**	**572**	**2.1**

2013	OPENING BALANCE	ADDITIONAL PROVISION RECOGNIZED	REDUCTIONS ARISING FROM PAYMENTS	REVERSAL	EXCHANGE RATE DIFFERENCES	ACQUIRED VIA BUSINESS COMBINATION	MOVEMENT ON HELD FOR SALE	CLOSING BALANCE
Provisions for environmental issues	692	66	-77					681
Provisions for other liabilities and charges	386	735	-380	-133	-16		72	663
TOTAL PROVISIONS	**1 078**	**800**	**-458**	**-133**	**-16**		**72**	**1 344**

2013	MORE THAN ONE YEAR	WITHIN ONE YEAR	NOTE
Provisions for environmental issues	295	386	
Provisions for other liabilities and charges	133	530	
TOTAL PROVISIONS	**428**	**916**	**2.1**

The carrying amount of the provisions reflects the net present value of future liabilities discounted at the weighted average cost of capital applicable for the operating unit.

The provisions for environmental issues in 2014 and 2013 consist of a provision relating to the sanitation of land in the coating division. The risks were identified during the periodical environmental check-up of the sites.

The provisions for other liabilities and charges in 2014 consist mainly of a provision for property taxes (new provision in 2014) and restructuring provisions.

The provisions for other liabilities and charges in 2013 consist mainly of restructuring provisions.

3. 6. 14I Retirement benefit plans /in thousands of euros

In accordance with law and practice in each country, different retirement benefit systems are provided for the employees of the Group. Pension obligations in the Group relate to both, defined benefit and defined contribution plans. Most defined benefit plans are unfunded. For the funded plans, plan assets consist of insurance contracts. The Group has defined benefit plans in Indonesia (65%) and in the Eurozone (34%).

	2014	2013	
Post-employment benefits (defined benefit plans)	3 149	2 436	
Other long term benefits (termination benefits)	125		
TOTAL	**3 274**	**2 436**	
Long term	3 254	2 436	2.1
Short term	21		2.1

The movement of the net liability is as follows :

	Present value of defined benefit obligation	Fair value of plan assets	Net liability
AT 1 JANUARY 2014	**2 467**	**-30**	**2 436**
Current service cost	182		**182**
Past service cost	-218		**-218**
Net interest expense (income)	172	-1	**171**
Total defined benefit cost charged to profit and loss	**136**	**-1**	**135**
Remeasurements:			
Return on plan assets (excluding amount included in net interest expense (income))			
Actuarial (gain) loss from experience adjustment	68		**68**
Actuarial (gain) loss from change in financial assumptions	397		**397**
Total defined benefit cost (income) charged to other comprehensive income	**465**		**465**
Benefits paid	**-98**	**98**	
Contribution - employer		**-89**	**-89**
Currency	**202**		**202**
AT 31 DECEMBER 2014	**3 171**	**-22**	**3 149**

	Present value of defined benefit obligation	Fair value of plan assets	Net liability
AT 1 JANUARY 2013	**3 544**	**-29**	**3 515**
Current service cost	241		**241**
Past service cost	-157		**-157**
Net interest expense (income)	142	-1	**141**
Total defined benefit cost charged to profit and loss	**226**	**-1**	**225**
Remeasurements:			
Return on plan assets (excluding amount included in net interest expense (income))			
Actuarial (gain) loss from experience adjustment	269		**269**
Actuarial (gain) loss from change in financial assumptions	-925		**-925**
Total defined benefit cost (income) charged to other comprehensive income	**-656**		**-656**
Benefits paid	**-44**	**44**	
Contribution - employer		**-44**	**-44**
Currency	**-604**		**-604**
AT 31 DECEMBER 2013	**2 467**	**-30**	**2 436**

The significant actuarial assumptions were as follows:

	2014		**2013**	
	Eurozone	Indonesia	Eurozone	Indonesia
Discount rate	1.49%	8.25%	3.17%	9.00%
Rate of compensation increase	1.50%	8.00%	1.50%	8.00%

The sensitivity of the defined benefit obligation to changes in the principal assumptions for the largest plans (Indonesia), is:

	+1%	**-1%**
Discount rate	-12%	14%
Rate of compensation increase	14%	-12%

The weighted average durations of the largest defined benefit plans (Indonesia) are:

	2014	**2013**
	13 years	14 years

Expected contributions for the largest defined benefit plans (Indonesia) for the year ending 31 December 2015 are EUR 12k.

Risks related to defined benefit pension plans
Regarding the defined benefit pension plans, the Group is mainly exposed to an interest rate risk (i.e. a decrease of the discount rates will increase the benefit obligations) and an inflation risk (i.e. the benefits are calculated based on final salaries).

Costs relative to IAS 19 provisions are booked under personnel expenses and allocated according to the function of the personnel involved (cost of goods sold, sales and marketing expenses, R&D expenses and administrative expenses). The interest component is recognized in the financial result.

Early retirement plans are recognized as liability and expense when the company is committed to terminate the employment of the employees affected before the normal retirement date.

Belgian defined contribution plans
The company's Belgian employees participate in defined contribution plans, funded through a group insurance.

The Belgian defined contribution plans are by law subject to minimum guaranteed rates of return, currently 3.25% on employer contributions and 3.75% on employee contributions. These rates, which apply as an average over the entire career, may be modified by Royal Decree in which case the new rate(s) apply to both the accumulated past contributions and the future contributions as from the date of modification. Hence, there is a risk that the company may have to pay additional contributions related to past service. Any such additional contributions will depend on the actual investment returns as well as the future evolution of the minimum guaranteed rates of return.

