miko®

ANNUAL REPORT

2015

JAARVERSLAG


PURO

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MESSAGE FROM THE MANAGING DIRECTOR

2015 was a year that everyone at Miko will remember. We celebrated the tenth anniversary of our sustainable Puro coffee! And that did not go by unnoticed. Former Iron Man Marc Herremans agreed to become the face of our campaign. Marc epitomises perseverance and endurance. He opened our grand Puro cycling event, which generated proceeds of EUR 21,000 for his social project titled "To Walk Again".

We also charmed Deputy Prime Minister Alexander De Croo with our Puro coffee. Under a great deal of media attention, he graciously cut our ribbon to open the Belgian Fair Trade week, marking this with the following tweet: "Bezoek @mikocoffee in Turnhout bij start +WeekvdFairTrade. Hun @puro_coffee niet alleen eerlijk, maar ook heerlijk!"... (Visit @mikocoffee in Turnhout at start +FairTrade Week. Their @puro_coffee is both honest and delicious!)

Alexander De Croo Tweet

We received the Fair Trade award from the municipality of Turnhout, bringing the number of awards we have received in connection with the sustainability impact of our Puro brand to six. For example, we have in the past been the recipient of Belgium's 'Be Fair' award, and the United Kingdom's 'Business Charity' award.

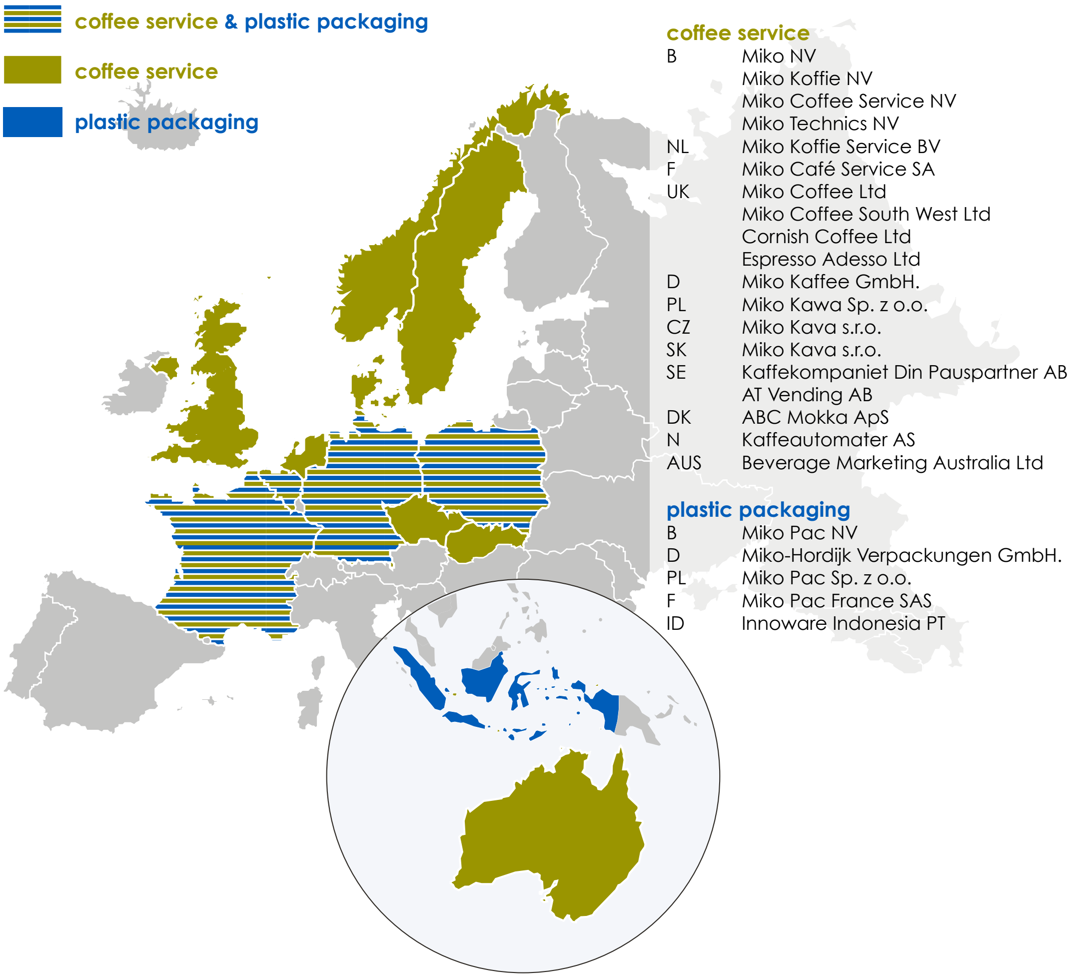
And, believe it or not, an American biologist discovered an orchid in our Puro rainforest reserve some years ago.

This has now been officially registered as the "Teagueia Puroana". And as if that's not yet enough, one of the rangers in our Puro reserve in Ecuador discovered a new frog, which today bears the official name "Pristimantis Puruscafeum". Since a picture says a thousand words, and a video clip even more, the following link may clarify matters: A film about coffee and conservation via YouTube, or www.youtube.com/watch?v=AikZG2utJI, or www.facebook.com/fairtradecoffee/videos.

RELAX WITH MIKO COFFEE....

TRADE FAIR AND BUY RAINFOREST WITH PURO COFFEE...

MAKE SURE YOU THINK OUT OF THE BOX WITH MIKO PAC ...



2015 is a year about which we can be satisfied. Group turnover rose with 11.5 % to EUR 178 million. There was a slight decline in EBIT of 3.7 %. However, this did not prevent the EBITDA from making a strong leap forward to the tune of 7 %. And finally the net result exhibited growth of 3.3 % ...

The fact that the EBIT sustained a slight decline is, amongst others things, due to depreciation increasing by EUR 1.3 million, as a result of infrastructure works required to enable future growth. At the same time, our financial position in 2015 was intersected by a strong dollar and high coffee prices that were not passed on with a view to maintain our market share. The consequence is that the gross margin was EUR 2.3 million lower.

But as stated on several occasions, the fact that the Miko Group encompasses two core activities ensures on average a lower level of cyclicality. Thanks to the strong results achieved by the plastics department, the group succeeded in recording encouraging figures as reflected by the strong growth of the EBITDA.

Incidentally, the same plastics processing department exhibited a very healthy performance in 2015. Miko Pac Belgium launched a new production line and took further steps towards automation and robotisation.

A multilayer extruder will become operational in 2016. This will be capable of producing several layers of plastic film in all colours of the rainbow, and make it possible to incorporate an EVOH barrier in the packaging. Such a barrier ensures a lower oxygen permeability. This means that food packed in containers with such a high barrier will benefit from a longer shelf life.

The storage capacity at Miko Pac in Poland was expanded to accommodate 10,000 pallet spaces. Substantial investments were also made in a thermoform production line and associated infrastructure to maintain the competitive edge in the Polish and wider Central European markets.

The joint venture set up with Innoware in Indonesia in 2014, was clinched in 2015 with the acquisition of a 31,000 m² industrial site in Jakarta where a greenfield plant will be constructed.

And finally, a small sales branch was set up in France in which Miko Pac has a 55 % share. Our market position was always a weak one in that country. It is of course our intention to change this by maintaining a local presence from now on.

And things were not at a standstill in the Coffee service department either. Amid all the festivities relating to the tenth anniversary of Puro, our focused strategy of expanding operations in Scandinavia led us to acquiring a 66 % share in Norwegian company A:Kaffe, which has an annual turnover of EUR 1.8 million. This means we have established a presence through acquisitions in Sweden, and Denmark over a 3-year period, and now, since 2015, also in Norway.

Through our subsidiary Miko Kaffee, Miko set up a partnership in Germany with the company Qusotic in December, which achieved a turnover of EUR 2 million with seven employees. Miko Koffie holds a 75 % share of the merged entity, the new “Miko Germany”, whereby the remaining 25% of shares in Miko Germany are held by the previous owners of Qusotic.

This partnership allows us to kill two birds with one stone. Our own Miko Kaffee department is established in the Ruhr valley and its operations are therefore focused mainly in northern Germany. The partnership with Qusotic, the head offices of which is located in the Nürnberg area and which focuses primarily on the south of the country, creates a key geographical synergy.

Qusotic serves around a thousand customers in the market and therefore brings a wide customer spread. This nicely complements the high volumes we are currently already bringing to market through our strategic partners.

And this is also good news for faithful Miko investors. Over a twelve-month period, our share price rose from EUR 71.19 at year-end 2014 to EUR 101.79 at year-end 2015. We trust that our investors will not allow themselves to be discouraged by the Belgian “speculation tax”. For as much Miko is concerned. Christophe De Rijcke and Kurt Van Steeland of Belgian daily “De Tijd” (26/01/2016) calculated that the average Miko investor holds our shares in their portfolio for 6.2 years. A sufficient safety margin for “prudent administrators” where the speculation tax is concerned.

We would also like to take this opportunity to extend our thanks to our 985 employees across the group. Their dedication in 2015 was fantastic, as always. We have their enthusiasm to thank for the foundations we have been able to lay for the continued expansion of the Miko Group.

Miko N.V. | Steenweg op Mol 177 | 2300 Turnhout | KBO No. 0404.175.739 | RPR Turnhout
(the “Company”)

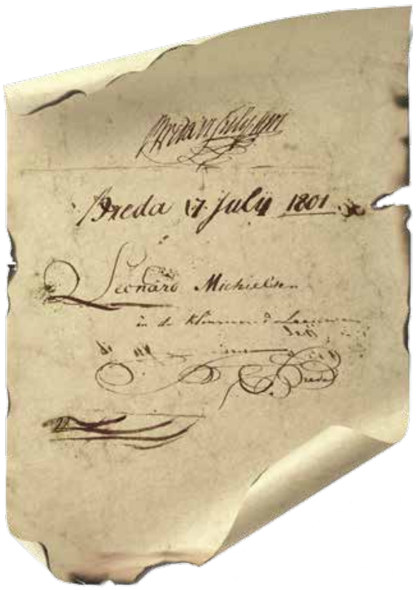
ANNUAL REPORT

Dear Shareholders,

The Board of Directors of Miko N.V. takes pleasure in reporting the Company’s activities and results over the financial year 2015 to you. The consolidated annual accounts, the single annual accounts and this annual report were approved at the meeting of the Board of Directors on 21 March 2016 and will be presented to the Ordinary General Meeting of 24 May 2016.

1. INTRODUCTION

1.1. History and profile of the group

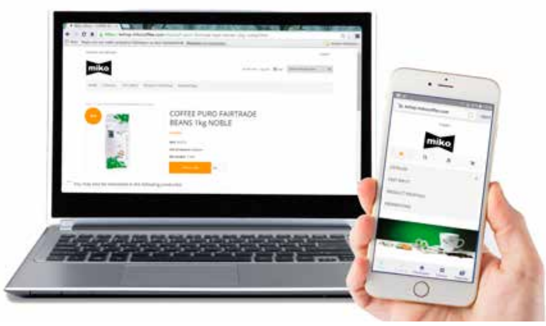


The Miko Group focuses upon two core activities: coffee service and plastic packaging.

Miko (from Michielsen Koffie) was founded in 1801 as a trader in colonial goods. Since the 1970s, Miko has specialised in the out-of-home market instead of investing large advertising budgets to compete with multinational players who dominate the supermarket coffee racks.

This out-of-home market comprises two segments: the catering industry on the one hand and the office market (Office Coffee Service or OCS) on the other. Miko provides tailored solutions for hot and cold drinks. The client is supplied with a professional coffee machine, in exchange for which a minimum amount of coffee is purchased. Well-organised customer service and technical service ensure consistent quality.

This formula has been successful: Miko can rightfully claim to sell cups, not kilos, of coffee. This formula for success was soon exported to other countries. Miko currently has subsidiaries in the United Kingdom, France, the Netherlands, Germany, Poland, the Czech Republic, the Slovak Republic, Sweden, Denmark, Norway and Australia. Miko also sells its coffee concepts via independent distributors in thirty countries across Europe and beyond.



At the World Exhibition of Brussels in 1958 Miko launched the single-headed coffee filter. The plastic filter skirt had to withstand the temperature of the boiling water used to make the coffee. Because no suitable technology existed until then, Miko developed it itself. Polypropylene was selected for this. The new expertise that Miko gained through this process was quickly applied to producing plastic packaging. And this is how the Plastics department, under the name Miko Pac, developed into the group's second core activity.

Miko Pac uses two different technologies for the production of packaging.

In the ultramodern injection moulding plant, plastic pellets are melted and injected into moulds at high pressure. To create attractively printed packaging, Miko Pac developed the in-mould labelling (IML) technique. A robot places a plastic label in the mould and the plastic then injected around it, leading to a high-quality end product.

In the Thermoforming department, the plastic pellets are first extruded into a film, which is then heated and pressed into a final shape in a mould. All waste material from the film is reprocessed, meaning that this technique is entirely waste free. This procedure is primarily used to produce trays and containers for ready meals.

The steady growth of Miko Pac made it necessary to increase production capacity. Because Central and Eastern Europe were becoming ever more important sales markets, Miko Pac decided to acquire Polish company MCO. Now there is a modern injection moulding factory in Bydgoszcz, which, like its Belgian counterpart, is growing and expanding steadily.

A subsidiary was set up in Germany to take care of sales on the enormous German market.

Within the framework of its long-term vision, Miko Pac entered into a strategic partnership in 2014 by means of a 50 % interest in plastic processing company PTY Innoware, based in Jakarta, Indonesia.

In recent years the coffee service and plastic packaging departments have each been accountable for approx. 50 % of group turnover.

Miko N.V. shares have been listed on Euronext Brussels since 1998.

1.2. Mission and strategy

The Miko Group focuses on two core activities, each with their own mission.

For the coffee service segment:

"Miko wants to be the partner for the out-of-home client by supplying trouble-free coffee concepts based upon high-quality products and services."

- your coffee, our concern -

For the plastic packaging segment:

"Within the food industry, Miko Pac wants to be a long-term recognised partner for the supply of contemporary plastic packaging with high added value."

Our strategy for realising these missions can be summarised as follows:

Concentration upon our core activities: coffee service and plastic processing
Our strategy is based upon the further expansion of our two current core activities. This will be achieved by both internal and external growth. The strengthening of our market position in our "home countries" – Belgium, the Netherlands, France, the United Kingdom, Germany, Poland, Czech Republic, Slovak Republic, Australia, Sweden, Denmark, Norway and Indonesia – remains of prime importance. But another ambition is further internationalisation.

Banish myopia ... think of the long term
A company that has been in existence for 200 years cannot afford to sleepwalk into opportunism and a short-term mindset. We must have the courage to assess possible investments on the basis of their strategic long-term contribution to the group, even if this is sometimes at the expense of short-term profits.

Think big ... but act small
We should always strive to play our crucial trump card of flexibility in both our core activities. Our relatively limited size means that individualised products, fast response times and specialisation will be crucial to our growth in our highly demanding market segments.

200 years of mastery in quality and service

We will continuously strive to improve the already high standard of our products by sustained research and development. This applies both for our coffees and for our plastic packaging. We will continue to critically scrutinise our coffee service department in terms of the quality of service provision. We will strive to achieve excellence in this field.

FOR BOTH CORE ACTIVITIES WE CONTINUOUSLY STRIVE TO DEPLOY OUR KEY BENEFIT OF FLEXIBILITY.

People: the most important factor in the success of our company

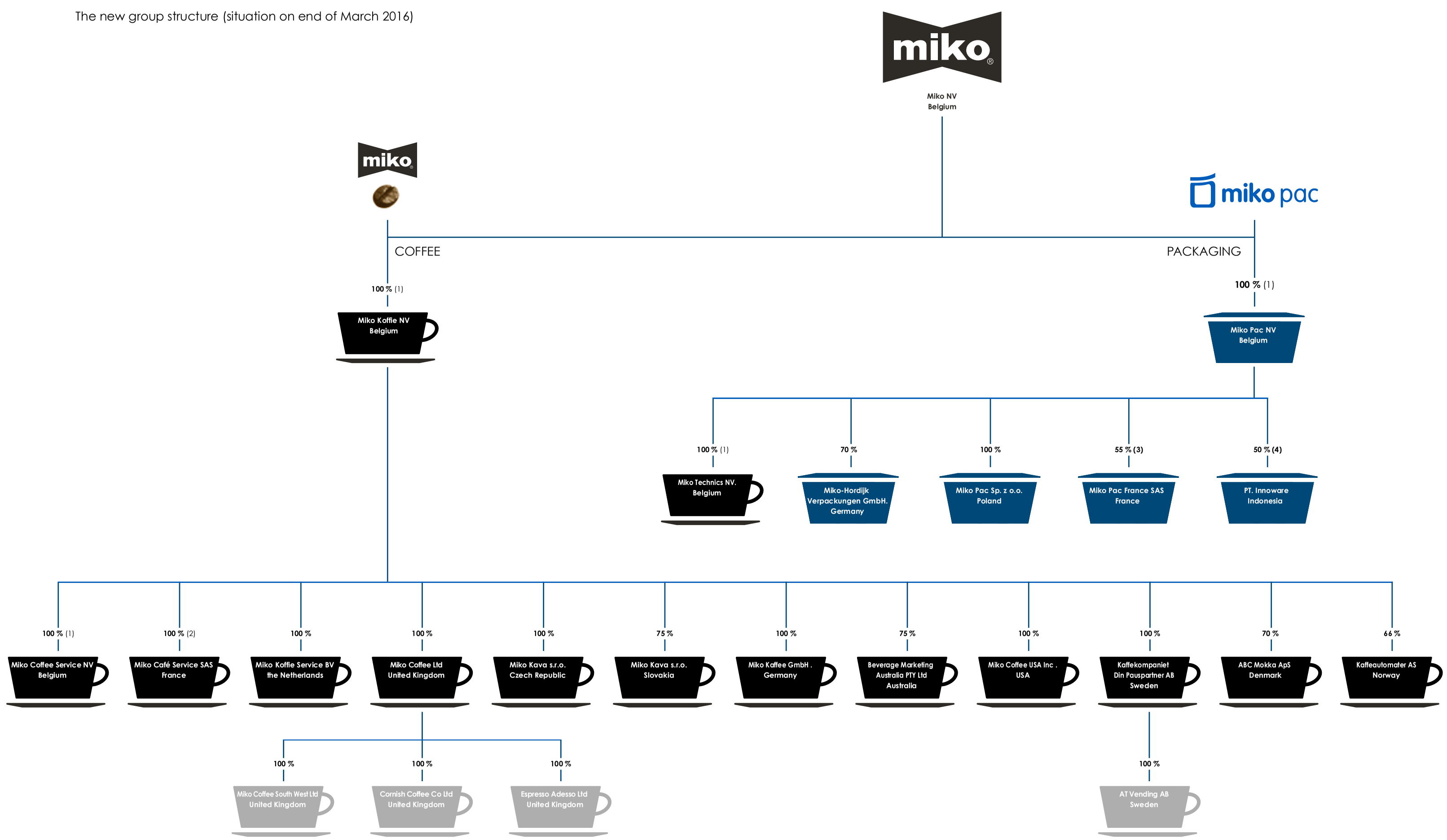
Excellence can only be achieved if staff are prepared to dedicate themselves to this goal. Motivation is the key word. The Miko Group will strive to motivate its employees by giving them the opportunity to contribute their own creativity and energy and by recognising these qualities. Miko offers career opportunities to those who pursue and earn them. Knowledge is also a key word. Miko regularly offers staff the opportunity to participate in training, so that they can remain up-to-date.