At 31 December 2014, the net liability, positive difference (determined by individual plan participant) between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date, was not accounted for, as deemed immaterial. The contribution paid by the employer in 2014 were 413k EUR (424k EUR in 2013). Sioen has no contributions by employees.

3. 6. 15I Trade and other payables /in thousands of euros

Trade and other payables

	NOTE	2014	2013
Trade payables		28 954	29 092
Credit notes to receive		-1 215	-757
Advances		1 016	753
TOTAL TRADE AND OTHER PAYABLES	**2.1**	**28 755**	**29 088**

Trade and other payables include outstanding amounts for trade purchases and current charges.

The trade payables are payable within a range of 30 to 60 days. The Group has no major overdue positions. Foreign currencies in trade payables relate mainly to USD and GBP and represent less than 10% of the total trade payables.

Other debts up to one year

	NOTE	2014	2013
Current income tax liabilities	2.1	1 219	1 390
Social debts	2.1	9 789	9 595
Other amounts payable	2.1	3 835	3 796
Accrued charges and deferred income	2.1	2 177	2 297
TOTAL OTHER DEBTS UP TO ONE YEAR		**17 020**	**17 078**

The other liabilities consist mainly of VAT payable and various other taxes.

3. 6. 16I Assets and liabilities related to discontinued operations /in thousands of euros

			ABANDONED		HELD FOR SALE
2014	**NOTE**	**TOTAL**	**SPECIALIZED AUTOMOTIVE FOILS IN SMALL BATCHES**	**END-MARKET TRUCK COVER**	**PROPERTY TEMSE**
Property, plant and equipment					
TOTAL ASSETS RELATED TO DISCONTINUED OPERATIONS	**2.1**				
Provisions		67	67		
Trade and other payables, retirement benefit obligations, obligations under finance leases					
TOTAL LIABILITIES RELATED TO DISCONTINUED OPERATIONS	**2.1**	**67**	**67**		
NET LIABILITIES RELATED TO DISCONTINUED OPERATIONS		**-67**	**-67**		

			ABANDONED		HELD FOR SALE
2013	**NOTE**	**TOTAL**	**SPECIALIZED AUTOMOTIVE FOILS IN SMALL BATCHES**	**END-MARKET TRUCK COVER**	**PROPERTY TEMSE**
Property, plant and equipment		647		23	624
TOTAL ASSETS RELATED TO DISCONTINUED OPERATIONS	**2.1**	**647**		**23**	**624**
Provisions		2 490	78		2 412
Trade and other payables, retirement benefit obligations, obligations under finance leases		2		2	
TOTAL LIABILITIES RELATED TO DISCONTINUED OPERATIONS	**2.1**	**2 492**	**78**	**2**	**2 412**
NET LIABILITIES RELATED TO DISCONTINUED OPERATIONS		**-1 845**	**-78**	**21**	**-1 788**

A part of the discontinued operations, for which a provision for polluted soils in Temse, belonging to TIS NV, has been set up, was sold in January 2014 (see note 3.6.20.). The risk in Temse originates in the period before the takeover. In 2010 the Group decided to dispose part of its property (Temse) for which a provision for sanitation was set up. The land and the related provision for sanitation have been classified as 'discontinued' since 2010.

3. 6. 17I Financial instruments /in thousands of euros

	2014		2013		
	NOMINAL VALUE	FAIR VALUE	NOMINAL VALUE	FAIR VALUE	FAIR VALUE HIERARCHY
Obligations	24 530 (1)	-43	23 271 (1)	-106	2
Collar derivative	50 000 (2)	-15 610	50 000 (2)	-6 537	2

FIXED RATE (EUR)	NOMINAL VALUE (1)	FAIR VALUE	NOMINAL VALUE(1)	FAIR VALUE	FAIR VALUE HIERARCHY
Bond	100 000	103 623	100 000	102 550	1
Borrowing costs capitalized	- 879		- 879		
Finance leases	8 983	9 308	11 671	11 969	2
Bank loans					
TOTAL	**108 104**	**112 931**	**110 792**	**114 519**	

(1) Nominal value equals foreign currency amount * contract rate
(2) Amount in the contract

Financial risk management
The Group manages a portfolio of derivatives to hedge against risks relating to exchange rate and interest rate positions arising as a result of operating and financial activities. It is the Group's policy to avoid engaging in speculative transactions or transactions with a leverage effect and not to hold derivatives for trading purposes.

Fair value
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In conformity with IAS 39 all derivatives are recognized at fair value in the balance sheet.

Non-derivative financial liabilities
The fair value of non-derivate financial liabilities is calculated based on commonly-used valuation techniques (i.e. net present value of future principal amounts and interest charges discounted at market rate). These are based on market inputs from reliable financial information providers. Fair values determined by reference to prices provided by reliable financial information providers are periodically checked for consistency against other pricing sources.

Interest risk management

On 21 April 2011, the Group entered into a cash flow hedge to hedge, within certain limits, the interest rate risk on highly probable future debt to be issued in March 2016 for a term of 10 years, for a principal amount of EUR 50 million. For this purpose, the Group entered into a forward starting interest rate collar for a nominal amount of EUR 50 million. A collar is a derivative financial instrument by which the buyer of the instrument receives / executes payments at the end of the reference period in which the interest rate evolves out of the agreed upon borders (upper and lower border / tunnel). The forward starting interest rate collar will be settled in cash in March 2016, and the effective part of the gain or loss on the derivative will be amortized to profit or loss over the term of the hedged debt (ie. over a term of 10 years).

The fair value of the forward starting collar as of 31 December 2014 was EUR -15.6 million (EUR -6.5 million as of 31 December 2013).

In 2014, an amount (net of tax) of EUR -6.6 million was recognized in Other Comprehensive Income (Cash Flow Hedge Reserve) (EUR -0.4 million in 2013). This is the effective part of the total change in FV of the derivative over the year 2014.

In 2014, a total amount of EUR -0.8 million (EUR 0.8 million in 2013) was recognized directly in profit or loss as ineffectiveness arising from this cash flow hedge.

COLLAR (000) EUR	NOMINAL AMOUNT	RATE	START DATE	END DATE	BARRIER OPTION TYPE	ESTIMATED FAIR VALUE
CAP	50 000	5%	16/03/2016	16/03/2026	Knock-In: from 2.5% increasing to 3.5% over the period	-15.610
Floor	50 000	4%	16/03/2016	16/03/2026		

3. 6. 18I Deferred taxes /in thousands of euross

	NOTE	DEFERRED TAX ASSET 2014	DEFERRED TAX ASSET 2013	DEFERRED TAX LIABILITY 2014	DEFERRED TAX LIABILITY 2013
Intangible assets		1 103	1 430	805	757
Property, plant and equipment		2 572	1 580	15 678	16 905
Inventories		910	716		
Trade receivables		1 384	1 493		
Other receivables					
Retirement benefit obligations		944	685	7	44
Provisions		81	141		
Other amounts payable		12	12		
Exchange difference				1 421	1 589
Hedging reserves		5 306	2 222	67	120
Undistributed reserves				977	1
Tax losses carried forward		14 646	18 220		
TOTAL		**26 958**	**26 499**	**18 955**	**19 416**
Non recognition of deferred tax receivable		-10 897	-11 314		
Netting		-10 559	-11 381	-10 559	-11 382
TOTAL	**2.1**	**5 502**	**3 804**	**8 396**	**8 034**

THE TOTAL VALUE OF CARRIED-FORWARD TAX LOSSES ARRANGED BY EXPIRY DATE	2014	2013
One year	2 226	760
Two years	2 599	2 226
Three years	3 093	2 599
Four years	2 737	3 093
Five years and later		2 638
No expiry date	42 529	52 032
TOTAL	**53 184**	**63 348**
Of which:		
Unrecognized carried forward tax losses	38 443	39 034
Unrecognized deferred tax on undistributed reserves		

Deferred tax assets which do not appear to be collectable in the near future are not recognized. In this assessment, management takes account of budgets and multi-year planning. Major deferred tax assets on tax losses carry-forward and unrecognized deferred tax losses are relative to the Roland Group and Pennel as there is no taxable result over the foreseeable future (5 years).

In 2014, a previously unrecognized deferred tax asset, amounting to EUR 0.8 million, has been recognized related to Sioen Felt & Filtration while a deferred tax asset, amounting to EUR 0.3 million, has been de-recognized related to Pennel. Both movements are explained by a reviewed estimated recoverability of losses over the foreseeable future.

The company recognizes deferred tax liabilities on undistributed reserves in affiliates unless there is a firm commitment not to distribute reserves from that particular affiliate in the foreseeable future. Management has no intention to distribute certain reserves to the parent company unless this could be done under the DBI regime.

RECONCILIATION OF MOVEMENT OF DEFERRED TAX	NOTE	2014	2013
Net tax liability at the beginning of the period		4 231	877
Net tax liability at the end of the period		2 894	4 230
Difference		*-1 337*	*3 353*
Deferred tax as shown in the P&L		2 080	*1 755*
Deferred tax effect through equity	2.4	-3 410	858
Deferred tax acquired via business combinations			429
Deferred tax currency translation effect		-7	312

3. 6. 19I Related party transactions /in thousands of euros

	NATURE OF TRANSACTION	2014
Recticel Group	Sale	1 051
Recticel Group	Purchase	118
INCH	Sale	703

	NATURE OF TRANSACTION	2013
Recticel Group	Sale	1 145
Recticel Group	Purchase	144
INCH	Sale	723

These transactions consist of commercial transactions (Inch, Recticel Group) and are done on an 'at arm's length' basis.

Other transactions with related parties other than Directors are not included, given the negligible amount (under EUR 50 000 in current and last year). With regard to Directors' remuneration, we refer to note 3.6.29. Remuneration.

3. 6. 20I Business combinations and disposal of subsidiaries /in thousands of euros

2014

The property in Temse has been sold in January 2014. The impact on the results of 2014 amounts to EUR 108 thousand. The property in Temse was already classified as discontinued operations, held for sale.

	NOTE	PROPERTY TEMSE
Land and buildings		624
Other LT assets, other receivables, deferred charges and accrued income		1
Cash and cash equivalents [1]		1 900
TOTAL ASSETS RELATED TO DISCONTINUED OPERATIONS		**2 526**
Provisions		2 412
Trade and other payables		5
TOTAL LIABILITIES RELATED TO DISCONTINUED OPERATIONS		**2 418**

(1) Linked to the disposal of the property in Temse, a cash transfer has been done to compensate the sanitation obligation.

2013

On 28 May 2013 the Group issued a letter of intent for the acquisition of 'Van Ochten Bedrijfskleding BV'. The acquisition, for 100% of the shares, with a purchase price of EUR 3.0 million, has been finalized on 5 July 2013.

Sioen Industries NV acquired Van Ochten Bedrijfskleding as it is a specialized company that designs, personalizes and sells high quality workwear through the distribution to various industries (petrochemical workers, welders, construction workers, …). A product portfolio has been recognized, we refer to note 3.6.1. Intangible assets, a residual goodwill of EUR 0.4 million has been accounted for.