"I'm doing something for SE": a balance between Profit, People, Planet and Pleasure

In 2005 Miko set up a think tank to study the subject of Sustainable Enterprise (SE). One result of this think tank was the launch of the Puro concept. In addition it was decided to henceforth incorporate the theme of Sustainable Enterprise into the company's strategy. Under the motto "I'm doing something for SE ...", Miko is committed to steering its strategy such that a healthy balance is created between Profit, People, Planet and Pleasure.

2. CURRENT GROUP STRUCTURE

The new group structure (situation on end of March 2016)

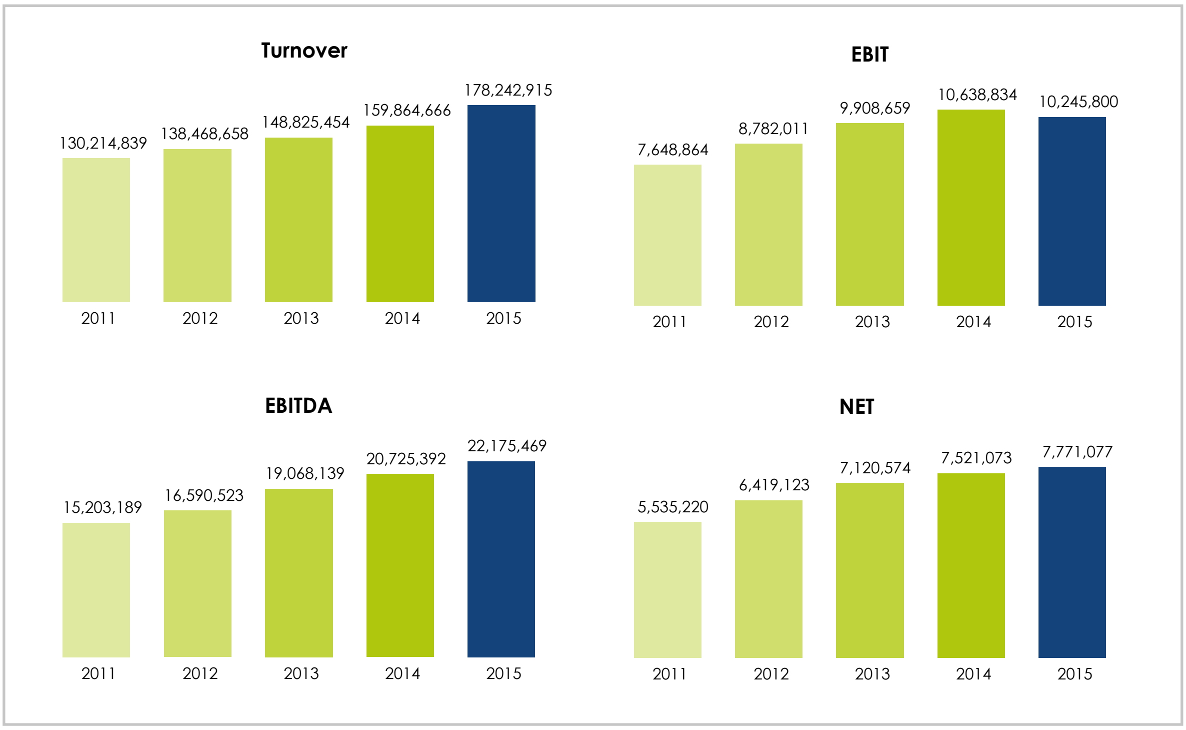


As of 21 March 2016 • **1** To avoid the application of Section 646 of the Belgian Companies Code, one share is transferred to the family holding company Imko Holding N.V. for each Belgian subsidiary. • **2** In January 2015, Miko Pac NV acquired a 55 % interest in Miko Pac France SAS, formerly Plastic Force France SARL, via a capital increase. • **3** In March 2015, Miko Koffie N.V. acquired a 66 % interest in Kaffeautomater AS. • **4** In November 2015, Miko Kaffee GmbH finalised a transaction with the owners of Qusotic GmbH & Co KG, by which 25 % of the shares of Miko Kaffee GmbH were transferred.

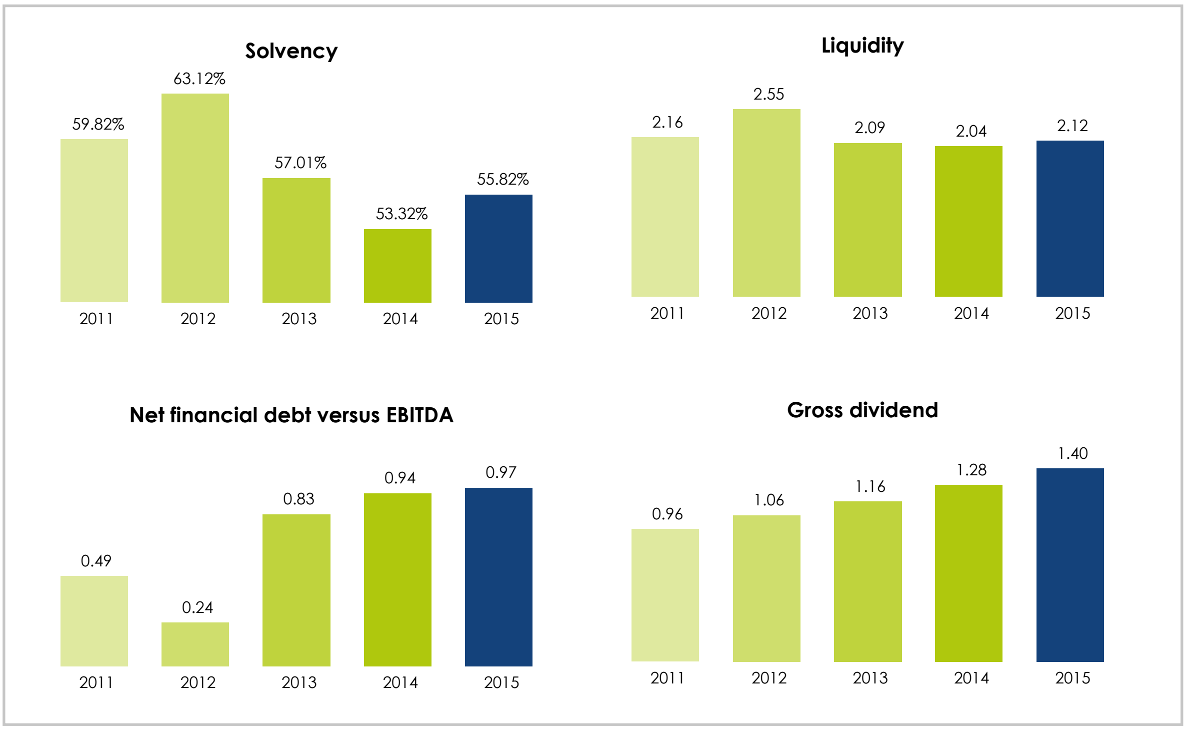
3. ANALYSIS OF THE RESULTS

3.1. Multi-year results

3.1.1. Results



3.1.2. Ratios and development of dividend



3.2. Key financial data

3.2.1. Income statement

	2015 (KEUR)	2014 (KEUR)	Difference 2015/2014
Turnover	178,243	159,865	11.50%
Other operating income	3,656	3,328	9.86%
Total expenses	-171,653	-152,554	12.52%
Earnings before interest and taxes (EBIT)	10,246	10,639	-3.69%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	22,175	20,725	7.00%
Net financial result	89	-657	113.54%
Profit before taxes	10,335	9,982	3.53%
Corporation tax	-2,535	-2,450	3.46%
Net profit of the group	7,800	7,532	3.55%
Attributable to minority interest	29	10	290.00%
Attributable to shareholders of MIKO	7,771	7,522	3.32%
Number of shares (basic, in units)	1,242,000	1,242,000	
Basic earnings per share, attributable to equity holders of MIKO (euro)	6.26	6.06	3.30%
Diluted earnings per share, attributable to equity holders of MIKO (euro)	6.21	6.02	3.15%
Gross dividend	1,739	1,590	9.37%
Gross dividend per share (euro)	1.40	1.28	9.37%

Company **turnover** increased by more than EUR 18 million. Almost all subsidiaries achieved a turnover increase.

Turnover in the plastics segment increased by more than EUR 13 million. Part of this rise in turnover was attributable to the acquisition in Indonesia at the end of 2014 and the one in France at the beginning of 2015. These contributed to a turnover increase of EUR 7 million. On the other hand, this segment saw a rise in sales in Germany, Poland and Belgium of EUR 3.9 million, EUR 1.5 million and EUR 1.1 million respectively.

Turnover in the coffee segment increased by more than EUR 5 million. This increase can be attributed in part to the acquisition in Norway at the beginning of 2015. This contributed EUR 1.2 million to revenue growth. On the other hand, turnover sustained considerable growth in Germany (+EUR 1.3 million), the UK (+EUR 0.9 million) and France (+EUR 0.8 million).

Costs increased by 12.52 %. This primarily concerns turnover-related costs, such as raw materials, public utility charges, transport costs, costs for machine maintenance and direct labour costs. The rise in the costs of raw materials is a direct consequence of the significant increase in the purchase prices of green coffee beans in 2015. Furthermore, the depreciation charge also increased by more than EUR 1.3 million.

NET PROFIT AMOUNTED TO 7.8 MILLION EURO, AN INCREASE WITH 3.3% COMPARED TO THE PREVIOUS FINANCIAL YEAR.

The **overall gross margin** amounted to 47.35 % (49.41 % in 2014). This decrease is associated with the coffee prices that were on average higher in 2015 than in 2014, as a result of which a margin of EUR 2.3 million was lost.

All this resulted in a decrease in **EBIT** (earnings before interest and taxes) by EUR 0.4 million (-3.69%) but an increase in **EBITDA** (earnings before interest, taxes, depreciation and amortisation) by EUR 1.5 million (+7.00%).

The **financial result** amounted to EUR 0.1 million, a EUR 0.7 million increase compared to 2014. This is attributable to the reduction of a financial liability that had been assessed too highly in the past.

The group paid in excess of EUR 2.5 million in **tax**, which corresponds to a tax burden of 24.53 % (compared to 24.55 % in 2014).

Net profit amounted to EUR 7.8 million, a 3.3 % increase in relation to the previous financial year. The Board of Directors proposed that the General Meeting raise the gross dividend per share from EUR 1.28 to EUR 1.40.

3.2.2. Balance sheet

	2015 (KEUR)		2014 (KEUR)	
ASSETS				
Non-current assets				
Tangible assets	48,101		48,296	
Intangible assets	21,326		18,818	
Deferred tax demands	763		505	
Trade and other receivables due in more than one year	881		1,287	
Total fixed assets		**71,071**		**68,906**
Current assets				
Inventories	28,090		24,083	
Trade and other receivables due in less than one year	31,846		28,436	
Cash and cash equivalents	10,629		17,547	
Total current assets		**70,565**		**70,066**
Total assets		**141,636**		**138,972**
LIABILITIES				
Equity				
Total equity		**79,063**		**74,098**
Liabilities due in more than one year				
Interest-bearing loans due in more than one year	21,904		24,268	
Obligations regarding personnel	629		744	
Deferred tax obligations	4,427		4,137	
Trade and other payables due in more than one year	827		949	
Long-term provisions	1,431		500	
Total liabilities due in more than one year		**29,218**		**30,598**
Liabilities due in one year or less				
Interest-bearing loans due in one year or less	10,240		12,767	
Taxes and social security contributions payable	5,718		5,880	
Trade and other payables due in one year or less	17,397		15,629	
Total liabilities payable in one year or less		**33,355**		**34,276**
Total liabilities		**141,636**		**138,972**

Tangible assets decreased by approx. EUR 0.2 million. A total EUR 10.3 million was invested in 2015. Investments in the plastics department primarily concerned production equipment, i.e. machines, robots and dies. Investments made in the Coffee department comprised coffee machines and a new Brambati coffee roaster to increase capacity.

These investments were set off against depreciation of EUR 10.2 million and decommissionings to the value of EUR 1.3 million.

Intangible assets increased by almost EUR 2.5 million. This concerns goodwill relating to the acquisitions in Norway, France and Germany.

Receivables due in more than one year decreased by EUR 0.4 million. This concerns finance lease receivables that had expired and were transferred to receivables due in less than one year.

Stock increased by EUR 4 million, as a consequence of increased turnover.

Receivables due in less than one year increased by almost EUR 3.4 million or 12 %. This is in line with the increased turnover.

Available resources (cash) decreased by EUR 6.9 million. For more information, see the cash flow overview below.

Equity increased by approx. EUR 5 million. This increase is attributable to net profit in the financial year. This was compensated by the dividend paid (EUR 1.8 million) and the current value of the future right to acquire the remaining minority interest in the acquired companies (EUR 1.8 million).

Loans due in more than one year decreased by approx. EUR 2.4 million. This refers to liabilities, the maturity of which on the closing date was less than 12 months and consequently they were transferred to debts running less than one year. On the other hand, a new loan of EUR 1.5 million was negotiated to finance the new coffee roaster.

Obligations **regarding personnel** relate to pre-retirement obligations in Belgium and additional pension obligations in Poland, France and Indonesia.

Deferred taxation obligations arise primarily due to the different depreciation periods that are used from an economic perspective on the one hand and a fiscal perspective on the other. The increase of this balance sheet item is associated with investments in tangible assets.

Trade payables due in more than one year relate primarily to securities paid by clients of the Coffee department, which have to be refunded when the client returns the equipment that he has leased or been loaned.

Long-term provisions relate primarily to the provisions for the share option plan for management.

Loans due in less than one year decreased by EUR 2.5 million. This relates to the repayment of loans, compensated for by transferring liabilities running less than 12 months on the balance sheet date, from long-term to short-term.

Taxes payable increased by approx. EUR 0.2 million.

Trade and other payables due in less than one year increased by EUR 1.8 million, on account of increased turnover and the costs relating to this.

3.2.3. Statement of cash flows

	2015 (KEUR)		2014 (KEUR)	
Earnings before interest and taxes (EBIT)	10,246		10,639	
Income tax expense	-2,641		-2,014	
Non-cash adjustments	12,127		9,498	
(Increase)/decrease in working capital	-5,528		-1,923	
Cash flow from operating activities		**14,204**		**16,200**
Cash flow from investment activities		**-12,582**		**-18,448**
Cash flow from financial activities		**-8,088**		**9,706**
Conversion differences		-442		-99
Total cash flows		**-6,908**		**7,359**

Cash flow from operating activities decreased by approx. EUR 2 million. This is attributable to the rise in the requisite working capital.

The negative **cash flow from investment activities** is a consequence of the substantial investments made in 2015, on the one hand in tangible assets and on the other in intangible assets (almost exclusively in the coffee sector).

Cash flow from financial activities amounted to -EUR 8.1 million and is attributable to the repayment of loans taken in the past to finance investments and acquisitions.

The effects of these measures resulted in a decrease in **liquid assets** by approx. EUR 6.9 million. However, the company still has a strong cash position (in excess of EUR 9.8 million).

4. DEVELOPMENTS IN 2015

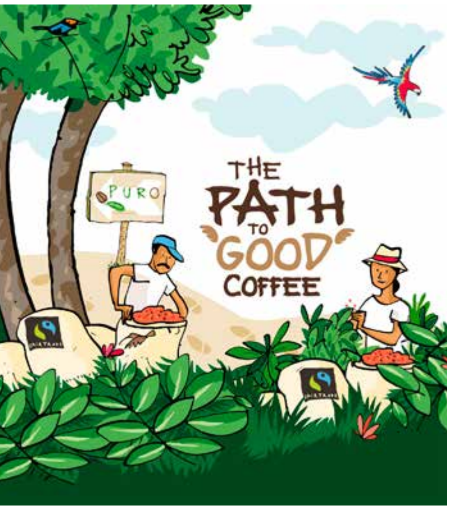
4.1. COFFEE

4.1.1. GENERAL

The coffee department achieved a consolidated turnover of EUR 89.6 million in 2015. This represents a 6.2 % increase in relation to 2014.

A such the coffee department's share of the group turnover represents 50 %.

Investments in tangible assets amounted to EUR 8 million. In addition to the traditional investments within the framework of purchasing coffee equipment intended for lease or lend to clients, an investment in a new Brambati coffee roaster was made during 2015 in order to upgrade our capacity.



4.1.2. NOTABLE ACHIEVEMENTS

2015 was a remarkable year for Fairtrade coffee brand Puro, and it was the centre of attention on various occasions during the year on account of the brand's tenth anniversary. Miko has been investing in sustainability for the past ten years through its Puro Fairtrade coffee, an honest price for small-scale, local coffee growers and environmental protection. The latter is achieved in a partnership with international environmental protection organisation World Land Trust (WLT) in which WLT acquires sections of rainforest which are then protected in a sustainable manner in the form of reserves. In the meantime, eight such Puro reserves are being supported in seven countries where coffee is grown.

As recognition of the support that Miko is providing to the project with Puro, a new frog species – discovered in the reserve in Ecuador – was given the name Pristimantis Puruscafeum, in reference to Puro.

The market share of Puro coffee has grown strongly since it was launched and currently accounts for approximately 30 % of our coffee production.

Within the framework of the coffee division's strategy for expansion in Scandinavia a 66 % interest was acquired in the Norwegian company Kaffeautomater AS in the first quarter of 2015 .

Like Miko, Kaffeautomater AS focuses on the out-of-home market, and operates under the trade name A:KAFFE. Furthermore, a new sales & services office was added in Stockholm to Kaffekompaniet's Swedish network, and the introduction of new Aequator machines proved to be a great success, with 80 machines being installed in the market. The existing collaboration with H&M was also expanded to 120 retail outlets throughout Sweden.

As a consequence of the acquisition mentioned above, Miko Koffie N.V., through its subsidiaries, currently has a presence with own branches in Denmark (ABC Mokka ApS), Sweden (Kaffekompaniet AB) and Norway (Kaffeautomater AS).

The French branch continued expanding its network of technical cells in various French regions to ensure that commercial concepts with a key service component can be offered throughout France in the future, and thus not only in the area in and around Paris.

The development of activities of the subsidiaries in the United Kingdom was characterised by a centralisation of the coordination of technical services for the South-East and Northern service teams. In addition, two traditional and locally hand-roasted coffee blends were successfully launched under the names "Hand Roasted in Cornwall" and "Freehand". Freehand coffee was launched during the London Coffee Festival.

Freehand Coffee Roasters

In the field of marketing, attention was also paid to our online presence on social media. Besides the campaign marking the tenth anniversary of Puro, we sponsored various sporting and cultural events.

In Germany we entered into a strategic partnership with Nuremberg-based Qusotic GmbH & Co KG ("Qusotic") at the end of 2015. Within the framework of this transaction and the acquisition of Qusotic's assets, Miko Coffee N.V. retains investment participation of 75 % of the shares of Miko Kaffee GmbH. Qusotic achieves a turnover of approx. EUR 2 million with a workforce of seven. Half of this turnover is achieved from its coffee service to the out-of-home market (companies, catering sector and public institutions). Moreover, synergies may also be derived from the wide customer spread, the geographical location, for which Nuremberg is an attractive addition to the current site of Miko Kaffee GmbH in the Ruhr valley and the potential of ice drink "Sneky" and associated machines.