As of acquisition date, Van Ochten Bedrijfskleding BV contributed sales of EUR 1.8 million and a profit of EUR 0.3 million, over a 12 months period, this would mean EUR 3.7 million sales and EUR 0.6 million profit.

	NOTE	VAN OCHTEN
Intangible assets	3.6.1	1
Property, plant and equipment	3.6.3	14
Inventories		923
Trade receivables		290
Other LT assets, other receivables, deferred charges and accrued income		73
Cash and cash equivalents		54
TOTAL ASSETS		**1 355**
Equity		696
Trade and other payables, retirement benefit obligations, obligations under finance leases		624
Social debts, other amounts payable, accrued charges and deferred income		35
TOTAL EQUITY AND LIABILITIES		**1 355**

3. 6. 21I Operating lease arrangements /in thousands of euros

	2014	2013
Amounts recognized in income	1 346	1 355
Payments due within one year	1 030	1 148
Between one and five years	1 226	1 859
Over five years		185
MINIMAL FUTURE PAYMENTS	**2 257**	**3 192**

Operating lease arrangements mainly relate to leased assets used in operations (vehicles).

3. 6. 22I Commitments for expenditure

At the end of 2014 and 2013, there were no commitments for expenditure.

3. 6. 23I Contingent assets and liabilities

There were no contingent assets at the end of 2014. Contingent assets amounted to EUR 0.1 million at the end of 2013 and mainly related to the coating and the chemicals division. Contingent liabilities at the end of 2014 were EUR 0.5 million and related to the coating division. The Group had no contingent liabilities at the end of 2013.

3. 6. 24I Events after reporting period

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period.

3.6. 25I Staff

COUNTRY	2014	2013
Indonesia	1 629	2 141
Belgium	871	856
Tunisia	545	562
Romania	253	200
France	157	165
Ireland	24	35
Portugal	17	18
China	15	15
The Netherlands	7	8
Germany	7	6
UK	5	4
Ukraine	1	1
TOTAL	**3 531**	**4 011**

Blue Collar	2 791	3 055
White Collar	740	956
TOTAL	**3 531**	**4 011**

3. 6. 26I Audit and non-audit services

	2014
Audit fees	264 935
Non audit fees by the auditor	
Legal missions	
Tax advice	
Other	2 000
Non audit services by companies linked to the Deloitte network	
Tax advice	111 862
Other	2 480

3. 6. 27I Financial risk management

The Group is exposed to risks related to interest rate, exchange rate and market price fluctuations, having an impact on the Group's assets and liabilities. The goal of the Group's financial risk management is to limit the impact of these risks related to its operational and financial activities.

Interest rate risk

The Group's interest risk is relatively limited, as the interest rate on all long-term loans is fixed. It is the Group's strategy to arrange a fixed interest rate for the long-term portion of debts, and to keep short-term debts floating. Thanks to an optimal portfolio of long-term and short-term debt financing, potential negative interest rate fluctuations are minimized.

- Sensitivity analysis of the fluctuation of the interest rate by 5%:
  As per 31 December 2014, there was USD 12.1 million of short term financing at floating rates with a weighted average of 1.38%. A 5% increase in interest rates, to an average of 1.44%, would impact the financial result with EUR 6.9 thousand more interest costs on an annual basis. In connection with the Group's refinancing, it was decided in December 2005 to enlist the support of the capital market via the issue of a EUR 100 million bond over ten years with fixed coupon interest. Because such an operation can easily take three months, and interest rates at the end of December 2005 were very attractive, Sioen concluded a ten-year IRS starting in April 2006, the presumed starting date of the bond. As this IRS can be regarded as effective cash flow hedging as per IAS39, the EUR 0.636 million negative market value fluctuation on 31/12/2005 of this IRS was deducted from equity. At 02/02/2006, the market value was up EUR 1.346 million, and it was realized following the hedge strategy at the moment of issuing of the bond. This received premium complies with the conditions for cash flow hedging defined in IAS39, and will be spread out over the term of the bond. The realized capital gain (EUR 1.346 million) was recognized in equity and is being taken into income over the life of the bond (10 years).

Exchange rate risk

It is the Group's policy to hedge against exchange risks arising from financial and operating activities centrally. The risks are limited by compensating for transactions in the same currency ('natural hedging'), or by fixing exchange rates via forward contracts or options. The main currencies for the Sioen Group are GBP (inflow) and USD (outflow). In 2014, the GBP net inflow represents EUR 17.7 million (GBP 14.2 million) and the USD net outflow EUR 17.0 million (USD 22.4 million). As these volumes represent less than 10% of total net sales, the impact of changes in these exchange rates is limited.

- Sensitivity analysis of the fluctuation of the exchange rate by 1%:
  Based on the Group's sensitivity analysis, an adverse change in the GBP/EUR and USD/EUR exchange rate by 1% would decrease the Group's realized currency result by EUR 346.3 thousand.

Liquidity risk

In order to guarantee liquidity and financial flexibility, the Sioen Group has credit lines available to meet current and future financial needs. At the end of 2014 and 2013, the Sioen Group has total credit lines available of EUR 60.7 million. Straight loans, at 31 December 2014, are in USD amounting to a total amount of USD 12.1 million with a weighted average interest rate of 1.38%. For the maturity analysis in view of liquidity risk we refer to note 3.6.11. Borrowings.

Financial risk

The management determines its assessment on the basis of different realistically assessed parameters, such as future market expectations, sector growth rates, industry studies, economic realities, budgets and multi-year plans, expected profitability studies, etc. The most important elements within the Group that are subject to this are: impairments, provisions and deferred tax items.

Credit risk

In view of the relative concentration of credit risk (see note 3.6.9. Trade receivables), the company covers credit risk on trade receivables via an excess of loss credit insurance with an own risk exposure of EUR 400 thousand. In addition, credit control strategies and procedures have been elaborated in order to monitor individual customers' credit risk.

3. 6. 28I Capital structure management

The equity structure of the Sioen Group is managed with the main objectives of:

- protecting the equity structure so as to ensure continuous business operations resulting in the creation of shareholder value and benefits for other stakeholders,
- the payment of an appropriate dividend to shareholders.

The Group's capital is formed in accordance with the risk, which changes with economic developments and the risk profile of the underlying assets. The Sioen Group can change the dividend to shareholders, issue new shares or sell assets in order to maintain or change the capital structure. The Board of Directors of Sioen Industries views equity together with the 10-year bond loan (cf. 3.6.11. Borrowings) as permanent capital. At 31/12/2014 equity and the bond loans represented respectively 44.3% and 28.1% and together 72.5% of the balance sheet total.

3. 6. 29I Remuneration

Remuneration of the members of the Board of Directors

In 2014 following remunerations were paid to the members of the Board of Directors and executive management in their capacity as Director:

NAME	REPRESENTED BY	FUNCTION	AMOUNT 2014
LMCL Comm. VA	Mr. L. Vansteenkiste	Director/ Chairman	43 000
	Mrs. J. Sioen-Zoete	Director	18 000
M.J.S. Consulting BVBA	Mrs. M. Sioen	Managing director	20 000
D-Lance BVBA	Mrs. D. Sioen	Director	20 000
P. Company BVBA	Mrs. P. Sioen	Director	20 000
Philippe Haspeslagh BVBA	Mr. Ph. Haspeslagh	Director	2 375
	Mr. M. Delbaere	Director	16 750
Lemon Comm. V	Mr. J. Noten	Director	24 750
Louis Verbeke BVBA	Mr. L. Verbeke	Director	26 000
	Mr. L. Vandewalle	Director	28 500
TOTAL			**219 375**

M.J.S. Consulting, represented by Mrs. Michèle Sioen, received in 2014, in her capacity of CEO and next to her remuneration as a member of the Board of Directors, a fixed remuneration of EUR 537 500, a variable remuneration of EUR 88 687 and a compensation for other expenses amounting to EUR 51 979.

Jack Projects, represented by Mrs. Jacqueline Sioen, received in 2014, in the context of a service agreement, a remuneration of EUR 511 250 and a compensation for other expenses amounting to EUR 26 693.

The other members of the executive management[1], including Directors in their capacity as member of executive management, received in 2014 a fixed remuneration of EUR 1 997 661 (excluding CEO), a variable remuneration of EUR 259 363 and a compensation for other expenses amount to EUR 165 223.

(1) The executive management consists of executive Directors and members of the Management Committee.

3.6.30I Approval of financial statements

The consolidated financial statements for 2014 were approved by the Board of Directors for publication on 20 March 2015.

4I STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2014

The original text of this report is in Dutch

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014, the consolidated income statement, the consolidated statement of total comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the consolidated financial statements of Sioen Industries NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated statement of financial position shows total assets of 355 173 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 16 496 (000) EUR.

Board of Directors' responsibility for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion
In our opinion, the consolidated financial statements of Sioen Industries NV give a true and fair view of the Group's net equity and financial position as of 31 December 2014, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
The Board of Directors is responsible for the preparation and the content of the Directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The Directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Kortrijk, 20 March 2015

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Mario Dekeyser

5I STATUTORY ANNUAL ACCOUNTS OF SIOEN INDUSTRIES NV

The statutory annual accounts of the parent company Sioen Industries NV are shown below in condensed form. In June 2015, the annual report and annual accounts of Sioen Industries NV and the auditor's report will be filed with the National Bank of Belgium in accordance with Articles 98-102 of the Companies Act.

These reports are available on request at the following address: Sioen Industries NV – Fabriekstraat 23 – 8850 Ardooie.

The statutory auditor has issued an unqualified opinion.

CONDENSED BALANCE SHEET OF SIOEN INDUSTRIES NV AFTER APPROPRIATION OF PROFIT

31 DECEMBER (000) EUR	2014	2013
Fixed assets	**69 598**	**72 692**
Intangible fixed assets	5 820	6 299
Tangible fixed assets	21 591	22 395
Financial fixed assets	42 187	43 998
Current assets	**199 961**	**183 570**
Amounts receivable after one year		14
Stocks and contracts in progress	25 524	25 797
Amounts receivable within one year	85 907	87 443
Investments	59 997	40 964
Cash at hand and in bank	27 820	28 956
Deferred charges and accrued income	713	394
TOTAL ASSETS	**269 559**	**256 261**
Equity	**87 825**	**82 901**
Capital	46 000	46 000
Revaluation surpluses	9	9
Reserves	6 348	10 406
Accumulated profits (losses)	35 107	26 129
Investment grants	361	357
Provisions and deferred taxes	**1 600**	**698**
Provisions for liabilities and charges	1 560	680
Deferred taxes	40	18
Amounts payable	**180 134**	**172 662**
Amounts payable after one year	105 791	106 926
Amounts payable within one year	73 549	64 690
Accrued charges and deferred income	794	1 046
TOTAL LIABILITIES	**269 559**	**256 261**