4.2. PLASTICS

4.2.1. GENERAL

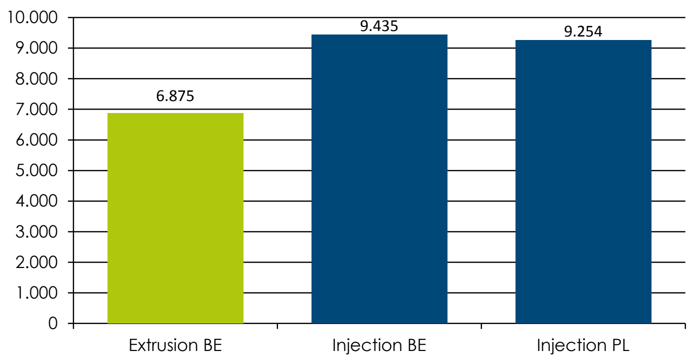
The plastics division realised a consolidated turnover of EUR 88.7 million in 2015, being a 17.5% increase compared to 2014 and represents 50 % of group turnover.

A large proportion of this turnover increase is attributable to the interest in PTY Innoware (Indonesia) acquired at the end of 2014. The European plastics operations also achieved a 10.50 % growth.

Investments in the plastics segment in 2015 amounted to EUR 5.2 million and related to investments in production infrastructure, machines, robots and moulds.

4.2.2. RAW MATERIALS

Miko Pac consumed approximately 25,000 tonnes of raw materials (plastic pellets) in 2015.



4.2.3. NOTABLE ACHIEVEMENTS

Miko Pac currently maintains operations in five countries: Belgium, Poland, Germany, France and Indonesia.

(i) Belgium

Thanks to investments in automation and further production capacity, the Belgian parent company can present a splendid growth of 6.3 %, with a workforce of 149. This growth is primarily attributable to the Thermoforming division, where a new production line was launched and associated robots were installed.

As a result of the growing demand for extrusion capacity, a new multilayer extrusion line will operational in the course of 2016. This makes it possible to manufacture products with an EVOH barrier. This oxygen barrier results in packaging that can guarantee a longer shelf life of food products.

(ii) Poland

With its 140 employees, Miko Pac's Polish production site has expanded to become a fully-fledged second pillar of the Plastics division. And the infrastructure continues to expand. The warehouse was expanded to a capacity of 10,000 pallet spaces. Besides the continued expansion of the injection moulding department, investments were also made in the further expansion of the Polish thermoforming operations, also making it possible to approach the Polish market with competitive prices.

Because there was a one-off opportunity to purchase the parcel of land adjacent to the Polish site, there was an anticipation of future growth last year through the acquisition of 30,000 m² land making sure Miko Pac will not have to worry about room for further expansion in the years to come.

And finally a very large ice-cream project for the German market reached cruising speed.

This means that overall, Miko Pac Poland contributes a growth of 21.4 %.

(iii) Germany and France

Miko Pac has sales offices in Germany and France. In Germany there is a 70/30 collaboration with Dutch company Hordijk. Unfortunately, German joint venture Miko-Hordijk recorded a 10.6 % loss in turnover. This is primarily attributable to the loss of turnover in trade goods. In turn, there was a substantial increase in the products manufactured by Miko Pac itself. A new Business Unit Manager was recruited to turn the tide.

Despite the geographical proximity, the position of the Plastics department in the French market has always been relatively limited. In that perspective, Miko Pac acquired a 55 % interest in a French sales office in February 2015, making it possible to serve the French market more efficiently together with a local partner. The first tangible success of this model can be seen in the collaboration with a large French company active in the vegetable industry.

(iv) Indonesia

Joint venture PTY Innoware reached a cruising speed and was recorded in the books for the whole of 2015. PTY Innoware's turnover in financial year 2015 amounted to EUR 6.2 million. PTY Innoware operates in two fields: promotional plastics operations on the one hand, and plastic packaging for the food industry on the other hand.

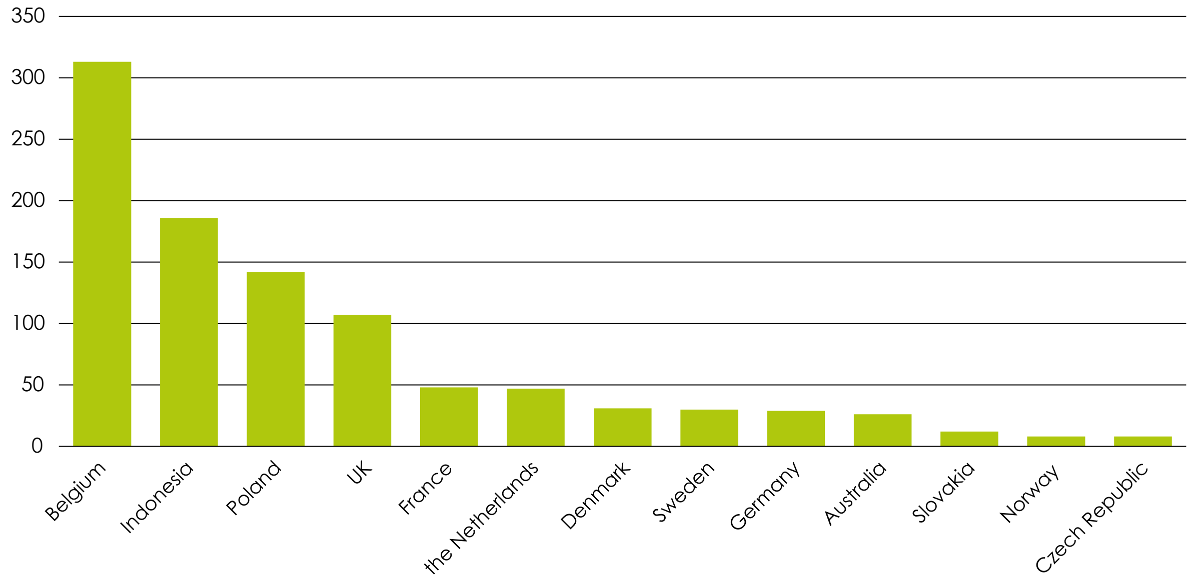
For Indonesia an advance payment was made in 2015 in order to purchase a 31,000 m² parcel of land for the construction of a greenfield production site.

Joint venture PTY Innoware

4.3. Human resources

At the end of 2015, 985 people were employed by the Miko Group, of which 313 in Belgium. 51 % of our employees are active in the coffee division and the other 49 % in the plastics division;

NUMBER OF EMPLOYEES BY COUNTRY



The long-term **PROCESS**-driven organisation project, was rolled out further across the company in 2015.

The project had the following objectives:

- to have the various departments of each business unit collaborate more efficiently by breaching the "virtual walls" between the departments;
- to improve customer service;
- to strive to achieve an even higher employee satisfaction, thereby retaining employees for even longer.

Initial steps were taken in the Belgian coffee service department to translate this by developing versatile logistic and technical service teams, designed to offer a perfect level of service to the client.

In the case of the plastics department, this product received support in the form of a subsidy from the European Social Fund. The focus is on:

- streamlining the operational organisation with the company's long-term vision and strategic performance criteria;
- further elaboration of a stock versus an order model;
- expanding a process-driven organisation supported by employee ownership;
- creating a culture of continuous improvement and a work environment in accordance with Miko's organisational values (summarised under the acronym "PLEZIER" which is Dutch for pleasure).

Join us on your bike?
Miko highly values the well-being of its workforce and to mark the tenth anniversary of Puro launched a very successful bicycle project for employees. A total amount of 138 employees purchased a Puro bicycle, whereby more than two thirds opted for an electrical Puro bicycle. The personnel is granted an additional bicycle allowance if they travel to work by bicycle. Many employees are now leaving their cars at home. Good for the environment, healthy staff and fewer parking spaces necessary!

During a fund-raising campaign, the employees collected EUR 21,000 for Marc Herremans' non-profit organisation 'To Walk Again'. The cheque was presented through Studio Brussel's 'Music for life' initiative.

4.4. Environment and safety

4.4.1. Environment

Within the framework of its sustainable entrepreneurship project (Duurzaam Ondernemen, '**DO**'), Miko has been seeking to find a balance between Profit, People, Planet and Pleasure since 2005. Within the context of 'Planet', Miko seeks to work further to achieve sustainability, ecology and a better environment.

It goes without saying that the Miko Group's coffee and plastics segments both comply strictly with all statutory environmental regulations. However, Miko wants to do more and aims to create an effective ecological and environmental awareness within its organisation.

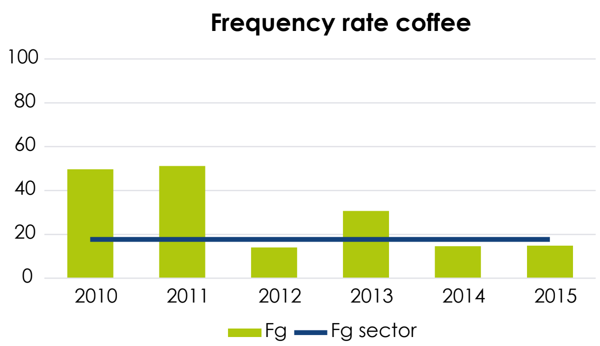
In that regard, we not only acquire parts of rainforest that we are protecting through our Puro brand, and we not only endeavour to encourage our workforce to take their Puro bike to work in a healthy and environmentally friendly way by means of our Puro bicycle project, we have also, particularly at the moment of installation of the new Brambati coffee roaster, took a general emission limit value of a maximum 20 mg / Nm³ into consideration. In addition, the air parameters of the exhaust gases from the coffee roaster were also improved by the installation of an afterburner and a catalyst.

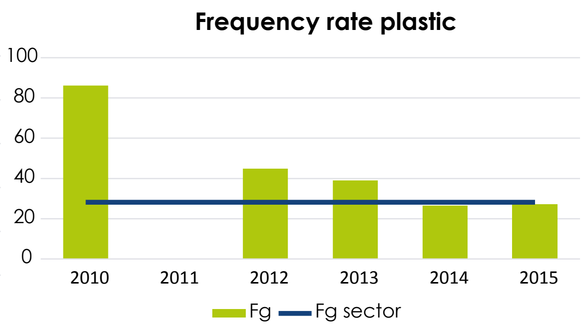
Miko Koffie also gave greater consideration to a higher level of waste segregation and a mini–container park was set up to obtain clearer insights into and achieve improved processing of the waste materials to be segregated.

AS SUCH, WE DO MORE THAN ONLY ACQUIRING PARTS OF RAINFOREST FOR PROTECTION THROUGH OUR PURO BRAND.

4.4.2. Safety

In the field of safety, the efforts and awareness-raising campaigns of recent years continue to achieve positive results both for the coffee and plastics segments through a general decrease in the number of industrial accidents.

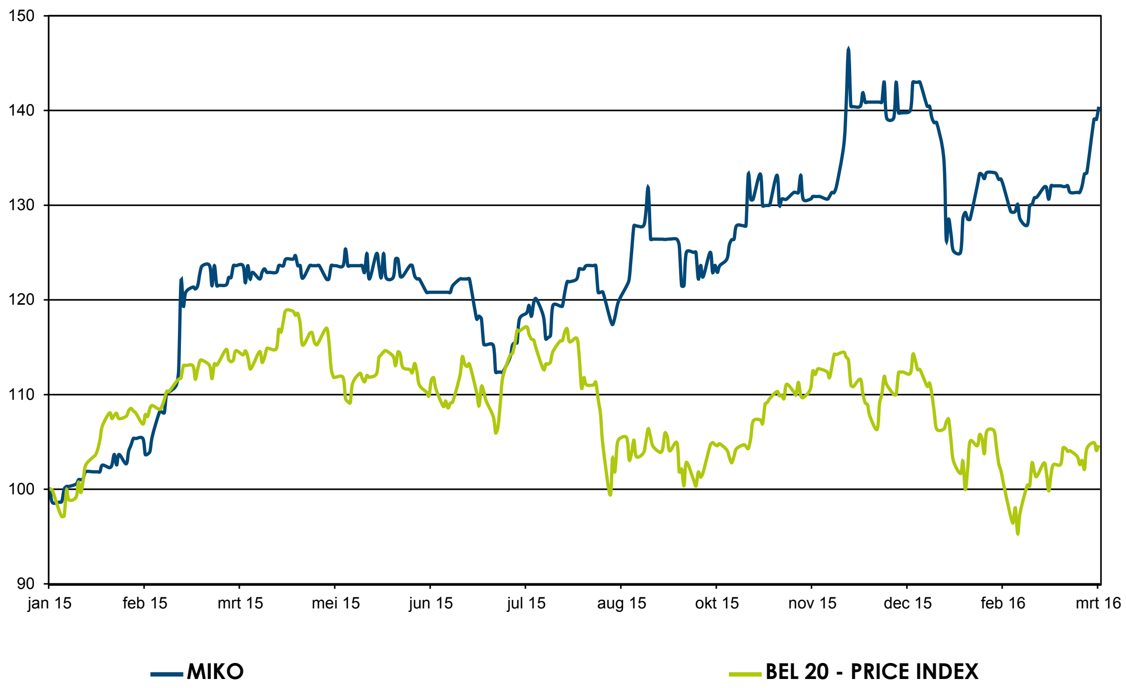




In addition, there was a broad focus on executing risk assessments in the field of fire safety, further improvement of the fire extinguishing capacity, expansion of the automatic fire extinguishing installation and conducting efficient evacuation exercises.

With a view to the well-being of our workforce, other provisions included additional ergonomic tools in the coffee sector. In addition to such equipment as a height-adjustable pallet transporter, smaller applications in this field can also have a great impact. This may include, for example, the installation of suction cups used to hold the cardboard packaging during the packaging process or the provision of small trolleys at sites where film is to be applied to the packaging machines. Minor interventions themselves, but with a major impact on the ergonomic conditions of the work.

4.5. Changes in the Miko share price



5. CORPORATE GOVERNANCE STATEMENT

Miko's philosophy in the field of Corporate Governance is based primarily on the conviction that entrepreneurship and performance are achieved within a responsible framework of risk management.

Miko has adopted a Corporate Governance Charter that may be consulted via its website (www.mikocoffee.com). This Charter is amended each time this is deemed appropriate or necessary according to the developments in Corporate Governance policy and changes to the applicable regulations.

Through its Corporate Governance Charter, Miko undertakes to apply the principles of the Corporate Governance Code of 12 March 2009 and to respect the applicable statutory regulations.

Miko's Corporate Governance Charter outlines the key aspects of Miko's Corporate Governance policy, and also encompasses the internal regulations of the Board of Directors, the Audit committee, the Nomination and remuneration committee and the Executive Committee. In those cases in which Miko deviates from the Corporate Governance Code, for the sake of the Company's specific situation, such deviations will be explained further in this statement and justified on the basis of the "comply or explain" principle.

THE MIKO CORPORATE GOVERNANCE CHARTER DESCRIBES THE KEY ASPECTS OF MIKO'S CORPORATE GOVERNANCE POLICY.

5.1. Board of Directors

5.1.1. Composition

Miko N.V.'s articles of association state that the Board of Directors must comprise at least six members. In accordance with the applicable regulations, at least half of the members of the Board of Directors must be non-executive directors, and at least three of them must be independent directors.

The composition of the Board of Directors as of 21 March 2016 was as follows:

NAME OF DIRECTOR	TYPE OF MANDATE	ADDITIONAL INFORMATION	END OF MANDATE
Frans Michielsen	Non-executive director	Chairman of the Board of Directors	GM 2016
Frans Van Tilborg	Executive director	CEO	GM 2019
Kristof Michielsen	Executive director		GM 2021
Karl Hermans	Executive director		GM 2021
Patrick Michielsen	Non-executive director		GM 2016
Bart Wauters	Non-executive director		GM 2019
Flor Joosen	Independent director		GM 2019
Mark Stulens	Independent director	Chairman of the Audit committee	GM 2016
Chris Van Doorslaer	Independent director	Chairman of the Nomination and remuneration committee	GM 2019
Sabine Sagaert BVBA (represented by Sabine Sagaert)	Independent director		GM 2019
Cynthia Van Hulle	Independent director		GM 2019

In which: **(i)** Mr Flor Joosen, Mark Stulens, Chris Van Doorslaer, Cynthia Van Hulle and Sabine Sagaert BVBA (permanently represented by Sabine Sagaert) comply with the conditions set out in Article 526ter of the Belgian Companies Code and are deemed to be independent directors; and • **(ii)** to the General Meeting of 24 May 2016 a proposal will be made to extend the expiring mandates of Mr Frans Michielsen, Mr Patrick Michielsen and Mr Mark Stulens respectively for a period of 6 years; and • **(iii)** The Board of Directors co-opted Ms Cynthia Van Hulle on 21 September 2015 to succeed Mr. Franky Depickere, who has resigned from office after the 2015 General Meeting, and the aforementioned co-option will be put on the agenda of the General Meeting on 24 May 2016 for its ratification; and • **(iv)** The Board of Directors co-opted Mr Chris Van Doorslaer on 26 May 2015 to succeed CVD B.V.B.A., permanently represented by Mr Chris Van Doorslaer, in which regard the aforementioned co-option will be put on the agenda of the General Meeting on 24 May 2016 for its ratification.

Within the framework of the intended gender diversity within the Board of Directors as prescribed by the Corporate Governance Code, and the statutory obligation that at least one third of the Board of Directors must be of a different gender than the other members as from 1 January 2019, Miko N.V. will continue to take further steps in the event of any interim changes to comply in full with the relevant statutory norm from the aforementioned date.

Given that Miko N.V. usually appoints members of its Board of Directors for a period of 6 years, it deviates from the provisions of Article 4.6 of the Corporate Governance Code, which prescribes a maximum 4-year term of office. Miko N.V. believes that this deviation is still justifiable in order not to have to repeat the appointment process unnecessarily frequently at Miko N.V. Furthermore, Miko N.V. believes that such a deviation also allows the members of the Board of Directors the opportunity to gain a deeper understanding of the Miko Group's operations, thereby enabling them to conduct their mandate in the most effective manner. Miko N.V. ensures that the intent of this provision of the Corporate Governance Code is realised by determining that the duration of approximately half the mandates of the members of the Board of Directors expire every three years.

The Secretary of the Board of Directors is Johan Vandervee.

Board of Directors

From left to right: Frans Van Tilborg, Bart Wauters, Patrick Michielsen, Chris Van Doorslaer, Karl Hermans, Sabine Sagaert, Flor Joosen, Kristof Michielsen, Frans Michielsen (chairman), Cynthia Van Hulle, Mark Stulens

5.1.2. Operation

The Board of Directors met seven times in 2015.

The interim sales and operation figures are provided to the board members in advance and discussed at the meetings. The Managing Director explains the figures and the day-to-day operation of the group.

The following subjects were discussed at the meetings of the Board of Directors in 2015:

- adoption of 2014 annual accounts and proposal for profit distribution;
- approval of 2014 annual report;
- discussion of investment projects;
- discussion of acquisition opportunities;
- discussion of evolution of historical data and benchmark;
- evaluation of the market conformity of intercompany activities;
- composition of the Audit committee;
- discussion of Miko Pac N.V.'s ESF project organisation;
- future policy with regard to share options;
- discussion and approval of the budget and strategy for 2016;

The chairmen of the advisory committees also issued a report after every meeting to the full Board of Directors and made the necessary recommendations.

In 2015 there were no unusual transactions between the directors and Miko N.V., nor were there any current accounts or securities from Miko N.V. to or for the benefit of these persons. There were no conflicts of interest in the sense of Articles 523 and 524 of the Belgian Companies Code.

5.1.3. Advisory committees

(v) Audit committee

The composition of the company's Audit committee as of 21 March 2016 is as follows:

Mark Stulens (Chairman), Patrick Michielsen and Flor Joosen.

Two of the three members are independent directors.

The composition of the Audit committee therefore complies with both the requirements of Article 526bis of the Companies Code and with the independence requirements in the Corporate Governance Code.

The Audit committee met four times in 2015.