CONDENSED INCOME STATEMENT OF SIOEN INDUSTRIES NV

31 DECEMBER (000) EUR	2014	2013
Operating income	**157 745**	**157 354**
Turnover	149 624	151 450
Increase (decrease) in stocks of finished goods, work and contracts in progress	- 562	-2 020
Fixed assets - own construction	482	
Other operating income	8 201	7 923
Operating charges	**-145 186**	**-147 168**
Raw materials, consumables and goods for resale	-88 333	-94 200
Services and other goods	-22 350	-22 317
Remuneration, social security costs and pensions	-20 003	-19 527
Depreciation and amounts written off	-5 425	-6 589
Provisions for liabilities and charges - appropriations	- 880	10
Other operating charges	-8 195	-4 545
Operating profit (loss)	**12 559**	**10 186**
Financial income	13 417	20 351
Financial charges	-9 258	-8 127
Financial result	**4 159**	**12 224**
GAIN (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXES	**16 718**	**22 410**
Extraordinary result		
PROFIT (LOSS) FOR THE PERIOD BEFORE TAXES	**16 718**	**22 410**
Transfer from postponed taxes	**23**	**34**
Income taxes	**- 299**	**- 618**
PROFIT (LOSS) FOR THE PERIOD	**16 442**	**21 826**
Transfer from untaxed reserves	**91**	**9**
Transfer to untaxed reserves		
PROFIT (LOSS) FOR THE PERIOD AVAILABLE FOR APPROPRIATION	**16 533**	**21 835**

Activity of Sioen Industries

Next to the Belgian coating operating activities, the function of Sioen Industries is essentially to outline the strategy of the divisions. It also appoints the management of the Group companies and supports the Group companies in the areas of personnel management, financial and treasury management, budgeting and controlling, MIS and IT, and legal affairs.

Comments

The turnover of Sioen Industries decreased with 1.2% from EUR 151.5 million in 2013 to EUR 149.6 million in 2014. In 2014 the operating profit amounted to EUR 12.6 million, compared with an operating profit of EUR 10.2 million in 2013. Financial result decreased from EUR 12.2 million in 2013 to EUR 4.2 million in 2014 due to dividends received from subsidiaries in 2013.

Accounting principles

The accounting principles and translation rules applied to the statutory annual accounts of Sioen Industries are in accordance with Belgian Generally Accepted Accounting Principles.

Transparency disclosure

Pursuant to Articles 6 to 18 of the Act of 2 May 2007 (Transparency Law) on the disclosure of significant participations in listed companies, the applicable quotas were set at, on the one hand, 5 percent or a multiple thereof and on the other hand at 3 percent and 7.5 percent (Article 8 of the Articles of Association). In accordance with Articles 6 to 18 of the Act of 2 May 2007, following notifications of shareholdings in Sioen Industries NV were received:

NOTIFYING PARTY	DATE OF NOTIFICATION	NUMBER OF SHARES	PERCENTAGE OF TOTAL NUMBER OF SHARES
Sihold NV (1) and companies/parties under the influence of the family Sioen	7 March 2014	12 906 212	65.18%
ING Groep NV (2)	6 September 2012	680 000	3.43%
TOTAL		**13 586 212**	**68.62%**

(1) Sihold NV is controlled by Sicorp NV, which is controlled in turn by the Dutch foundation Stichting Administratiekantoor Midapa. This foundation is controlled by Mrs. Sioen.
(2) ING Groep NV controls ING Insurance Topholding NV which in turn controls ING Verzekeringen NV. ING Verzekeringen NV controls ING Insurance Eurasia NV which in turn controls ING Investment Management Holdings NV. ING Investment Management Holdings NV controls ING Investment Management (Europe) BV which in turn controls ING Management Belgium SA.

6| PROPOSALS TO THE GENERAL SHAREHOLDERS' MEETING

PROPOSALS TO THE GENERAL SHAREHOLDERS' MEETING OF SIOEN INDUSTRIES NV OF 24 APRIL 2015

The Board of Directors of Sioen Industries proposes to the General Shareholders' Meeting to approve the annual accounts at 31 December 2014 and to consent to the appropriation of profit.

The profit for the financial year ended is EUR 16 533 436, compared to a profit of EUR 21 834 520 for the financial year 2013.

The profit brought forward from the previous financial year is EUR 26 128 880. The profit available for appropriation is consequently EUR 42 662 316.

THE BOARD OF DIRECTORS PROPOSES TO APPROPRIATE THE PROFIT AVAILABLE FOR APPROPRIATION OF EUR 42 662 316 AS FOLLOWS:

(IN EUR)	
Addition to other reserves	
Gross dividends for the 19 825 903 shares	-7 335 584
Directors' fees	- 219 375
Profit to be carried forward	35 107 357

THE PROPOSED NET DIVIDEND PER SHARE IS CALCULATED AS FOLLOWS:

(IN EUR)	
Net dividend per share	0.2775
Withholding tax 25/75	0.0925
Gross dividend per share	0.3700
Pay-out ratio[1]	43.38%

(1) Gross dividend in relation to the share of the Group in the consolidated result

If this proposal is accepted, the net dividend of EUR 0.2775 per share will be made payable as from 11 May 2015 onwards.

DEFINITIONS

Gross margin %	(Net sales +/- changes in stocks and WIP – raw materials and consumables used)/Net sales
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization = Operating result + amortization + depreciation + write off inventories and receivables + provisions for liabilities and charges + non-recurring result (provision related)
EBIT	Earnings Before Interest and Taxes = Operating result
REBIT	EBIT + non-recurring result
REBITDA	EBITDA + non-recurring result
EBT	Earnings Before Taxes
EAT	Earnings After Taxes
NOPAT	EBIT - Taxes
EVA	NOPAT - cost of capital at start of the period
ROCE	NOPAT/Capital employed of the period
Net cash flow	Profit (loss) for the period from continuing operations + depreciation + amortization + write off inventories and receivables + provisions for liabilities and charges + non-recurring result (provision related)
Free operating CF	Funds from operating activities - funds from investing activities
Working capital	Interests in associates + current assets (minus other financial assets, cash and cash equivalents) – non-financial debt up to one year - accrued charges and deferred income
Capital employed	Working capital + intangible assets + goodwill + property, plant and equipment + investment property

G4 CONTENT INDEX
THIS REPORT IS INSPIRED BY GRI G4 GUIDELINES. IT HAS NOT BEEN EXTERNALLY ASSURED

G4 GENERAL STANDARD DISCLOSURES

Strategy & profile

1I STRATEGY AND ANALYSIS

G4.1	statement CEO	p 8, p 30 + www.sioen.be/all-films-and-links-annual-report

2I ORGANIZATIONAL PROFILE

G4.3	name	p 6-7	
G4.4	brands	p 6-7, p 130-131	
G4.5	locations	p 11, p 32-33, p 92	
G4.6	countries	p 11, p 76	
G4.7	ownership	p 47	
G4.8	markets	p 6-7, p 12-13, p 21	
G4.9	scale	p 6-7, p 12-13, p 10-11, p 20-21	
G4.10	employees	p 22-23, p 116	
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G4.12	supply chain	p 14-15	
G4.13	changes	p 20	
Commitment to external initiatives			
G4.14	precautionary principle	p 27	
G4.15	initiatives	p 24 + www.sioen.com/corporate/about-sioen/sustainability	
G4.16	memberships	p 26 + www.sioen.com/waste-recycling	

3I IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4.17	entities	p 12-13, p 32-33	
G4.18	define report content	p 3 partially reported	UNGC1-10
G4.19	material aspects	p 3	
G4.20	aspect boundary within the organization	Not reported	
G4.21	aspect boundary outside the organization	Not reported	
G4.22	restatements	p 8, p 30 + www.youtube.com/user/Sioenindustries	
G4.23	changes in the Scope and Aspect Boundaries	p 8, p 30 + www.youtube.com/user/Sioenindustries	

4I STAKEHOLDERS ENGAGEMENT

G4.24	stakeholders list	p 9 + www.sioen.be/corporate/about-sioen/sustainability/corporate-social-responsibility	
G4.25	stakeholders identification	p 9 + www.sioen.be/corporate/about-sioen/sustainability/corporate-social-responsibility	
G4.26	stakeholders engagement	p 10	
G4.27	stakeholders engagement: key topics	p 9 and p 10	

5I REPORT PROFILE

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Governance and ethics

6I GOVERNANCE

G4.34	governance	p 30-48	UNGC 1-10

7I ETHICS AND INTEGRITY

G4.56	codes of conduct	p 9 and p 31 + www.sioen.be/corporate/about-sioen/ sustainability/corporate-social-responsibility	

G4 GENERAL SPECIFIC DISCLOSURES

Economic

1I ECONOMIC PREFERENCE

G4 DMA	generic DMA	p 10, p 16-19	
G4 EC4	public assistance	p 20 + www.sioen.com/technical-textiles/eu-calls	

Environmental

2I MATERIALS

G4 DMA	Generic DMA	p 8, p 24-27	UNGC: UNGC 8
G4 EN2	recycled	p 24-26 + www.sioen.com/corporate/about-sioen/ sustainability	

3I ENERGY

G4 DMA	Generic &Specific DMA	p 8, p 24-25	UNGC 8-9
G4 EN3	within	p 24-25	
G4 EN6	consumption	p 25	
G4 EN7	requirements	p 25	

4I WATER

G4 DMA	Generic DMA	p 25	

5I EMISSIONS

G4 DMA	Generic & Specific DMA	p 27	
G4 EN21	Nox, Sox	p 27	

6I EFFLUENTS AND WASTE

G4 DMA	Generic DMA	p 24-26	UNGC: UNGC 7-8-9
G4 EN22	discharge	p 26	
G4 EN25	hazardous waste	p 26	

Economic

1I EMPLOYEMENT

G4 DMA	Generic & Specific DMA	p 22 - 23	
G4 LA1	employee	p 116	

2I OCCUPATIONAL HEALTH AND SAFETY

G4 DMA	Specific DMA	p 22-23	
G4 LA6	injury	p 23	

3I TRAINING AND EDUCTATION

G4 DMA	Generic DMA	p 23	

4I DIVERSITY AND EDUCATION

G4 DMA	Generic DMA	p 23 Partially reported	
G4 LA12	composition	p 119 Partially reported	

Social: Human rights

1I NON-DISCRIMINATION

G4 DMA	Generic DMA	p 8-9, p 22-23	UNGC 6
G4 HR3	incidents	p 9, p 22-23 + www.sioen.be/corporate/about-sioen/sustainability/corporate-social-responsibility	

2I FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4 DMA	Generic & Specific DMA	p 9, p 22-23 + www.sioen.be/corporate/about-sioen/sustainability/corporate-social-responsibility	UNGC 3
G4 HR4	violation	idem	

3I CHILD LABOR

G4 HR5	risk	p 9, p 22-23 + www.sioen.be/corporate/about-sioen/sustainability/corporate-social-responsibility	