The following subjects were discussed:

- discussion of the auditor's audit plan for 2015;
- discussion of the auditor's report on the audit findings (2014);
- discussion of the Miko Group's external loans;
- discussion of risk management and internal control systems;
- periodical analysis of the risk matrix;
- discussion regarding the end of the auditor's term of office;

After evaluation, the Audit committee judged that an internal audit function is not necessary.

On each occasion, the Chairman of the Audit committee produced a report at the next meeting of the Board of Directors.

(vi) Nomination and remuneration committee

Miko N.V. has elected to use the option of combining the Nomination committee and the Remuneration committee.

As of 21 March 2016, the Nomination and remuneration committee comprised Chris Van Doorslaer (Chairman), Flor Joosen, Mark Stulens and Bart Wauters.

Three of the four members are independent directors.

The composition of the Nomination and remuneration committee thereby satisfies both the requirements of Article 526quater of the Companies Code and the rules of Annexes D and E of the Corporate Governance Code.

The committee met three times in 2015.

The following subjects were discussed:

- discussion of function increases and widening and salary increases for executives and staff positions in Belgium;
- discussion of the 3 yearly evaluation of the Board of Directors;
- future policy with regard to share options;
- interview and recommendations regarding the nomination of Ms Cynthia Van Hulle as an independent director;
- discussion of remuneration for international management;
- allocation of share options

On each occasion, the Chairman of the committee produced a report at the next meeting of the Board of Directors.

5.1.4. Evaluation

The company has set down, in the terms of reference of the Nomination and remuneration committee, the modus operandi for the evaluation of the managing body and the individual directors:

> *"Every three years the committee evaluates:*
> *- whether every director is actually making a contribution to the activities of the Board of Directors (the members of the committee are evaluated by the Board of Directors in its entirety);*
> *- whether the scope and composition of the Board of Directors allows it to perform its duties properly and whether there is sufficient expertise within the Board of Directors in all fields required by the company.*
> *The committee shall issue a reasoned opinion on this to the Board of Directors.*
> *At least once a year, the committee shall discuss the work and performance of the CEO. The CEO is not present at this discussion."*

Such an evaluation took place in 2015 using the tools provided by Guberna VZW. From the evaluation it emerged that the participants are generally satisfied with the performance of the Board of Directors, its composition and their contributions as members of the Board of Directors.

In addition, the Board of Directors, the Audit committee and the Nomination and remuneration committee periodically evaluate their own internal regulations. The advisory committees can make proposals for improvement to the Board of Directors.

5.1.5. Attendance

NAME OF DIRECTOR	BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
Frans Michielsen	7/7		
Frans Van Tilborg	7/7		
Kristof Michielsen	5/5		
Karl Hermans	4/5		
Jan Michielsen	2/2		
Patrick Michielsen	7/7	4/4	
Bart Wauters	7/7		3/3
Franky Depickere	1/2	1/2	
Flor Joosen	6/7	2/2	2/3
Mark Stulens	6/7	2/4	3/3
CVD BVBA (represented by Chris Van Doorslaer)	3/3		
Chris Van Doorslaer	4/4		3/3
Sabine Sagaert BVBA (represented by Sabine Sagaert)	5/7		
Cynthia Van Hulle	0/2		

N.B.: the above overview of attendance takes into consideration the number of meetings of the Board of Directors that were held during the term the mandate of the respective director in 2015.

5.2. Executive management

5.2.1. Operating committee

Miko N.V. does not have a management committee as provided for by the Companies Code.

The day-to-day management of the group is performed by the Managing Director, who is supported in this by the Operating committee.

The Operating committee closely follows the results of the activities of the companies, develops policy proposals, draws up the budgets and prepares the annual accounts.

The Operating committee comprised the following members (as of 21 March 2016):

- Frans Van Tilborg (Chairman)
- Dirk Hermans
- Karl Hermans
- Joël Merens
- Kristof Michielsen
- Johan Vandervee
- Wim Van Gemert

The Operating committee holds monthly meetings to discuss the financial and operational results of the preceding period, and holds additional meetings if matters of an operational, technical, commercial, logistics, social, legal, tax or accounting nature require discussion, which may impact the group's efficient everyday operations.

This modus operandi should mean, firstly, that rapid feedback can be obtained and that the members of the management are kept abreast of each other's activities and, secondly, that the efficiency of the meetings is increased.

There were no unusual transactions in 2015 between the members of the Operating committee and Miko N.V. or one of the other companies of the Miko Group, nor were there any current accounts or securities by Miko N.V. or one of the other companies of the Miko Group to or for the benefit of these persons.

Operating committee

From left to right: Johan Vandervee, Joël Merens, Dirk Hermans, Karl Hermans, Wim Van Gemert, Kristof Michielsen en Frans Van Tilborg (chairman)

5.2.2. Management teams

The largest subsidiaries within the coffee and plastics sectors respectively each have their own management teams that meet regularly to discuss the day-to-day operation of their own organisation and the specific interpretation of the decisions that are taken by the Operating committee. The management teams also flag up difficulties, opportunities and challenges on the work floor to the Operating committee.

The Miko Pac N.V. management team comprises (situation on 21 March 2016): Karl Hermans and Kristof Michielsen (co-chairmen), Mick Bols, Wim De Ceuster, Ilja Leppens, Lief Jochems, Guy Van De Pol, Patrick Van Zummeren, Gert Verstraelen and Katelijne Vos.

The Miko Koffie N.V. management team comprises (situation on 21 March 2016): Stefaan Baeyens, Bart Laps, Frank Michielsen, Eric Vandenabeele, Johan Vandervee, Steven Van Oerle and Katelijne Vos.

The Miko Coffee Service N.V. management team comprises (situation on 21 March 2016): Joël Merens (Chairman), Johan De Boeck, Ruben Deylgat, Stephen Hernandez, Marc Swinnen, Anje Vermeersch, Ilse Volckaert and Katelijne Vos.

5.2.3. Day-to-day leadership of the foreign subsidiaries

Situation on 21 March 2016:

COMPANY	COUNTRY	DAY-TO-DAY MANAGEMENT
COFFEE		
Miko Coffee Ltd.	United Kingdom	Adrian Stagg
Miko Café Services SAS	France	Jacques Grevet
Miko Kaffee GmbH	Germany	Frank Schellenberger
Miko Koffie Service BV	The Netherlands	Koen Van Zon
Miko Kava s.r.o.	Czech Republic	Peter Leinfelder
Miko Kava s.r.o.	Slovak Republic	Radko Reseta
Kaffekompaniet Din Pauspartner AB	Sweden	Anders Sjögren
ABC Mokka ApS	Denmark	Thomas Polano
Beverage Marketing Australia AB	Australia	Gary Newcome
Kaffeautomater AS	Norway	Bard Aune
PLASTICS		
Miko Pac Sp. Z.o.o.	Poland	Andrzej Olszewski
Miko-Hordijk Verpackungen GmbH	Germany	Josef Vukmanic
PT Innoware	Indonesia	Cirellus Hartono
Miko Pac France SAS	France	Frédéric Duval

5.3. Description of the internal control and risk management systems

5.3.1. General

In line with its mission the Miko Group pursues a "sustainable enterprise" policy which adopts a long-term vision that our workforce consider to be the most important factor for success.

During normal operation the group is exposed to a large number of risks that can lead to objectives not being fully achieved, or not being achieved at all. The management of these risks is a key task of each member of the management team in his or her field.

To support management in this role, the group has set up a body of risk management and internal control systems. The set-up of these systems is based upon the principles of the COSO II model.

In what follows, the most important components of these systems and the most relevant risks are discussed in brief.

5.3.2. Control environment

The control environment is primarily governed by the company culture and management style. The harmonisation of the organisation structure, the willingness to take risk and the establishment of responsibilities must help to ensure that risks and risk management are dealt with consciously.

5.3.3. Sound management

In the framework of sound management the group has taken a number of measures that are designed to ensure that the group sets and realises its objectives in a socially acceptable manner. For more information on this, see the rest of this Corporate Governance declaration.

5.3.4. Supervisory bodies

The Board of Directors supervises the proper functioning of the risk management and internal control systems activities via the Audit committee. In doing so, the Audit committee is supported by information provided by the external auditor on the one hand and by management on the other. Every six months the activities performed and their results are discussed with the Audit committee.

5.3.5. Risk management within the Miko Group

To achieve a structured and systematic management of operating risks, the group has developed and introduced an approach and methodology based upon Enterprise Risk Management (ERM) since 2010.

(i) Objective

It is the intention firstly to list, track and manage the risks to which the group is exposed and secondly to increase risk awareness, particularly among the leaders of the group. This attitude is to be gradually rolled out further to the rest of the organisation.

(ii) Process and methodology

The key risks associated with the group's activities are reflected in five categories:

- **strategic risks**, such as customer and supplier risks, acquisitions and employment of available resources
- **operational risks**, such as people and organisation, IT, production, expertise, capacity and fraud
- **financial risks**, such as capital structure, financial markets (interest, raw materials, currency) and financial reporting
- **legal risks**, such as changing legislation, contracts and soft law
- **external risks**, such as natural disasters, political situations, fire and acts of terror.

To provide a consistent basis for allocating risk scores to the identified risks, scales have been developed for "probability" on the one hand and "impact" on the other. Based upon these two scales, a risk matrix is drawn up in which the risks are divided up according to their severity (high, medium and low).

The high risks are provided with a risk response, a plan to bring the risk score down to below the permissible tolerance limit. The medium and low risks are monitored further. All risks are included in a risk register and are discussed every three months by the Operating committee.

(iii) Most important risks of the Miko Group

- Strategic risks

Risks regarding prices on our raw materials markets

For both the coffee and the plastics sector there is a danger that it will not be possible to pass rising raw materials prices on to the customer in full or even at all. It is not possible to resolve this in its entirety for the coffee sector, as Miko is not a market leader, is obliged to protect its market share and can only follow the market leaders. That is why it is essential to be well informed about what the competition is doing in the various markets and to respond quickly to this. In the plastics sector we endeavour to include as many clients as possible in the "price chain" with automatic price adjustment every three or six months. Although this results in a delay in passing on cost increases, it does contain the risk within acceptable standards.

Risks regarding customers and suppliers

The economic climate is associated with an increased credit risk. The group limits this risk by the multiple screening of all important customers and suppliers, in combination with the application of credit limits.

- Operational risks

Risks regarding people and organisation

The sudden loss of people in key functions is a risk for the group. This is countered by keeping the individual job card – which describes the various duties of each staff member and indicates which person within the organisation can stand in as a replacement in the short term – up-to-date.

Risks regarding IT

IT system malfunctions can have serious consequences for the Miko Group. In order to protect the continuity of data processing, back-up systems have been put in place.

- Financial risks

Risks regarding financial reporting

Incorrect reporting can impact the shares of the Miko Group. Since the group result is determined by the sum of the results from the group companies, the group pays a great deal of attention to internal reporting. For each legal entity, annual forecasts are drawn up regarding the expected result, expected cash flow and investment needs. The local responsible persons report monthly to the Operating committee; comparisons are always made with the forecasts in the areas of results, cash position and realised investments. The foreign entities are regularly audited to verify the data that they have supplied. The results delivered are presented and explained by the management at each meeting of the Board of Directors.

Currency risk
A limited number of transactions occur in a currency other than the Euro. This relates primarily to transactions in PLN and GBP. Because this risk is small and has a low impact, the group does not cover it using derived financial products.

Liquidity and interest risk
The liquidity position of the group is tracked daily by management. Furthermore, this risk is sufficiently managed by the use of distributed financing sources. The external finance attracted is centrally managed and, as far as possible, concluded for a period that is the same as the duration of the project for which the financing is entered into.

- Legal risks

Risks associated with product liability
The Miko Group underwrites policies to insure against risks of product liability and recalls. Furthermore, extensive quality controls are performed on products destined for sale.

- External risks

Risks associated with fire, natural catastrophes etc.
The group underwrites insurance policies for this and also pays a great deal of attention to internal training regarding fire safety and prevention.

Risks associated with power outages
Power outages, either scheduled or otherwise, mainly pose risks for the group's production facilities. Management takes measures to limit the impact of such events, one measure being the installation of emergency generators.

5.3.6. Control activities

(i) Analyses by the executive management
Every month the results realised are compared with the budgets approved by the Board of Directors. In addition to the financial indicators the situation regarding human resources and training is also evaluated. Changing market situations, as well as new opportunities and threats, are discussed.

(ii) Data processing
In order to achieve coherent and transparent data processing throughout the entire organisation, the strategy of the Miko Group is to eventually have all its sites working on the same IT platform.

(iii) Physical checks
Physical checks are made at regular intervals. For example, several stock control counts are performed throughout the year. Foreign entities are also visited several times to investigate whether the information provided by them tallies with the actual situation.

5.3.7. Information and communication

At each meeting the requisite consideration is paid to reporting, plus the question to whom this reporting must be provided. This ensures that the right information or the agreed action can flow through the group in an efficient manner. The group also uses large TV screens, not only to announce operational and financial data but also to disseminate the mission and values of the group.

5.3.8. Control

The Miko Group's Audit committee meets with the executive management to discuss financial reporting and investigates the degree to which the executive management fulfils the recommendations of the external auditor.

5.4. Remuneration report

5.4.1. Procedure for the development of a remuneration policy and for establishing the remuneration level

The company has set down, in the terms of reference of the Nomination and remuneration committee, the modus operandi for the development of a remuneration policy and the establishment of the remuneration level:

> *"At the request of the Board of Directors or on its own initiative the committee formulates recommendations regarding the remuneration policy for directors. The committee shall prepare relevant proposals for the General Meeting.*
>
> *At the request of the Board of Directors or on its own initiative, the committee shall put forward recommendations on the remuneration policy for the CEO. These recommendations shall cover at least:*
>
> *- the main contractual provisions, including the most important features of the pension plans*
> *- severance packages*
> *- the main elements of the remuneration including:*
>
> *° the relative importance of each component of the remuneration*
> *° the performance criteria for variable salaries*
> *° the benefits in kind*
>
> *The committee advises the CEO of the remuneration policy for the members of the Operating committee (with the exception of the CEO himself) and the persons responsible for the general day-to-day management of the foreign subsidiaries. These opinions shall at least cover:*
>
> *- the main contractual provisions, including the most important features of the pension plans*
> *- severance packages*
> *- the main elements of the remuneration including:*
>
> *° the relative importance of each component of the remuneration*
> *° the performance criteria for variable salaries*
> *° the benefits in kind*
>
> *The Committee makes recommendations regarding the individual remuneration of the CEO, the members of the Operating committee and the persons who are charged with the general day-to-day leadership of the foreign subsidiaries, including bonuses and long-term incentives, whether or not these are related to the shares of the company (for example options)."*

5.4.2. Remuneration policy during financial year 2015

The company strives to attract, motivate and retain competent leaders via the remuneration policy, by observing a good balance between fixed remuneration and incentives (performance-related pay, share options and pension plans).

No other significant changes were made to the remuneration policy during this reporting period.

5.4.3. Remuneration of directors

Each director received a fixed fee amounting to EUR 13,000 in 2015.

The Chairman of the Board of Directors received an additional fee amounting to EUR 2,000.

Article 7.6. of the Corporate Governance Code stipulates that the remuneration of non-executive directors should take into account their specific roles, responsibilities and time allocation. In view of the fact that in the opinion of the Nomination and remuneration committee the efforts undertaken by all directors are roughly equivalent, with the exception of those by the Chairman, the company does not apply any differentiated remuneration.

Non-executive directors did not receive any performance-related pay or other benefits. The Chairman of the Board of Directors is still in possession of a number of share options that were assigned to him during his mandate as Managing Director and CEO.

5.4.4. Remuneration of the CEO

The CEO of the Miko Group, Frans Van Tilborg, has an independent statute.

The CEO's remuneration package is determined on the basis of benchmarking. The total gross remuneration before social security contributions and taxes, including the benefits of all kinds, amounted to EUR 372,702.63 in 2015. This amount was made up of a fixed component of EUR 238,961.76, a variable component of EUR 36,337.59, pension contributions and invalidity insurance of EUR 68,084.61 and benefits in kind (car, mobile phone, internet connection, share options) to the value of EUR 12,718.67.

The variable pay is less than a quarter of the total remuneration, meaning that the spreading rule, as set down in Article 520ter of the Companies Code, will no longer apply.

Disbursement of the annual variable pay depends on whether the objectives prioritised in the budgets for the previous financial year, as approved by the Board of Directors were realised, half of which in the field of EBITDA and half of which in respect of the result after tax.

There is no recovery right for variable remuneration that would be allocated on the basis of incorrect financial data.

In the event that the mandate is terminated at the initiative of the company, the agreement with the CEO provides for the payment of a termination fee equivalent to 4 months' salary per period of 5 years' employment with the Miko Group, up to a maximum of 18 months' salary. Such a termination fee was already provided for in the independent collaborative agreement with Frans Van Tilborg before his appointment as CEO.

5.4.5. Remuneration of the executive management

The members of the Operating committee have an independent statute. Mr. Marcel Lammerée left the organisation at the end of February 2015.

The remuneration package of the members of the Operating committee is determined on the basis of benchmarking. Together they received a gross payment of EUR 1,223,666.35 in 2015. This amount was made up of a fixed component of EUR 754,202.70, a variable component of EUR 110,618.25, pension contributions and invalidity insurance of EUR 298,706.91 and benefits in kind to the value of EUR 60,138.49.

Disbursement of the annual variable pay depends on whether the objectives prioritised in the budgets for the previous financial year, as approved by the Board of Directors were realised, half of which in the field of EBITDA and half of which in respect of the result after tax.

There is no recovery right for variable remuneration that would be allocated on the basis of incorrect financial data.

In the event that the mandate is terminated at the initiative of the company, the agreements with the members of the Operating committee provide for the payment of a termination fee equivalent to 4 months' salary per period of 5 years' service, up to a maximum of 18 months' salary. For each of those involved, the inclusion of such a termination fee in the agreement was a necessary prerequisite for the acceptance of his duties.

5.4.6. Share options

Operating committee members have the option to register for the Miko Group share option plan.

The plan aims firstly to strengthen the bond between the beneficiaries and the shareholders and secondly to create a bond between them and the growth of the Miko Group in the longer term.

The options can be exercised at the earliest after three years and, at the option of the beneficiary, at the latest five years or at the latest ten years after their allocation. Share options granted in 2015 may be exercised no later than seven years after their allocation.

The following share options were exercised in the 2015 financial year:

Year granted	12/2011	12/2011
Vesting period	2015-2016	2015-2021
Exercise price	€46.00	€46.00
Frans Van Tilborg		1000
Jan Michielsen		1000
Dirk Hermans	250	
Karl Hermans		
Marcel Lammerée		1000
Joël Merens		1000
Kristof Michielsen		1000
Wim Van Gemert		
Johan Vandervee		1000

The following new share options were granted in the 2015 financial year:

Allocation	12/2015
Vesting period	2019-2022
Exercise price	100.30
Frans Van Tilborg	1000
Dirk Hermans	
Karl Hermans	1000
Joël Merens	
Kristof Michielsen	1000
Wim Van Gemert	
Johan Vandervee	1000

No share options expired during financial year 2015.

5.5. Capital and share ownership

5.5.1. General

The capital of Miko NV is divided into 1,242,000 shares without nominal value. The capital is fully paid up.

There are no statutory restrictions regarding the transfer of shares.

The company has not issued any dividend-right shares, bonds, convertible debt securities or warrants.

In accordance with the provisions of Section 11 of the Act of 14 December 2005 with regard to the abolition of bearer shares, Miko N.V., following prior notification in the Belgian Official Gazette and on the Euronext website, disposed of the remaining balance of 153 bearer shares on the regulated market. The assets deriving from the forced sale were deposited with the Deposit and Consignation Office (Deposito- en Consignatiekas) in compliance with current legislation. The company auditor has published a report on compliance with the relevant obligations.

In accordance with Article 461 of the Companies Code, Article 10 of the articles of association grants the Board of Directors the right to suspend the exercise of the rights associated with a share if the share belongs to several owners, until one person is indicated as a shareholder vis-à-vis the company.

Otherwise, there are no statutory restrictions on the exercise of the voting right. For the rules with regard to the exercise of the voting right see also 5.5.9.

5.5.2. Reference shareholder

The main shareholder of the company is still the Michielsen family, who began roasting and selling coffee in 1801. After the stock market flotation in 1998 the Michielsen family retained possession of 55 % of shares.

These shares are held in OKIM, a Stichting Administratiekantoor (Trust Office Foundation) under Dutch law, and Imko Holding, an N.V. (public limited company) under Belgian law.

On the balance sheet date, STAK OKIM and Imko Holding N.V. jointly owned 687,000 shares, i.e. 55.31 % of the voting rights, as evidenced from the shareholder structure below.

The certificate holders of STAK OKIM, i.e. the members of the Michielsen family, should be regarded as the ultimate controllers.

By virtue of an agreement with STAK OKIM and Imko Holding N.V. the company pays the management and operating costs of STAK OKIM. Furthermore, the company provides accounting services for Imko Holding N.V. The costs associated with this amount to approx. EUR 5,000 per year. In view of the minor importance of this agreement in relation to the net asset value of the company, Article 524 of the Companies Code is not applicable.

The company has entered into a loan agreement with Imko Holding N.V. The total amount borrowed as of the balance sheet date is EUR 2,610,000. The procedure as set out in Article 524 of the Companies Code was applied in 2014 within the framework of a loan extension effected at that time.

5.5.3. Transparency notifications

In accordance with Section 6 onwards of the Act of 2 May 2007 on the publication of important participations in issuers of which the shares are permitted in the regulated market, and in accordance with Article 8 of Miko N.V.'s articles of association, every shareholder whose participation exceeds or falls below the threshold value of 3 % (37,260 shares), 5 % (62,000 shares), or a multiple of 5 %, is obliged to provide notification of this to the company and to the FSMA.

The company received a notification in 2015 regarding the above-mentioned threshold value of 3%, being exceeded attributable to FMR LLC, such participation originating in holdings of various collective investment funds managed by Fidelity Management & Research Company, Pyramis Global Advisors and Pyramis Global Advisors Trust Company, as evidenced by the transparency notification received by Miko N.V. on 26 November 2015 in application of Section 6 of the Act of 2 May 2007 on the publication of important participations.

5.5.4. Shareholder structure

Situation on 21 March 2016 as known to the company:

SHAREHOLDER	NUMBER OF SHARES	% VOTING RIGHTS
Stichting Administratiekantoor OKIM	403,710	32.50%
Imko Holding N.V.	283,290	22.81%
De Wilg Comm.V.	53,361	4.30%
FMR LLC (1)	37,591	3.03%
Public	**464,048**	**37.36%**
Total		
	1,242,000	**100.00%**

(1) The participation attributable to FMR LLC originates in holdings of various collective investment funds managed by Fidelity Management & Research Company, Pyramis Global Advisors and Pyramis Global Advisors Trust Company, as evidenced by the transparency notification that Miko N.V. received on 26 November 2015 in application of Article 6 of the Act of 2 May 2007 on the publication of important participations.

5.5.5. Repurchase of own shares

Miko N.V. issued a press release on 11 December 2015 relating to a transaction by which it was to repurchase its own shares. Under the transaction, Miko N.V. acquired a package of 500 of its own shares at the price of EUR 100 per share on 3 December 2015. Miko N.V. resold the entire package of 500 of its own shares on 7 December 2015 at the price of EUR 100 per share. The transactions were enacted at Euronext Brussels and were undertaken within the exercising of a share option plan.

Miko N.V. was not in possession of any of its own shares on 31 December 2015.

5.5.6. Rules for the appointment and replacement of the directors

The General Meeting is authorised to appoint dismiss and replace members van the Board of Directors.

In accordance with Article 14 of the company's articles of association, Stichting Administratiekantoor OKIM has an exclusive right to propose candidates for the majority of the directorships, provided they directly or indirectly own 25.1% of the shares of the company.

In practice the appointment of new directors is regulated by the terms of reference of the Nomination and remuneration committee.

> *"The Committee recommends suitable candidates for available directorships to the Board of Directors. To this end, it follows the procedure described in Article 4.*
>
> *The committee shall put forward to the Board of Directors suitable candidates for the posts of Managing Director and CEO.*
>
> *(...)*
>
> *Reasons must be given for all recommendations, nominations and appointments.*
>
> *(...)*

The Chairman of the Board of Directors or another non-executive director shall oversee the appointment process.

Prior to each new appointment to the Board of Directors, the committee evaluates which skills, knowledge and experience are already present on the Board of Directors and which are needed. Based on this evaluation, the committee shall draw up a profile that describes the required role, skills, experience and knowledge of the new director.

For the mandates of independent directors, the committee shall seek candidates who have the required profile. The committee shall examine the candidates who are nominated by the Stichting to determine whether they have the required profile.

The candidates shall be interviewed by the committee.

The non-executive directors shall, at the time when they apply, be made aware of the scope of their obligations, especially as regards the time that they will have to devote to the performance of their duties. The non-executive directors shall ensure that they have sufficient time to do what is expected of them.

The committee shall recommend one or more suitable candidates to the Board of Directors. Reasons must be given for the recommendation.

The Chairman of the Board of Directors shall ensure that the Board of Directors has sufficient information concerning the candidates, such as their curriculum vitae, the assessment by the committee based on the interview of the candidates, a list of duties that the candidates already perform and any other information that is necessary to evaluate the independence of the candidates.

The Board of Directors shall make a proposal for the appointment or reappointment to the General Meeting.

Prior to the appointment by the General Meeting, the Board of Directors notifies the Works Council of the nomination of the candidates for independent directorships.

The annual report provides summarised information about the professional qualities of newly appointed directors."

The directors can be dismissed by the General Meeting at any moment.

Since the Extraordinary General Meeting of 22 May 2012, the articles of association contain a provision that the mandate of a director who reaches the age of seventy shall end ipso jure at the next General Meeting.

5.5.7. Rules for amendments to the articles of association

The articles of association do not contain any special rules with regard to amendment thereof.

The statutory rules as set down in Article 558 onwards of the Companies Code shall apply, which means that the General Meeting is authorised to amend the articles of association on condition that at least half of the share capital is represented and the proposed amendment gains at least three quarters of the votes cast. If the proposal includes an amendment to the object of the company, a majority of four fifths of the votes cast is required.

5.5.8. Authorities of the Board of Directors with regard to capital

(i) Repurchase of own shares

The General Meeting of 26 May 2015 resolved to extend the authorisation granted to the Board of Directors to acquire the company's own shares for a five-year period in accordance with Article 620 §1, Section 5 of the Companies Code. This authorisation gives the Board of Directors the opportunity, without the prior resolution of the General Meeting of the company, to proceed to acquire the company's own shares up to a maximum 20 % of the subscribed capital. The purchase or exchange can occur at a price equal to at least 85 % and at most 115 % of the latest closing price at which these shares were listed in Eurolist by Euronext Brussels on the day prior to the purchase or exchange.

The above-mentioned authorisation shall apply for a five-year period from the publication thereof in the Annexes to the Belgian Official Gazette and may be extended thereafter, in accordance with Article 620 and subsequent articles of the Companies Code.

The notification in the Annex to the Belgian Official Gazette was published on 25 June 2015.

(ii) Records in accordance with Article 34 of Royal Decree of 14 November 2007 – Protection mechanisms

1. The General Meeting of 26 May 2015 authorised the Board of Directors of Miko N.V. to increase the capital of the company by application of the authorised capital under the conditions of Article 607 of the Companies Code, in the event of a public takeover bid for the company's shares.

   This authorisation was granted for a three-year period and was published in the Annexes to the Belgian Official Gazette of 25 June 2015.

2. In accordance with Article 603 of the Companies Code, the Extraordinary General Meeting of 22 May 2012 through the insertion of Article 6b in the company's articles of association, authorised the Board of Directors to raise the issued share capital on one or more occasions by an amount equal to that share capital, or to issue convertible debt securities under the same conditions. This authority may also be used for capital increases or issues of convertible debt securities or warrants for which the pre-emptive right of the shareholders is limited or excluded to the benefit of one or more specified persons, other than staff members of the company or of its subsidiaries, and capital increases that occur by the incorporation of reserves.

   This authorisation was granted for a five-year period commencing on 12 June 2012, i.e. the date on which it was published in the Annexes to the Belgian Official Gazette.

The Board of Directors did not make use of these authorisations in 2015, with the exception of the acquisition of small numbers of own shares with a view to the exercise of share options that were allocated to the members of the executive management.

The company did not have any own shares in its possession on the balance sheet date.

5.5.9. Rules for participation in the General Meeting

Each shareholder has the right to attend the General Meeting and to cast his or her vote. Each share confers the right to one vote.

In order to participate in the General Meeting the shareholder must have his or her shares registered from the registration date onwards. The registration date is the fourteenth day before the date of the General Meeting at 24:00 Belgian time. The certificate of registration is issued on the registration of the shares in the company's register of shareholders (for registered shares) or by a certificate issued by a recognised custodian or the clearing agent from which the registration of the shares to an account in the name of the shareholder is evidenced (for dematerialised shares).

Furthermore, the shareholder should notify the company, by the sixth day before the date of the General Meeting at the latest, that he wishes to participate in the General Meeting. This notification can be sent to email address av@miko.be or by normal post.

In line with the relevant legal requirements, shareholders can address written questions to the directors and the auditor, or append additional points to the agenda. The articles of association do not stipulate any rules that deviate from the statutory provisions in this context.

The shareholder can appoint a proxy to attend the General Meeting and vote on his behalf. A proxy form is available on the company's website. The completed proxy must be delivered to the company by the sixth day before the date of the General Meeting at the latest, via email address av@miko.be or by normal post.

6. AUDITOR

The General Meeting of 28 May 2013 reappointed limited liability company PricewaterhouseCoopers Bedrijfsrevisoren, with its registered office at 1932 Sint-Stevens-Woluwe, Woluwe Garden, Woluwedal 18 ("**PWC**"), as the company auditor for a three-year period until the 2016 General Meeting. PWC has been represented by Mr Koen Hens since the 2014 General Meeting.

A proposal will be presented to the General Meeting on 24 May 2016 to extend the above-mentioned mandate for a three-year period, until the 2019 General Meeting.

A fee of EUR 8,500 was paid to the auditor for auditing the annual accounts of Miko NV.

A total fee of EUR 132,334 was paid to the auditor for auditing the annual accounts of the various subsidiaries.

In 2015, the group also called upon the services of companies with which the auditor also has a professional working relationship, and paid the fee of EUR 15,401 in that regard.

Miko NV has given a guarantee to the following entities permitting them to use the exemption to have their annual financial reports audited as approved under Sections 479A and 479C of the Companies Act 2006 in the United Kingdom:

- Miko Coffee Ltd
- Miko Coffee South West Ltd
- Cornish Coffee Company Ltd
- Espresso Adesso Ltd

7. IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No important events occurred after the end of the 2015 financial year.

8. RESEARCH AND DEVELOPMENT

The Miko Group spent the amount of approx. EUR 1 million on research and development in 2015. This related primarily to cost of developing new moulds in the plastics sector.

9. BRANCHES

The company has no branches.

10. VALUATION RULES

The Board of Directors confirms that the valuation rules that were included in the explanation of the annual accounts are correct and well-founded. In the current circumstances the company will presumably continue to make a profit on the basis of the existing relevant factors, which means that the continuity of the company is guaranteed.

11. FINANCIAL INSTRUMENTS

The company does not use any financial instruments to a degree that is significant for the evaluation of its assets, liabilities, financial position and results.

12. INFORMATION STIPULATED BY ARTICLE 34 OF THE ROYAL DECREE OF 14 NOVEMBER 2007

12.1. Capital structure

There are no different categories of shares. For more information and for the shareholder structure, see point 5.5.4. of this report.

12.2. Transfer restrictions

There are no statutory restrictions regarding the transfer of shares.

12.3. Special control rights

In accordance with Article 14 of the articles of association, Stichting Administratiekantoor OKIM has an exclusive right to propose candidates for the majority of the directorships, provided they directly or indirectly own 25.1% of the shares of the company. See also point 5.5.6. of this report.

Otherwise, no special control rights are attached to the securities.

12.4. Employee share plan

There are no employee share plans for which the control rights are not directly exercised by the employees.

12.5. Restrictions on the voting right

In accordance with Article 461 of the Companies Code, Article 10 of the articles of association grants the Board of Directors the right to suspend the exercise of the rights associated with a share if the share belongs to several owners, until one person is indicated as a shareholder vis-à-vis the company.

Otherwise, there are no statutory restrictions on the exercise of the voting right. For the rules regarding the exercise of the voting right see point 5.5.9. of this report.

12.6. Shareholders' agreements

Insofar as is known to the company, there are no shareholders' agreements that could restrict the transfer of securities or the exercise of the voting right.

12.7. Rules for the appointment of directors and amendments to the articles of association

For the appointment and replacement of directors: see point 5.5.6. of this report.
Amendments to the articles of association shall be subject to Companies Code.

12.8. Authorities of the managing body

In general, the Board of Directors has the duties and authorities assigned to it by virtue of the Companies Code.

In the articles of association and by various decisions of the General Meeting, extensive authorities are assigned to the Board of Directors regarding purchasing own shares and increasing the capital. See point 5.5.8. of this report for more information.

12.9. Contractual provisions regarding control changes

Insofar as the company is party to agreements that enter into effect, undergo changes or expire in the event of a change in control after a public takeover bid, the Board of Directors is of the opinion that said agreements are either of subordinate importance or of such a nature that their publication would seriously damage the company.

12.10. Compensation in the event of redundancies following a public takeover bid

No agreements have been concluded between the company and its subsidiaries, on the one hand, and the directors or employees of the company or its subsidiaries on the other, that provide for specific compensation if, following a public takeover bid, the directors resign or have to be made redundant without valid reason or if employees have their employment contracts terminated.

The normal rules for the termination of the directors' contracts or employment contracts will be applicable in the case described above. See also points 5.4.4. and 5.4.5. of this report.

13. PROPOSAL FOR ALLOCATION OF RESULTS

Statutory results 2015	EUR 685,277.73
Transferred result 2014	EUR 214.53
Withdrawal from available reserves	EUR 1,053,524.00
Remuneration of the capital	EUR 1,738,800.00
Gross dividend per share	EUR 1.40
Net dividend per share	EUR 1.02
Balance to be transferred	EUR 216.26

14. CONCLUSION

We ask the General Meeting to approve this annual report and the annual accounts for the financial year 2015 and to grant a discharge to the directors and the auditor.

Drawn up in Turnhout on 21 March 2016

On behalf of the Board of Directors,

Kristof Michielsen
Director

Karl Hermans
Director

Frans Van Tilborg
Managing Director
CEO

Miko NV
Steenweg op Mol 177
2300 Turnhout
Reg. n° 0404.175.739
RPR Turnhout

Consolidated financial statements (IFRS)

1. General information

Miko NV and its subsidiaries (together “the Miko group”) produce and distribute coffee and plastic products for the professional user. The production facilities are located in Belgium, Poland, and Indonesia.

The registered office of Miko NV is located at Steenweg op Mol 177, 2300 Turnhout (Belgium). The group employed 985 persons as of 31 December 2015, compared to 960 persons at the end of last year.

The results were made public on 31 March 2016, after approval by the Board of Directors on 21 March 2016. The financial statements will be made available to the shareholders on 22 April 2016.

The results as well as the dividend will be final after approval by the ordinary general meeting of Miko NV, which will be held on 24 May 2016.

The shares of Miko NV are listed on Euronext Brussels.

2. Consolidated income statement according to IFRS (kEUR)

	Notes	2015 (kEUR)			2014 (kEUR)		
Revenue	**8.1**			**178,243**			**159,865**
Revenue from the sale of goods		173,502			155,081		
Revenue from leasing		4,456			4,646		
Proceeds from sale of non-current assets		285			138		
Other operating income	8.2		3,656			3,328	
Raw materials & consumables	8.3	-93,839			-81,999		
Employee benefit expense	8.4	-39,557			-36,520		
Depreciation and amortisation	9.1-9.2	-10,996			-9,653		
Other operating expenses	8.2	-27,261			-24,382		
Total costs			-171,653			-152,554	
Profit before interests and tax (EBIT)				**10,246**			**10,639**
Net financial result			89			-657	
Financial income	8.5	1,153			353		
Financial costs	8.5	-1,064			-1,010		
Profit before tax				**10,335**			**9,982**
Income tax expense	8.6		-2,535			-2,450	
Profit of the year				**7,800**			**7,532**
Attributable to non-controlling interests				29			10
Attributable to owners of Miko				**7,771**			**7,522**
Basic earnings per share, attributable to owners of Miko (in euro)	9.14			6.26			6.06
Diluted earnings per share, attributable to owners of Miko (in euro)	9.14			6.21			6.02

The notes included as sections 6 to 10 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income:

	2015 (kEUR)		2014 (kEUR)	
Profit of the year		7,800		7,532
Currency translation differences	463		-27	
Other items of comprehensive income for the year	0		-111	
Total comprehensive income		**8,263**		**7,394**
Attributable to shareholders of Miko	8,234		7,384	
Attributable to non-controlling interests	29		10	

3. Consolidated balance sheet according to IFRS (kEUR)

	Notes	2015 (kEUR)		2014 (kEUR)	
ASSETS					
Non-current assets					
Property, plant & equipment	9.1	48,101		48,296	
Intangible assets	9.2	21,326		18,818	
Deferred income tax assets	9.11	763		505	
Trade and other receivables	9.3	881		1,287	
Total non-current assets			**71,071**		**68,906**
Current assets					
Inventories	9.4	28,090		24,083	
Trade and other receivables	9.5	31,846		28,436	
Cash and cash equivalents	9.6	10,629		17,547	
Total current assets			**70,565**		**70,066**
Total assets			**141,636**		**138,972**
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		5,065		5,065	
Reserves and retained earnings		69,676		65,403	
Currency translation differences		350		-113	
Total equity attributable to equity holders of Miko		75,091		70,355	
Non-controlling interests		3,972		3,743	
Total equity			**79,063**		**74,098**
Non-current liabilities					
Borrowings	9.8	21,904		24,268	
Post-employment benefits	9.10	629		744	
Deferred income tax liabilities	9.12	4,427		4,137	
Trade and other payables	9.9	827		949	
Provisions for other liabilities and charges	9.10	1,431		500	
Total non-current liabilities			**29,218**		**30,598**
Current liabilities					
Borrowings	9.8	10,240		12,767	
Taxes and social security charges	9.9	5,718		5,880	
Trade and other payables	9.9	17,397		15,629	
Total current liabilities			**33,355**		**34,276**
Total equity and liabilities			**141,636**		**138,972**

The notes included as sections 6 to 10 are an integral part of these consolidated financial statements.