4I SUPPLIER HUMAN RIGHTS ASSESSMENT

G4 DMA	Generic & Specific DMA	p 9 Partially reported	
G4 HR10	New suppliers	p 9 Partially reported	

Social: Society

1I ANTI-CORRUPTION

G4 DMA	Generic & Specific DMA	p 9	UNGC: UNGC 10
G4 SO3	risks	p 9, p 22-23	
G4 SO5	incidents	p 9, p 22-23	

2I SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

G4 DMA	Generic & Specific DMA	p 9	
G4 SO9	new suppliers	p 9 + www.sioen.be/corporate/about-sioen/ sustainability/corporate-social-responsibility	

Social: Product responsability

1I CUSTOMER HEALTH AND SAFETY

G4 DMA	Generic & Specific DMA	p 9, p 21, p 24-27	
G4 PR1	impacts	p 9 + www.sioen.be/corporate/about-sioen/ sustainability/corporate-social-responsibility	

2I PRODUCT AND SERVICE LABELLING

G4 DMA	Generic & Specific DMA	p 8, p 12-13	

3I COMPLIANCE

G4 DMA	Generic DMA	p 8 , p 9, p 24-27	
G4 PR9	value	Not reported	

ADDRESSES

COATING

SIOEN INDUSTRIES NV	Fabriekstraat 23 B-8850 Ardooie Belgium
SAINT FRERES SAS	4 Route de Ville BP 80201 F-80420 Flixecourt France
SIOEN FABRICS SA	Zoning Industriel du Blanc Ballot Avenue Urbino 6 B-7700 Mouscron Belgium
SIOEN COATED FABRICS (SHANGAI) TRADING CO. LTD	Wai Gao Qiao Free Trading Zone 168 Mei Shen Road - Guo Lian Mansion 1st Floor 200131 Shanghai/Pudong P.R. of Chi
SIOFAB SA	Indústria de Revestimentos Têxteis Rua da Indústria PT-4795-074 Vila das Aves Portugal
PENNEL AUTOMOTIVE SAS	310 Rue d'Alger F-59100 Roubaix France
COATEX NV	Industriezone Sappenleen Sappenleenstraat 3-4 B-8970 Poperinge Belgium
SAINT FRERES CONFECTION SAS	2 Route de Ville BP 80237 F-80420 Flixecourt France
SIOEN FELT & FILTRATION SA	Rue Ernest Solvay 181 B-4000 Liège Belgium

APPAREL

SIOEN NV	Fabriekstraat 23 B-8850 Ardooie Belgium
CONFECTION TUNISIENNE DE SECURITE SARL - C.T.S. SARL	5 Impasse 2 Rue de l'Energie Solaire – (Z.I.) La Charguia TN-2035 Tunis Tunisia
GAIRMEIDI CAOMHNAITHE DHUN NA NGALL TEORANTA LTD	(Donegal Protective Clothing –Sioen Ireland) - Industrial Estate Bunbeg Co. Donegal Ireland
MULLION SURVIVAL TECHNOLOGY LTD	2 Hebden Road Scunthorpe North Lincolnshire DN15 8DT UK
SIOEN FRANCE SAS	Pavillon Hermès 110 Avenue Gustave Eiffel ZI La Coupe F-11100 Narbonne France
PT. SIOEN INDONESIA	Kawasan Berikat Nusantara (KBN) Marunda Jl. Pontianak Blok C 2-03 Cilincing Jakarta Utara 14120 Indonesia
PT. SUNGIN TEX	Jalan Raya Narogong Km 12,5 Pangkalan IV Desa Cikiwul Kec. Bantar Gebang Bekasi Barat 17152 Indonesia
SIOEN TUNISIE SARL	7 Impasse 2 Rue de l'Energie Solaire – (Z.I.) La Charguia TN -2035 Tunis Tunisia
SIOEN ZAGHOUAN SARL	Rue Ismaïl Sabri - Zone Industrielle TN - 1100 Zaghouan Tunisia
SIOROM SRL	Calea Chisinaului nr. 43, Iasi Romania Postal code 700179
P. VAN OCHTEN BEDRIJFSKLEDING BV	Hekven 7 NL-4824 AD Breda The Netherlands

CHEMICALS

EUROPEAN MASTER BATCH NV - E.M.B. NV	Rijksweg 15 B-2880 Bornem Belgium
RICHARD SAS	Rue lavoisier - Zac novo F- 59160 Lomme France

OTHER

ROLTRANS TEGELEN BV (real estate)	Kasteellaan 33 NL-5932 AE Tegelen The Netherlands
ROLTRANS GROUP AMERICA INC (real estate)	3212 Pinewood Drive Arlington, Texas TX 76010 USA Corporation # 2044811
ROLAND PLANEN GMBH (dormant)	Am Zirkel 8 D-49757 Werlte Germany
ROLAND REAL ESTATE SP.Z.O.O. (real estate)	ul. Nadbrzeżna 1 PL -62500 Konin Poland
ROLAND UKRAINE LLC (dormant)	6-A Industrialna str. 35350 Kvasyliv, Rivnenska obl. Ukraine

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Jaarverslag/annual report
Dit jaarverslag is beschikbaar in het Nederlands en het Engels.
This annual report is available in English and Dutch.

Financial information and investor relations
For all further information, institutional investors and financial analysts are advised to contact: Mr. Geert Asselman Chief Financial Officer

Financial Calendar
Trading update first quarter 2015: 23 April 2015
General Shareholders' Meeting: 24 April 2015
Half year results 2015: 28 August 2015
Trading update third quarter 2015: 13 November 2015

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