4. Consolidated statement of changes in equity (kEUR)

	Share capital	Reserves [1] & retained earnings	Currency translation differences	Non-controlling interests	Total
Balance as at 01/01/2014	**5,065**	**61,543**	**-86**	**787**	**67,309**
Profit for the year		7,522		10	7,532
Other comprehensive income		-111	-27		-138
Subtotal	5,065	68,954	-113	797	74,703
Purchase of treasury shares					0
Other					0
Liability relating to future acquisitions of shares		-2,109			-2,109
Dividends relating to 2013		-1,441		-211	-1,652
Changes in non-controlling interests		-1		3,157	3,156
Balance at 31/12/2014	**5,065**	**65,403**	**-113**	**3,743**	**74,098**
Profit for the year		7,771		29	7,800
Other comprehensive income			463		463
Subtotal	5,065	73,174	350	3,772	82,361
Purchase of treasury shares					0
Other		43		102	145
Liability relating to future acquisitions of shares		-1,803			-1,803
Dividends relating to 2014		-1,590		-181	-1,771
Changes in non-controlling interests		-148		279	131
Balance at 31/12/2015	**5,065**	**69,676**	**350**	**3,972**	**79,063**

[1] The reserves contain amounts not available for distribution in the amount of 2,237 kEUR in 2015 (2,133 kEUR in 2014).

5. Consolidated statement of cash flows

	Notes	2015 (kEUR)		2014 (kEUR)	
Cash flows from operating activities					
Profit before interests and tax (EBIT)	2	10,246		10,639	
Income tax paid	2	-2,641		-2,014	
Non-cash transactions					
Depreciations, amortisations and impairment	9.1-9.2	10,996		9,653	
Other non-cash transactions		1,131		-155	
Changes in working capital					
(Increase)/decrease in non-current trade and other receivables	9.3	406		-912	
(Increase)/decrease in inventories	9.4	-4,008		-2,772	
(Increase)/decrease in current trade and other receivables	9.5	-3,410		-885	
Increase/(decrease) in taxes and social charges payable	9.9	-162		609	
Increase/(decrease) in non-current trade and other payables	9.9	-122		155	
Increase/(decrease) in current trade and other payables	9.9	1,768		1,882	
Net cash generated from operating activities			**14,204**		**16,200**
Cash flows from investing activities					
Purchases of intangible assets	9.2	-3,083		-3,332	
Purchases of property, plant & equipment	9.1	-10,316		-12,417	
Proceeds from sale of non-current assets	9.1-9.2	1,501		560	
Others	9.1-9.2	-684		-3,259	
Net cash used in investing activities			**-12,582**		**-18,448**
Cash flows from financing activities					
Purchase of treasury shares	4				
Dividends paid	4	-1,771		-1,651	
Other	4	277		3,045	
Proceeds from borrowings	9.8	1,735		12,512	
Repayment of borrowings	9.8	-8,418		-3,543-	
Financial income	8.5	1,153		353	
Financial costs	8.5	-1,064		-1,010	
Net cash used in financing activities			**-8,088**		**9,706**
Currency translation differences			-442		-99
Net (decrease)/increase in cash and cash equivalents			**-6,908**		**7,359**

Cash and cash equivalents at beginning of year	9.6		**16,750**		**9,391**
Cash flows from operating activities		14,204		16,200	
Cash flows from investing activities		-12,582		-18,448	
Cash flows from financing activities		-8,088		9,706	
Currency translation differences		-442		-99	
Cash and cash equivalents at end of year	9.6		**9,842**		**16,750**

The notes included as sections 6 to 10 are an integral part of these consolidated financial statements.

6. Accounting policies

6.1. General

These consolidated financial statements of Miko NV on 31 December 2015 have been prepared in accordance with IFRS ("International Financial Reporting Standards") as adopted by the European Union. These include all IFRS standards and IFRIC interpretations ("International Financial Reporting Committee"), issued and effective or early adopted on 31 December 2015. These standards and interpretations, as adopted by the European Union, are equivalent to the standards and interpretations issued by the IASB ("International Accounting Standards Board") effective on 31 December 2015, except for elements of IAS 39 not adopted by the European Union; however, these are not applicable to the Miko group.

There are no standards, amendments to standards and interpretations that apply as from 2015 and are considered relevant for the Miko Group.

The following standards, amendments to standards and interpretations are mandatory for accounting years beginning on or after 1 January 2015, but are not relevant for the Miko Group and its operations:

- Amendments to IFRS 1: where a new version of a standard is not yet mandatory but is available for early adoption, a first-time adopter can use either the old or the new version
- Amendments to IFRS 3: the standard does not apply to the accounting for the formation of any joint arrangement under IFRS 11
- Amendments to IFRS 13: portfolio exception
- Amendments to IFRS 3: the interrelationship of IFRS 3 'Business Combinations' and IAS 40 'Investment Property'

The following amendments to standards have been published, but have not yet been endorsed by the European Union. In the future these will become relevant for the Miko Group.

- IFRS 15: 'Revenue from contracts with customers'. The IASB and FASB have jointly issued a converged standard on the recognition of revenue from contracts with customers. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. Companies using IFRS will be required to apply the revenue standard for annual periods beginning on or after 1 January 2018, subject to EU endorsement.

6.2. Consolidation principles

The consolidated financial statements contain the financial data of Miko N.V. and its subsidiaries. The list of subsidiaries is included under section 9.16.

Subsidiaries are entities which are controlled by the parent company. "Control" exists when Miko has the power to govern the financial and operating policies in order to obtain benefits from its activities. Miko considers "control" to exist even if the group has less than 50% of the voting rights, but is able to govern the financial and operating policies by virtue of *de facto* control. *De facto* control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of voting rights of other shareholders give the group the power to govern the financial and operating policies.

Holdings in subsidiaries are consolidated as from the day on which control is transferred to Miko and are de-consolidated as from the date control by Miko ceases. Intercompany balances and transactions and unrealised gains or losses between group companies are eliminated. If necessary, accounting policies of group companies are changed in order to ensure consistency with the policies adopted by the group.

6.3. Use of estimates

In order to prepare the financial statements in accordance with IFRS, management is required to make a number of estimates and assumptions, which have an impact on the amounts recognised in the financial statements.

The estimates made on each reporting date reflect the existing conditions on that date (for example interest rates and foreign exchange rates). Although these estimates are made by management with maximum knowledge of current events and of the actions the group may undertake, actual results may deviate from these estimates.

The most important estimates which entail a risk of adjustment to the carrying amounts of assets and liabilities within the next financial year are made when conducting goodwill impairment tests. These estimates require the application of assumptions and parameters such as future revenues and discount rates.

The board of directors is of the opinion that there is a reasonable basis for the assumptions, expectations and forecasts and that as a consequence, the valuation of assets and liabilities on 31 December 2015 is not significantly affected by these assumptions and parameters.

6.4. Fair value

Financial assets and liabilities are recorded at fair value. Fair value is determined on the basis of one of the following levels of the IFRS 13 hierarchy

- Level 1: Valuation based upon quoted prices in active markets;
- Level 2: Valuation on the basis of directly or indirectly (external) observable information;
- Level 3: Valuation fully or partly based on non (external) observable information.

6.5. Exchange rates and foreign currency translation

The group's presentation currency is the euro. Transactions in foreign currencies are translated to the euro using the exchange rate of the transaction date.

The translation differences in equity result from the conversion of foreign activities, where the entire balance sheet is translated at the closing rate and the income statement at the average rate. This applies to all entities that have a functional currency different from the euro.

Translation differences which result from a monetary item which is part of the net investment of the reporting entity in a foreign subsidiary are recognised in the income statement of the statutory financial statements of the reporting entity or in the financial statements of the foreign entity. In the consolidated financial statements, these translation differences, which are initially recognised as non-realised results, are re-classified into equity. They are re-classified from equity into the profit and loss statement upon disposal of the net investment.

All other translation differences, along which the conversion of monetary assets and liabilities, are recognised in the income statement at the closing rate at the end of the reporting period.

The following exchange rates have been used for the conversion of entities with a presentation currency other than the euro:

	2015		2014	
	Average rate	Closing rate	Average rate	Closing rate
GBP	1.3777	1.3625	1.2405	1.2839
PLN	0.2390	0.2345	0.2397	0.2340
CZK	0.0367	0.0370	0.0363	0.0361
DKK	0.1341	0.1340	0.1341	0.1343
SEK	0.1069	0.1088	0.1099	0.1065
AUD	0.6767	0.6713	0.6584	0.8237
IDR[1]	14,870.39	15,039.99	15,263.99	15,076.10
NOK	0.1117	0.1041		

[1] Denominated in IDR per EUR

6.6. Intangible assets

The intangible assets consist mainly of goodwill, trademarks, licences and customer relationships acquired from third parties.

Goodwill represents the difference between the cost of acquisition and the fair value of the net identifiable assets and liabilities of the acquired subsidiary at the acquisition date. Miko tests goodwill for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill may be impaired, in accordance with IAS 36 “Impairment of Assets”.

A business combination achieved in stages is recorded in the financial statements in accordance with the economic entity approach. This implies that the difference between the cost of acquisition and the fair value of the net identifiable assets and liabilities of the acquired subsidiary at the acquisition date, taking into account minority interests recognised in the balance sheet, is recorded directly to equity.

Negative consolidation differences are recognised if the cost of acquisition of a new participation is lower than the fair value of Miko’s share in the net identifiable assets and liabilities of the relevant entity. These negative consolidation differences are recognised immediately in the income statement.

Goodwill impairment is recorded in “depreciations and amortisations” in the income statement.

Intangible assets other than goodwill are carried at cost less accumulated amortisation and impairment, if any. The residual value of intangible assets is assumed to be zero.

Research costs are recognised as an expense when incurred. Development costs are capitalised. A project is considered to be in development if it can be demonstrated that it will generate probable future economic benefits.

The intangible assets are amortised using the straight-line method over the estimated useful life of the asset. The useful lives are as follows:

Category	Duration
Development costs	5 years
Trademarks and licenses	5 years
Customer relationships	10-15 years

The amortisations of intangible assets are included in “depreciations and amortisations” in the income statement.

Borrowing costs are not included in the cost of the intangible assets.

6.7. Property, plant & equipment

Property, plant and equipment are valued at historical cost less accumulated depreciations and accumulated impairment. Costs of improvements are capitalized (this is when future economic benefits will result from the asset), while maintenance costs are charged to the income statement as soon as they are made.

Depreciations of an asset start as soon as it is ready for its intended use. The depreciations are calculated using the straight-line method over the estimated useful life of the asset.

The useful lives are as follows:

Category	Duration	Rate
Buildings	40 years	2.50%
Installations and machinery	3-10 years	33.3% -10%
Coffee-making equipment	5-8 years	20% -12.5%
Vehicles	5 years	20%
Other equipment	3-10 years	33.3% -10%

The assets' useful lives and residual values are reviewed yearly and adjusted if necessary. Land has an indefinite useful life.

Borrowing costs are included into the cost of the asset, in accordance with IAS 23.

6.8. Impairment of property, plant and equipment

The group assesses the impairment of non-financial assets if events or changes in circumstances indicate that the carrying amount of the asset is higher than the recoverable amount. The recoverable amount is calculated as the higher of the fair value and the present value of the estimated future cash flows from the use of the asset and its subsequent disposal.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are identifiable cash flows. If an asset has been impaired, an impairment loss is recognised in the income statement for the difference between the asset's carrying amount and its recoverable amount. The significant estimates used in determining the present value of future cash flows relate to the appropriate discount rate, the period over which the cash flows have been projected, and the residual value of the assets.

Assets (excluding goodwill) that have been subject to impairment, are reviewed for possible reversal of the impairment on each reporting date. If such indications exist, the recoverable amount of that asset is reassessed and the carrying amount is increased to the revised recoverable amount. The increase is recognised immediately in the income statement. An impairment reversal is only recognised if it results from a change in the assumptions used to calculate the recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount the asset would have had if had no impairment loss had been recognised previously.

6.9. Leased assets

Leases in which a significant portion of the risks and rewards of ownership are transferred to the group are classified as finance leases, while other lease agreements are classified as operating leases. Leases of property, plant and equipment that are classified as finance leases are recognised at cost less accumulated depreciations and impairment. These assets are depreciated over their useful life.

Payments made under operational leases are charged to the income statement over the period of the lease.

6.10. Inventories

Inventories are stated at the lower of cost, according to the weighted average cost method, and the net realisable value.

Cost comprises the purchase price, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Administrative overhead costs that do not contribute to bringing the inventories to their present location or condition, selling costs, storage costs and abnormal waste are not included in the costs of inventory. The allocation of production overhead is based on normal operating capacity.

Net realisable value is determined as the estimated selling price in the ordinary course of business less estimated selling expenses.

Obsolete and slow moving inventories are systematically impaired.

6.11. Receivables

Current and non-current receivables are initially recognised in the balance sheet at fair value and subsequently measured at amortised cost using the effective interest method. When discounting has no material effect, the nominal amount is recognised. Receivables are impaired when collection is uncertain or doubtful. Receivables are individually assessed for recoverability. The increase in the provision for doubtful debtors is included in "other operating expenses" in the income statement.

6.12. Cash and cash equivalents

Cash and cash equivalents include all cash, deposits in bank accounts, bank overdrafts, and investments with an original maturity of three months or less.

Bank overdrafts are recognised in the consolidated balance sheet under current borrowings. For the consolidated statement of cash flows, these are included under cash and cash equivalents (see section 9.6.).

6.13. Equity

Dividends are recognised as a liability in the period in which they are approved. The final approval is given by the general meeting of shareholders which approves the results of the relevant financial year.

Treasury shares, purchased by Miko or its subsidiaries, are recorded in equity for the consideration paid.

6.14. Borrowings

Borrowings are initially recognised at fair value, i.e. the actual value of the received amount less the transaction costs incurred. Borrowings are subsequently carried at amortised cost.

6.15. Employee benefits and pension obligations

The cost of all short-term and long-term employees, such as wages and salaries, holiday pay, bonuses and other benefits, are recognised during the period in which the employee renders the relevant service. The group recognises these costs only if a legal or constructive obligation exists to make the relevant payments and a reliable estimate of the liability can be made.

For equity-settled, share-based payments, the fair value is calculated using the Black Scholes method. The result of this calculation is charged to the income statement over the vesting period in accordance with IFRS 2, "share-based payments".

The following criteria have been used to calculate the value of the payment plan:

Grant date	2012 [1]	2013 [1]	2014 [1]	2015 [1]
Expected life	6 years	7 years	5 years	6 years
Volatility of share price	20.18%	20.18%	20.18%	20.18%
Risk-free interest rate	1.06%	1.06%	1.06%	1.06%

[1]For more information, reference is made to section 5.4.6. of the annual report and to section 9.14. of the financial statements.

The volatility of the share price is calculated based on the daily quotes on Euronext Brussels.

The provision for early retirement is determined in accordance with statutory requirements in force in each country. An assessment is made of the employees that are eligible for early retirement, as well as the employees who have made the firm decision to retire early. On 31 December 2015, there are no indications that employees that are eligible for early retirement, but who have not yet made the decision to retire early, will make use of this option. As a result, no provision has been recognised.

For certain bonuses, which can be earned over a period of more than one year, additional provisions are recognised.

6.16. Pension obligations

The balance sheet includes a provision for pension obligation. It concerns a "defined contribution" plan, under which the group pays fixed contributions into a pension fund. These contributions are charged to the income statement under employee benefit expense when they become due. It is the obligation of the employer to guarantee the statutory minimum return. Each year, the insurance company calculates whether this return has been attained. In the past, it has never been necessary to make an additional contribution in order to comply with the minimum return. This was also not the case in 2015.

See also section 8.4.1.

6.17. Provisions

Miko recognises provisions for liabilities and probable losses of which the amount is uncertain at the reporting date, but which can be estimated reliably. A provision is recognised when the group (a) has a present legal or constructive obligation as a result of past events, (b) it is probable that to settle the obligation an outflow of resources will be required, and (c) the amount of the obligation can be estimated reliably. A past event is considered to give rise to a present obligation if, taking account the available evidence, it is more likely than not that a present obligation exists at the reporting date.

6.18. Trade payables

Trade payables are recognised in the balance sheet at discounted cost, unless the impact of discounting is immaterial.

6.19. Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. However, deferred tax liabilities are not recognised for differences relating to goodwill, as goodwill amortisations and impairment are not tax deductible.

Deferred tax assets related to deductible temporary differences and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is calculated on the basis of tax rates which are expected to be applied in the period in which the asset will be realised or the liability will be settled, on the basis of the tax laws enacted or substantively enacted at the reporting date.

6.20. Revenue

Revenue is recognised when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the group.

Revenue from the sale of goods is recognised when the goods have been delivered and the risks and rewards have been transferred.

Rental income (mainly relating to coffee-making equipment) is recognised at the moment the periodic rents become due. It concerns rental agreements with a duration of three to five years, without purchase option for the customer. The rent is payable from month to month and can be adjusted based on the consumer price index.

Revenue from the sale of services is recognised based on the stage of completion on the reporting date.

Dividend income is recognised when the shareholder has the right to receive payment.

6.21. Segment information

In accordance with IFRS 8, Miko has determined the operating segments based on the internal reporting structure and the way in which the board of directors (i.e. the "chief operating decision maker") assesses the performance of the operational activities and allocates resources.

On this basis, the following operating segments have been determined:

- Coffee: this segment delivers coffee to the "out-of-home" market; the coffee is consumed outside the private home, for example in offices, businesses and restaurants.
- Plastics: within this segment, high-quality plastic packaging products are manufactured, among others for the food industry and the "homecare" sector (bubble wraps for laundry detergent).

Each legal entity (subsidiary) of the group is part of one of the operating segments described above. When transactions take place between the segments, these are carried out at arm's length.

The results, assets and liabilities of the segments contain items that belong to one segment, as well as items that can reasonably be allocated to the segment. Assets of the segments comprise mainly intangibles, property, plant and equipment, inventories and trade receivables. Liabilities of the segments comprise mainly trade and other payables.

6.22. Financial risk management

In an international group as Miko, financial risk factors exist as a matter of course. The goal, however, is to limit these to a minimum.

6.22.1. Foreign exchange risk

Most of our activities, both purchases and sales, are denominated in euros. Even subsidiaries located in non-euro countries are invoiced in euros. However, the group is exposed to foreign exchange risk relating to sales denominated in British Pounds, Polish Zloty, Swedish Crowns, Danish Crowns and Indonesian Rupia. Considering the limited impact of this risk, the group does not currently use any derivative financial instruments to manage this risk.

6.22.2. Interest rate risk

A limited portion of existing borrowings has been concluded at a fixed interest rate. For these transactions, the interest rate risk is limited to a cash flow risk. The remaining portion has been concluded at floating interest rates of up to three months. Due to the use of floating-to-fixed interest rate swaps, the interest rate risk is limited, both with regards to size and with regards to duration. A realistic change in market interest rates would therefore not have a significant impact on the company's results.

6.22.3. Credit risk

The group does not have a significant concentration of credit risk. Credit control, which is closely monitored by management, keeps the credit risk limited. The maximum credit risk at the reporting date is the carrying amount of receivables.

6.22.4. Liquidity risk

Liquidity risk arises from the possibility that the group will be unable to meet its financial obligations as they become due. This risk is managed by using sufficiently dispersed financing sources. Furthermore, the cash position is monitored daily by the group's management. This continuous attention, together with the existing cash surpluses, ensures that there is no short-term liquidity risk.

6.22.5. Price risk

In the ordinary course of business, Miko is exposed to risks resulting from fluctuations in market prices. The group currently does not structurally hedge this risk, which means that its results are exposed to fluctuations in the price of green (raw) coffee and plastics. All purchases of raw materials are denominated in euro.

7. Segment information

7.1. Segment information

Financial year ending 31/12/2014 (kEUR)	Coffee	Plastics	General [3]	Total
Total sales	86,451	75,662		162,113
Sales to other segments	-2,078	-170		-2,248
Sales to external customers	84,373	75,492		159,865
Inter-segment eliminations			27	27
Consolidation				0
Non-allocated income and expenses			-438	-438
EBITDA [1]	11,432	9,494	-201	20,725
Result of segment (EBIT [2])	6,850	4,200	-411	10,639
Financial result			-657	-657
Income tax			-2,450	-2,450
Group profit before non-controlling interest				7,532
Non-controlling interest				10
Net profit				**7,522**

[1] Profit from operating activities before interests, tax, depreciations and amortisations
[2] Profit from operating activities before interests and tax
[3] Non-allocated elements and consolidation-entries

Financial year ending 31/12/2014 (kEUR)	Coffee	Plastics	Inter-segment elimination	Total
Segment net assets (IFRS) [1]	57,062	59,981		117,043
Non-allocated assets				22,976
Inter-segment eliminations			-1,047	-1,047
Total assets	**57,062**	**59,981**	**-1,047**	**138,972**
Segment net liabilities [2]	7,170	6,246		13,416
Non-allocated liabilities				126,581
Inter-segment eliminations			-1,025	-1,025
Total liabilities	**7,170**	**6,246**	**-1,025**	**138,972**
Cost of investments	3,331	12,203		15,534
Cost of non-allocated investments				215
Total cost of investments				**15,749**
Depreciations and amortisations of segment assets	4,279	5,161		9,440
Depreciations and amortisations of non-allocated assets				213
Total depreciations and amortisations				**9,653**
Deferred tax assets	491	0	14	505
Deferred tax liabilities	2,154	1,983		4,137
Provisions	48			48
Other non-cash transactions				
Provisions for doubtful debtors	800	15		815
Impairment				

[1] Segment net assets consists of following assets: intangible assets, property, plant and equipment, long term trade and leasing receivables and short term trade and leasing receivables.
[2] Segment net liabilities consists of following liabilities: long term and short term trade liabilities.

Financial year ending 31/12/2015 (kEUR)	Coffee	Plastics	General [3]	Total
Total sales	92,486	88,840		181,326
Sales to other segments	-2,920	-163		-3,083
Sales to external customers	89,566	88,677		178,243
Inter-segment eliminations			21	21
Consolidation				0
Non-allocated income and expenses			-678	-678
EBITDA [1]	9,975	12,166	34	22,175
Result of segment (EBIT [2])	5,481	5,422	-657	10,246
Financial result			89	89
Income tax			-2,535	-2,535
Group profit before non-controlling interest				7,800
Non-controlling interest				29
Net profit				**7,771**

[1] Profit from operating activities before interests, tax, depreciations and amortisations
[2] Profit from operating activities before interests and tax
[3] Non-allocated elements and consolidation-entries

Financial year ending 31/12/2015 (kEUR)	Coffee	Plastics	Inter-segment elimination	Total
Segment net assets (IFRS) [1]	62,798	64,070		126,868
Non-allocated assets				16,835
Inter-segment eliminations			-2,067	-2,067
Total assets	**62,798**	**64,070**	**-2,067**	**141,636**
Segment net liabilities [2]	8,773	7,732		16,505
Non-allocated liabilities				127,131
Inter-segment eliminations			-2,000	-2,000
Total liabilities	**8,773**	**7,732**	**-2,000**	**141,636**
Cost of investments	7,998	5,227		13,225
Cost of non-allocated investments				173
Total cost of investments				**13,398**
Depreciations and amortisations of segment assets	4,373	6,372		10,745
Depreciations and amortisations of non-allocated assets				251
Total depreciations and amortisations				**10,996**
Deferred tax assets	763	0		763
Deferred tax liabilities	2,019	2,397	11	4,427
Provisions	157	381		538
Other non-cash transactions				
Provisions for doubtful debtors	813	41		854
Impairment				

[1] Segment net assets consists of following assets: intangible assets, property, plant and equipment, long term trade and leasing receivables and short term trade and leasing receivables.
[2] Segment net liabilities consists of following liabilities: long term and short term trade liabilities.

7.2. Geographical information

7.2.1. Geographical dispersion of revenue (kEUR)

	BE	FR	NL	UK	DE	SE/DK	PL	Other	Total
2014	32,578	14,951	15,729	27,528	29,701	13,749	11,559	14,070	159,865
2015	33,488	17,359	16,160	28,144	34,911	14,739	13,016	20,427	178,243
Evolution	910	2,408	431	616	5,210	990	1,457	6,357	18,378

NB: This information is based on invoice addresses.

Revenue within the coffee segment is spread over a very extensive range of customers. The largest customer within the plastics segment represents 13.23% of the total consolidated revenue of both segments combined, but is spread over several geographical areas.

7.2.2. Geographical dispersion of non-current assets [1] (kEUR)

	BE	FR	NL	UK	DE	PL	ID	Other	Total
2014	26,480	385	946	3,432	190	14,920	3,205	2,293	51,851
2015	26,415	425	804	3,619	325	14,289	2,851	2,377	51,105
Evolution	-65	40	-142	187	135	-631	-354	84	-746

[1] Following non-current assets have been taken up in the table: property, plant and equipment, intangible assets excl. goodwill and leasing receivables on more than one year.

8. Notes to the income statement

8.1. Revenue

	2015 (kEUR)		2014 (kEUR)	
Revenue		**178,243**		**159,865**
Revenue from the sale of goods	173,502		155,081	
Revenue from leasing	4,456		4,646	
Proceeds from sale of non-current assets	285		138	

8.2. Other operating income and expenses

	2015 (kEUR)		2014 (kEUR)	
Services and other goods		**25,466**		**23,240**
Cost of sales	7,236		6,342	
Maintenance	5,437		4,890	
Energy	4,085		3,349	
Vehicles	2,735		2,853	
Insurance	584		616	
Other	5,389		5,190	
Provisions and reversal of provisions		**933**		**434**
Other expenses		**862**		**708**
Total other operating expenses		**27,261**		**24,382**
Other operating income				
Recharged expenses	2,071		1,649	
Recovered employee benefit expense	1,344		1,427	
Other	241		252	
Total other operating income		**3,656**		**3,328**

8.3. Change in inventories and gross margin

	2015 (kEUR)	2014 (kEUR)
Purchases	95,851	83,626
Change in inventories	-2,013	-1,627
Gross profit as % of sales	47.35%	48.71%
Loss or impairment of inventories		0

8.4. Employee benefit expense

	2015 (kEUR)	2014 (kEUR)
Wages and salaries	26,601	23,989
Social security contributions	6,059	5,809
Termination benefits	218	243
Directors' compensation	1,361	1,738
Temporary staff	1,472	986
Other	2,075	2,081
Training	282	252
Pension contributions	1,161	1,286
Share-based payments	328	136
Total	**39,557**	**36,520**
Number of employees at reporting date (headcount)	**985**	**960**

Contributions for post-termination benefits, where the company pays fixed contributions into a fund, are recognised in the income statement under employee benefit expense. The total contribution for 2015 was 1,161 kEUR (in 2014 this was 1,286 kEUR).

The company has no obligations to pay further contributions.

8.4.1. Defined contribution plans

The group has several defined contribution plans with insurance companies, which ensure the investments of the contributions. The contributions are charged to the income statement of the year in which they are paid.

In Belgium, pension plans are legally structured as defined contribution plans. Because of the law on the second pillar of the pension plans (the so-called "Law Vandenbroucke"), all Belgian defined contribution plans must be considered defined benefit plans. The Law Vandenbroucke requires that the employer guarantees a minimum return of 3.75% on employees' contributions and of 3.25% on employers' contributions. At the end of 2015, a new law was published, lowering the minimum return on future contributions to 1.75%.

Because of the minimum return that must be guaranteed for defined contribution plans in Belgium, a financial risk is created for the employer (as there is an obligation to make payments in order to meet the minimum return if the fund shows a deficit).

In the past, the Miko Group did not apply this, because higher discount rates were applicable and the minimum return on the funds was guaranteed by the insurance company. Due to the continuously lower interest rates on the European financial markets, the employers run a higher financial risk compared to the past. Therefore, the group needs to evaluate the impact of valuing the pension plans as defined benefit plans.

It results from this analysis that this does not have a significant impact on the figures per 31 December 2015. For informational purposes, the following figures are given:

Employers contribution 2015 (kEUR)	315
Amount of the pension funds per 31 december 2015 (kEUR)	1,528

See also section 6.15.

8.4.2. Other post-termination obligations

In several of the group's companies, the possibility exists, in accordance with statutory regulations, to leave the company and enter into early retirement. The group has an obligation to pay additional premiums in addition to the statutory early retirement pension. The provision for early retirement amounted to 129 kEUR on 31 December 2015.

8.4.3. Share-based payments

Management has the possibility to enter into a share-based payment plan. This means that the company offers management options to buy a fixed number of treasury shares, on the condition that the employment or director's agreement is continued for at least three years. No new shares are created for this plan. The value of the options, calculated in accordance with the Black Scholes model, is charged to the income statement over the vesting period in accordance with IFRS 2.

8.4.4. Termination benefits

Termination benefits are payments that may be due to employees who leave the company before the statutory pension age. These benefits are recognised as a cost, if the decision to leave the company is irreversible and the value of the benefit has been correctly determined.

8.5. Financial income and costs

	2015 (kEUR)	2014 (kEUR)
Interest income from investing activities	249	67
Interest income from leasing activities	58	0
Dividend income from non-consolidated entities	0	0
Interest expense: borrowings	-596	-431
Interest expense: finance lease	-208	-204
Interest expense: operating lease	-103	-50
Interest expense: other	-157	-123
Other expenses, net (incl. bank charges)	233	286
Net foreign exchange gains/(losses)	21	-11
Net gains/(losses) on disposal of financial assets	592	-191
Total	**89**	**-657**

The reported gain on financial fixed assets relates to the downward correction of a financial liability, based upon our current estimate of the future obligation.

8.6. Income tax

	2015 (kEUR)	2014 (kEUR)
Current income tax		
Current tax on profits for the year	2,623	1,992
Adjustments in respect of prior years and reversal of tax provisions	17	21
Total current tax	2,640	2,013
Deferred income tax		
Origination and reversal of temporary differences	78	439
Impact of change in tax rates or new taxes	-32	0
Usage of tax losses of previous years		-2
Deferred tax recognised on tax losses for the current year	-151	0
Total deferred tax	-105	437
Total income tax expense in income statement	2,535	2,450
Profit before tax	10,335	9,982
Effective tax rate	**24.53%**	**24.55%**

The effective tax rate of the group differs from the applicable tax rate in Belgium (33.99%) for the following reasons:

Reconciliation between theoretical and effective tax rate	2015 (kEUR)	2014 (kEUR)
Taxes calculated at the applicable tax rate of 33,99%	3,513	3,393
Impact of tax rates of other jurisdictions	-576	-571
Income not subject to tax	-319	41
Expenses not deductible for tax purposes	610	423
Utilisation of previously unrecognised tax losses	30	106
Impact due to changes in the tax rate	-9	1
Impact of overestimates and underestimates in prior periods	-27	-88
Other increases (decreases)	-300	-239
Notional interest deduction	-387	-616
Tax calculated at the effective tax rate	2,535	2,450

9. Notes to the consolidated balance sheet

9.1. Property, plant and equipment

2014 (kEUR)	Land and buildings	Installations and machinery	Equipment	Total
a) Cost of acquisition				
As at end of previous financial year	14,383	78,703	29,767	122,853
<u>Movements during the year</u>				
Additions	40	9,284	3,093	12,417
Disposals		-1,222	-1,524	-2,746
Impairment charge				0
Transfers	1,647	-1,647		0
Exchange differences	-107	-508	460	-155
Other	1,282	3,423	578	5,283
As at end of current financial year	17,245	88,033	32,374	137,652
b) Depreciations and impairment				
As at end of previous financial year	2,952	59,837	18,196	80,985
<u>Movements during the year</u>				
Depreciation charge	367	5,276	3,137	8,780
Acquisition of subsidiary				
Disposals		-1,059	-1,264	-2,323
Impairment charge				
Transfers				
Exchange differences	-23	-354	267	-110
Other	31	1,613	379	2,023
As at end of current financial year	3,327	65,313	20,715	89,355
Net book value at end of current financial year	**13,918**	**22,720**	**11,659**	**48,297**

2015 (kEUR)	Land and buildings	Installations and machinery	Equipment	Total
a) Cost of acquisition				
As at end of previous financial year	17,245	88,033	32,374	137,652
Movements during the year				
Additions	17	6,530	3,768	10,315
Disposals	-12	-1,260	-2,774	-4,046
Impairment charge				
Transfers	648	-781	111	-22
Exchange differences	34	95	418	547
Other		733	282	1,015
As at end of current financial year	17,932	93,350	34,179	145,461
b) Depreciations and impairment				
As at end of previous financial year	3,327	65,313	20,715	89,355
Movements during the year				
Depreciation charge	460	6,394	3,316	10,170
Acquisition of subsidiary				
Disposals	-1	-784	-2,045	-2,830
Impairment charge				
Transfers			-3	-3
Exchange differences	-1	-15	248	232
Other		265	171	436
As at end of current financial year	3,785	71,173	22,402	97,360
Net book value at end of current financial year	**14,147**	**22,177**	**11,777**	**48,101**

The items "land and buildings" and "installations and machinery" comprise, at 31 December 2015, assets in use by the company under finance lease agreements for resp. 4,720 kEUR and 455 kEUR (resp. 4,720 kEUR and 711 kEUR per 31 December 2014).

These concern primarily two material lease agreements with the following characteristics:

Asset	Logistics centre Oud-Turnhout	Solar panels Oud-Turnhout
Start date	19 May 2011	30 May 2011
Duration	15 years	7 years
Investment amount	5,050 kEUR	1,304 kEUR
Net book value leased assets	4,628 kEUR	445 kEUR
Residual value/purchase option	152 kEUR	13 kEUR

9.2. Intangible assets

2014 (kEUR)	Goodwill	Patents, trademarks and client relationships	Software	Total
a) Cost of acquisition				
As at end of previous financial year	13,732	6,990	1,196	21,918
Movements during the year				
Additions	3,314		18	3,332
Disposals				0
Impairment charge				0
Transfers	-270	270		0
Exchange differences	200	248	2	450
Other				
As at end of current financial year	16,976	7,508	1,216	25,700
b) Amortisations and impairment				
As at end of previous financial year	378	4,237	1,088	5,703
Movements during the year				
Amortisation charge	277	551	45	874
Acquisition of subsidiary				
Disposals				
Impairment charge				
Transfers	-15	15		
Exchange differences	80	224	2	306
Other				
As at end of current financial year	720	5,027	1,135	6,882
Net book value at end of current financial year	**16,256**	**2,481**	**81**	**18,818**

2015 (kEUR)	Goodwill	Patents, trademarks and client relationships	Software	Total
a) Cost of acquisition				
As at end of previous financial year	16,976	7,508	1,216	25,700
<u>Movements during the year</u>				
Additions	2,452	523	108	3,083
Disposals				0
Impairment charge				0
Transfers			9	9
Exchange differences	187	225	3	415
Other	116			116
As at end of current financial year	19,731	8,256	1,336	29,323
b) Amortisations and impairment				
As at end of previous financial year	720	5,027	1,135	6,882
<u>Movements during the year</u>				
Amortisation charge		720	107	827
Acquisition of subsidiary				
Disposals				
Impairment charge				
Transfers				
Exchange differences	74	211	3	288
Other				
As at end of current financial year	794	5,958	1,245	7,997
Net book value at end of current financial year	**18,937**	**2,298**	**91**	**21,326**

The item patents, trademarks and client relationships comprises client relations acquired from third parties.

Allocation of goodwill	2015 (kEUR)	2014 (kEUR)
Coffee	15,223	12,719
Plastics	3,714	3,537
Total	**18,937**	**16,256**

Management tests goodwill for impairment on a yearly basis. The value of goodwill is calculated by means of a discounted free cash flow model based on the group's operating budget for the following financial years. Such a model was applied for each cash generating unit (CGU). Within the Miko group, the segments (coffee and plastics) are considered to be CGU's.

The cash flow projection for these CGU's was made for a period of five years and takes into account a yearly growth rate of 5%. Management concludes that a discount based on a WACC between 6% and 10% does not give rise to an impairment for the CGU's.

9.3. Non-current trade and other receivables

2014 (kEUR)	Net receivables leasing	Non-current trade receivables	Other	Total
1. Opening balance	57	120	197	**374**
2. Movements	876	-59	96	**913**
3. Exchange differences				
4. Closing balance	933	61	293	**1,287**
2015 (kEUR)				
1. Opening balance	933	61	293	**1,287**
2. Movements	-360	-20	-26	**-406**
3. Exchange differences				
4. Closing balance	573	41	267	**881**

All non-current receivables have a maturity of less than five years. The applied interest rates are at arm's length for 2015 (same for 2014).

No loans have been advanced to directors or related parties.

At the end of 2015, there are no indicators of impairment for non-current receivables (e.g. loss of market share or technological obsolescence).

The carrying amount of non-current trade receivables approximates the fair value at the reporting date.

9.4. Inventories

Inventories	2015 (kEUR)	2014 (kEUR)
1. Raw materials and consumables	9,602	7,873
2. Work in progress	349	194
3. Finished goods	9,969	9,265
4. Goods for resale	8,170	6,751
Total	**28,090**	**24,083**

Inventories are stated at the lower of cost, according to the weighted average cost method, and the net realisable value.

Raw materials and consumables comprise green (raw) coffee, plastics, and packaging material.

Finished goods and goods for resale comprise, for the coffee segment, mainly coffee products and ancillary products such as milk, sugar, and cookies and for the plastics segment, ice cream boxes, margarine tubs and trays for ready meals.

9.5. Current trade and other receivables

Trade and other receivables	**2015 (kEUR)**	**2014 (kEUR)**
1. Trade receivables	28,481	25,479
2. Finance lease receivables	490	427
3. Doubtful debtors	-854	-915
Total trade receivables	28,117	24,991
4. Loans to directors or related parties	0	0
5. Other receivables (including tax receivables)	2,403	2,379
6. Deferred charges	1,326	1,065
Total other receivables	3,729	3,444
Total trade and other receivables	**31,846**	**28,435**

9.5.1. Credit risk on receivables

Credit risk refers to the risk a third party will cause a financial loss for the group by failing to meet its contractual obligations. To mitigate this risk, credit analyses are performed for those customers who are about to exceed a certain credit limit. Customers that are allowed to exceed their credit limit are continuously monitored. Management continually evaluates the entire customer portfolio to assess its creditworthiness. The carrying amount of the trade receivables approximates the fair value at the reporting date and the provisions for doubtful debtors adequately cover the group's credit risk.

Trade receivables of the coffee segment are related to numerous customers spread over different geographical areas. The customer with the highest outstanding balance represents only 2.68% of total receivables of this segment at the reporting date.

Trade receivables in the plastics segment are related to a less diverse customer base, which however is also spread over different geographical areas. The customer with the highest outstanding balance represents 37.45% of total receivables of this segment at the reporting date. It should be noted that for this customer a reverse factoring agreement exists, which offers the possibility to demand early payment against a discount, and which mitigates the credit risk significantly.

The average collection period for sold goods is 54 days for the coffee segment (2014: 51 days) and 44 days for the plastics segment (2014: 61 days). Interest is not systematically charged on overdue receivables.

Trade receivables include debtors with a carrying amount of 8,549 kEUR that are past due at the reporting date, but for which no impairment is recognised, because they are considered to be recoverable. The majority of these past due receivables are a result of the group's export policy, under which extended payment terms apply in practice.

9.5.2. Aging list of past due, but not considered impaired trade receivables

	2015 (kEUR)	2014 (kEUR)
1-30 days	4,384	4,932
31-60 days	1,919	1,550
61-90 days	1,263	1,291
>90 days	983	941
Total	**8,549**	**8,714**

9.5.3. Movements in the provision for doubtful debtors

	2015 (kEUR)	2014 (kEUR)
At the start of the financial year	915	748
(Use of provision)	-274	-153
Additional provisions	213	320
Balance	**854**	**915**

9.5.4. Market risk: foreign exchange risk

Even though the largest part of the group's purchases and sales are denominated in euro, the group is still subject to foreign exchange risk. This risk is mainly related to the British Pound.

Based on the average volatility of the British Pound, the group estimated the possible fluctuations in the exchange rate for this currency against the euro:

	EUR/GBP	Potential volatility
Closing rate 31/12/2014	0.7789	6.49%
Closing rate 31/12/2015	0.7340	7.68%

Net book value in K£	2015	2014
Trade payables	-757	-717
Trade receivables	1,445	1,618
Cash and cash equivalents	207	191
Net book value	**895**	**1,092**

If the British Pound had weakened resp. strengthened against the euro according to the estimates above, the net result of the group would have increased resp. decreased by 95 kEUR.

9.5.5. Other

At the end of 2015, there are no indicators of impairment for current receivables (e.g. loss of market share or technological obsolescence).

9.6. Cash and cash equivalents

	2015 (kEUR)	2014 (kEUR)
Cash in hand	61	56
Cash at bank	8,495	13,430
Short-term bank deposits (<3 months)	2,073	4,061
Bank overdrafts	-787	-797
Total cash and cash equivalents	**9,842**	**16,750**

9.7. Capital management

The group determines the amount of capital in proportion to the risk. The group manages its capital structure and adjusts it in case of changing economic conditions and financing needs.

The group's capital management objectives have remained unchanged. The different entities are enabled to operate as going concern, while the necessary attention is given to the balance between risk level on the one hand and allocated resources and prices on the other.

The capital structure of the group comprises non-current borrowings, cash and cash equivalents, reserves, retained earnings and non-controlling interests.

Net debt at the end of the financial year was as follows:

	2015 (kEUR)	2014 (kEUR)
Non-current borrowings	29,218	30,598
Current borrowings	10,240	12,767
Cash and cash equivalents	-10,629	-17,547
Net	28,829	25,818
Equity	79,063	74,098
Net debt ratio	**36.46%**	**34.84%**

The group is not subject to external capital requirements.

9.8. Borrowings

Borrowings	2015 (kEUR)	2014 (kEUR)
I. Current		
Bank borrowings		
Finance lease liabilities	1,274	980
Bank overdrafts	787	797
Other	0	10
Amounts becoming due within 12 months		
Bank borrowings	5,569	6,494
Other current liabilities		
Borrowings from third parties	0	0
Borrowings from related parties	2,610	4,486
Total current borrowings	**10,240**	**12,767**
II. Non-current		
Bank borrowings		
Finance lease liabilities	4,549	5,365
Bank borrowings	12,140	14,874
Other non-current liabilities		
Other borrowings from third parties	0	26
Other long-term liabilities[1]	5,215	4,003
Total non-current borrowings	**21,904**	**24,268**

[1] This item relates to the current value of the future obligation to acquire a minority interest in one of the group companies from third parties.

All borrowings are denominated in euro, Zloty or Rupia. The borrowings have been concluded to finance the group's investments in buildings, equipment and acquisitions. The borrowings mature at the latest in 2026 and bear interest at an average rate of 2.92%. The group has undrawn credit lines for an amount of 5,303 kEUR. The fair value of the loans is in line with the nominal value as the interest rate is at arm's length.

For more information concerning related-parties transactions, reference is made to section 9.15.

Detailed information regarding maturity of borrowings:

2014 (kEUR)	1 year or less	1-5 years	Over 5 years
Bank borrowings	6,493	11,794	3,080
Other borrowings	10	4,029	0
Finance lease liabilities (total)	980	2,840	2,525
Total borrowings	**7,483**	**18,663**	**5,605**
2015 (kEUR)	**1 year or less**	**1-5 years**	**Over 5 years**
Bank borrowings	5,569	10,390	1,750
Other borrowings	0	5,215	0
Finance lease liabilities (total)	1,274	2,395	2,154
Total borrowings	**6,843**	**18,000**	**3,904**

These amounts are exclusive of future interest expense for an amount of 1,957 kEUR, calculated based on the applicable interest rates at the reporting date (at the end of 2014, this was 2,659 kEUR).

Effective interest rates (%)	2015	2014
Bank borrowings	1.01-12.25	1.51-12.25
Other borrowings	2.49	2.49
Finance lease liabilities	3.21-13.59	3.21-13.59

All borrowings are denominated in euro, Zloty or Rupia. The bank borrowings include both fixed-rate borrowings and floating-rate borrowings. The other borrowings are fixed-rate borrowings.

9.9. Trade and other payables

	2015 (kEUR)	2014 (kEUR)
Non-current trade and other payables		
Non-current trade payables		0
Other payables	827	949
Total non-current trade and other payables	**827**	**949**
Current trade and other payables		
Trade payables	14,599	12,630
Other payables	488	1,372
Accrued expenses & deferred income	2,309	1,627
Total current trade and other payables	**17,396**	**15,629**
Taxes and social security charges		
Tax payables	2,290	2,633
Social security charges payable	3,428	3,248
Total current taxes and social security charges	**5,718**	**5,881**

The carrying amount of trade and other payables approximates the fair value at the reporting date.

9.10. Provisions

(kEUR)	Post-employment benefits	Environmental provisions	Other provisions	Total
At 1 January	**744**	**0**	**500**	**1,244**
Additional provisions	59		1,133	1,192
Unused amounts reversed	-154			-154
Used during year	-21		-205	-226
Exchange differences	1		3	4
Acquisition or disposal of subsidiary				
At 31 December	**629**	**0**	**1,431**	**2,060**

The provision for post-employment benefits amounts to 629 kEUR (2014: 744 kEUR). This provision was recognised with a view to the statutory regulations relating to early retirement.

The increase of other provisions mainly relates to the valuation of the share-based-payment plan according to the Black and Scholes model. The fair value of the share options on balance sheet date amounted to 892 kEUR.

9.11. Deferred tax assets

Deferred tax assets are recognised in the balance sheet for temporary differences. The movement of the deferred tax assets during the reporting period is as follows:

	2015 (kEUR)	2014 (kEUR)
Opening balance	**505**	**581**
Withdrawal from deferred income tax assets	-22	-13
Addition to deferred income tax assets	-16	-324
Exchange differences		
Transfer to deferred income tax liabilities	296	261
Closing balance	**763**	**505**

The deferred tax assets in the balance sheet relate to:

	2015 (kEUR)	2014 (kEUR)
1. Depreciations	582	530
2. Intangible assets	983	755
3. Provisions	0	70
4. Exchange differences	0	0
5. Post-employment benefits	40	40
6. Tax losses	687	
7. Inventories	160	121
8. Other	19	68
Total	**2,471**	**1,584**

Management assesses recoverability of tax losses based on the group's operating budget for the following financial years.

9.12. Deferred tax liabilities

Deferred tax liabilities are recognised in the balance sheet for temporary differences. The movement of the deferred tax liabilities during the reporting period is as follows:

	2015 (kEUR)	2014 (kEUR)
Opening balance	**4,137**	**3,870**
Withdrawal from deferred income tax liabilities	-351	-269
Addition to deferred income tax liabilities	60	73
Exchange differences		
Transfer to deferred income tax assets	581	463
Closing balance	**4,427**	**4,137**

The deferred tax liabilities in the balance sheet relate to:

	2015 (kEUR)	2014 (kEUR)
1. Depreciations	-13,351	-11,639
2. Intangible assets	-853	-1,724
3. Provisions	-119	-187
4. Exchange differences		
5. Post-employment benefits	224	387
6. Tax losses		
7. Inventories	-220	-331
8. Other	126	174
Total	**-14,193**	**-13,320**

The difference between the deferred tax liability on the balance sheet and the calculation based on the Belgian tax rate of 33.99% is -320kEUR in 2015 (in 2014: -233 kEUR) and is due to the differing income tax rates in our home countries.

9.13. Contingencies

There are no commitments to acquire property, plant and equipment or intangible assets.

Future commitments resulting from operating leases are as follows:

Operating lease commitments	2015 (kEUR)	2014 (kEUR)
Operating lease payments recognised in the income statement	1,557	1,472
Future aggregate minimum lease payments under non-cancellable operating leases for the following periods:	3,619	3,213
1. No later than 1 year	1,406	1,233
2. Later than 1 year and no later than 5 years	2,172	1,954
3. Later than 5 years	41	26

Operating lease commitments are related to investments in the vehicle fleet.

The group has given joint and several guarantees to financial institutions for an amount of 10,370 kEUR (in 2014: 10,370 kEUR).

If the Miko Group sells equipment to a customer, and the customer chooses to enter into a lease agreement with a leasing company for the equipment, the leasing company in some instances requires a buy-back clause. For these buy-back obligations, the group recognizes a provision in case a loss is expected. For the buy-back obligations existing on 31 December 2015, it is not expected that a loss will be realised.

9.14. Share capital

	2015	2014
I. Number of shares		
Number of shares at 1 January	1,242,000	1,242,000
Shares issued		
Number of shares at 31 December	1,242,000	1,242,000
Shares bought back (net)		
II. Other information		
1. Nominal value of the shares	n.v.t	n.v.t
2. Number of shares held by the group or by related parties	687,000	687,000
III. Earnings per share		
1.1. Number of shares	1,242,000	1,242,000
1.2. Weighted average number of shares held by the group		
1.3. Number of shares used to calculate basic earnings per share	1,242,000	1,242,000
1.4. Weighted average number of share options outstanding at the end of the reporting period	32,650	36,425
1.5. Number of shares used to calculate diluted earnings per share	1,251,915	1,249,243
2. Profit/(loss) attributable to the owners of Miko	7,771	7,522

The total number of shares of 1,242,000 (with no nominal value) consists of 745,405 nominative shares and 496,595 dematerialised shares (situation at 31 December 2015).

In accordance with the provisions of Section 11 of the Act of 14 December 2005 with regard to the abolition of bearer shares, Miko N.V., following prior notification in the Belgian Official Gazette and on the Euronext website, disposed of the remaining balance of 153 bearer shares on the regulated market. The assets deriving from the forced sale were deposited with the Deposit and Consignation Office (*Deposito- en Consignatiekas*) in compliance with current legislation. The company auditor has published a report on compliance with the relevant obligations.

There are no different categories of shares.

At the end of 2015, the group did not hold any treasury shares.

Options to purchase shares at a predetermined price have been granted in previous years, as follows:

	2006	2007	2008	2011	2012	2013	2014	2015
At 1 January	250	2,500	2,500	500	9,300	11,150	8,250	0
Exercise price	€47.00	€56.00	€56.00	€51.50	€46.00	€50.51	€66.30	€69.00
Granted/(exercised) during the year	-250	-2,250	-2,000	-500	-8,300			9,700
Exercisable at end of period	0	250	500	0	1,000	11,150	8,250	9,700
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Exercise period	5 years [1]	5 years [1]	5 years [1]	5 years	10 years.	10 years. [2]	7 years. [3]	7 years. [4]

[1] The exercise period of the options granted from 2005 until 2008 was initially 5 years and has been extended to 10 years.
[2] Of the options granted in 2013, 6,650 have an exercise period of 10 years and 4,500 have an exercise period of 5 years.
[3] Of the options granted in 2014, 8,000 have an exercise period of 7 years and 250 have an exercise period of 5 years.
[4] Of the options granted in 2015, 7,950 have an exercise period of 7 years and 1,750 have an exercise period of 5 years.

For equity-settled, share-based payments, the fair value is calculated using the Black Scholes method. The result of this calculation is charged to the income statement over the vesting period.

The following criteria were used for this calculation:

	2013 [1]	2014 [2]	2015 [3]
Exercise price	50.51	66.30	69.00
Current share price	101.79	101.79	101.79
Expected option life	2.00-7.00	3.00-5.00	4.00-6.00
Share price volatility	20.18%	20.18%	20.18%
Risk-free interest rate	1.06%	1.06%	1.06%
Dividend as a % of share price	1.79%	1.80%	1.38%

[1] Of the options granted in 2013, 6,650 have an exercise period of 10 years and 4,500 have an exercise period of 5 years.
[2] Of the options granted in 2014, 8,000 have an exercise period of 7 years and 250 have an exercise period of 5 years.
[3] Of the options granted in 2015, 7,950 have an exercise period of 7 years and 1,750 have an exercise period of 5 years.

The fair value of the share options amounted to 892 kEUR on the reporting date.

9.15. Related parties

	2015 (kEUR)	2014 (kEUR)
I. RECEIVABLES FROM RELATED PARTIES		
II. PAYABLES TO RELATED PARTIES		
1. Borrowings	2,610	4,375
2. Financial liabilities		
3. Other liabilities		
III. TRANSACTIONS WITH RELATED PARTIES		
1. Sale of goods and services		
2. Purchase of goods		
3. Other transactions		
4. Purchase of services		
5. Transfers relating to funding requirements		
6. Remuneration of management and directors [1]		
7. Loans granted to management and directors		

[1] Each director received in 2015 a fixed fee amounting to EUR 13,000 in 2015.
The Chairman of the Board of Directors received an additional fee amounting to EUR 2,000.
The total gross remuneration before social security contributions and taxes, including the benefits of all kinds, amounted to EUR 372,702.63 in 2015. This amount was made up of a fixed component of EUR 238,961.76, a variable component of EUR 36,337.59, pension contributions and invalidity insurance of EUR 68,084.61 and benefits in kind (car, mobile phone, internet connection, share options) to the value of EUR 12,718.67.
The members of the operating committee received together a gross payment of EUR 1,223,666.35 in 2015. This amount was made up of a fixed component of EUR 754,202.70, a variable component of EUR 110,618.25, pension contributions and invalidity insurance of EUR 298,706.91 and benefits in kind to the value of EUR 60,138.49.

For more information on remuneration of management and directors, reference is made to the remuneration report (section 5.4. of the annual report).

The borrowing concerns a loan agreements with Imko Holding NV The agreements was entered into for a period of maximum one year, with an interest rate equal to 2.49%. See also section 5.5.2. of the annual report.

9.16. Scope of consolidation

Company name	Country	Holding 2015	Holding 2014	Registration number	Registered office	Number of employees
Miko Koffie NV	Belgium	100.00%	100.00%	0869.777.422	Steenweg op Mol 177, 2300 Turnhout	51
Miko Coffee Service NV	Belgium	100.00%	100.00%	0429.197.383	Steenweg op Mol 177, 2300 Turnhout	83
Miko Pac NV	Belgium	100.00%	100.00%	0433.522.197	Steenweg op Turnhout 160, 2360 Oud-Turnhout	149
Miko Technics NV	Belgium	100.00%	100.00%	0418.703.864	Steenweg op Mol 177, 2300 Turnhout	4
Miko Kaffee GmbH.	Germany	75.00%	100.00%			
Miko Koffie Service BV	The Netherlands	100.00%	100.00%			
Miko Café Service SAS	France	100.00%	100.00%			
Miko Kava s.r.o.	Czech Republic	100.00%	100.00%			
Miko Kava s.r.o.	Slovakia	75.00%	75.00%			
Miko Coffee Ltd	Great Britain	100.00%	100.00%			
Cornish Coffee Company Ltd	Great Britain	100.00%	100.00%			
Miko Coffee South West Ltd	Great Britain	100.00%	100.00%			
Espresso Adesso Ltd	Great Britain	100.00%	100.00%			
Kaffekompaniet AB	Sweden	100.00%	100.00%			
AT Vending AB	Sweden	100.00%	100.00%			
ABC Mokka ApS	Denmark	70.00%	70.00%			
Miko Pac Sp. z o.o.	Poland	100.00%	100.00%			
Miko-Hordijk Verpackungen GmbH.	Germany	70.00%	70.00%			
Beverage Marketing Australia PTY Ltd	Australia	75.00%	75.00%			
Miko Coffee USA Inc.	USA	100.00%	100.00%			
Innoware Indonesia pt.	Indonesia	50.00%	50.00%			
Kaffeautomater AS	Norway	66.00%				
Miko Pac France SAS	France	55.00%				

All the entities above are fully consolidated.

The joint-venture with Innoware Indonesia Pt was also fully consolidated because the contractual possibility exists to acquire the majority of the shares in the future.

9.17. Shareholder structure

Situation at 31 December 2015, as known to the company:

Shareholder	Number of shares	Percentage
Stichting Administratiekantoor OKIM	403,710	32.50%
Imko Holding NV	283,290	22.81%
De Wilg Comm.V.	53,361	4.30%
FMR LLC (1)	37,591	3.03%
Public	464,048	37.36%
TOTAL	**1,242,000**	**100.00%**

The participation attributable to FMR LLC, originates from holdings of various collective investment funds managed by Fidelity Management & Research Company, Pyramis Global Advisors and Pyramis Global Advisors Trust Company, as evidenced by the transparency notification received by Miko N.V. on 26 November 2015 in application of Section 6 of the Act of 2 May 2007 on the publication of important participations.

For more information, see section 5.5.4. of the annual report.

9.18. Events after the reporting period

See section 7 of the annual report.

10. Responsibility statement

We hereby certify that, to the best of our knowledge, the consolidated financial statements as of December 31, 2015, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the board of directors

Kristof Michielsen
Director

Karl Hermans
Director

Frans Van Tilborg
Managing director
CEO

11. Statutory auditor's report to the general shareholders' meeting on the consolidated accounts for the year ended 31 December 2015

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our opinion on the consolidated financial statements, as well as the required additional statement. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Miko 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 total of the consolidated statement of financial position amounts to EUR'000 141.636 and the consolidated statement of comprehensive income shows a profit for the year of EUR'000 8.263.

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 these consolidated financial statements in accordance with International Financial Reporting Standards 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 (ISAs). 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 board of directors and the company's officials 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 give a true and fair view of the group's net equity and consolidated financial position as at 31 December 2015 and of its consolidated financial performance and its consolidated 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.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not impact 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 does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 12 April 2016

The Statutory Auditor,
PwC Bedrijfsrevisoren BCVBA
Represented by

Koen Hens*
Réviseur d'Entreprises / Bedrijfsrevisor

* Koen Hens BV BVBA
Board member, represented by its fixed representative,
Koen Hens

Miko NV
Steenweg op Mol 177
2300 Turnhout
Reg. n° 0404.175.739
RPR Turnhout

Statutory financial statements Miko NV

1. Balance sheet

Condensed balance sheet after result distribution as per 31 December 2015 and 2014 [1]:

		2015 (kEUR)		2014 (kEUR)	
	ASSETS				
II.	Intangible assets	42		67	
III.	Property, plant and equipment	505		562	
IV.	Financial fixed assets	61,121		67,141	
	Fixed assets		**61,668**		**67,770**
V.	Other long-term receivables	0		9	
VII.	Short-term receivables	13,189		4,681	
VIII.	Deposits	0		0	
IX.	Cash and cash equivalents	456		1,513	
X.	Prepaid expenses and accrued income	150		181	
	Current assets		**13,795**		**6,384**
	TOTAL ASSETS		**75,463**		**74,154**
	EQUITY & LIABILITIES				
I.	Share capital	5,065		5,065	
IV.	Reserves	62,859		63,912	
V.	Retained earnings	0		0	
	EQUITY		**67,924**		**68,977**
VII.	Provisions	892		452	
	PROVISIONS AND DEFERRED TAX LIABILITIES		**892**		**452**
VIII.	Long-term liabilities				
IX.	Short-term liabilities	6,638		4,722	
X.	Accrued charges and deferred income	9		3	
	LIABILITIES		**6,647**		**4,725**
	TOTAL EQUITY & LIABILITIES		**75,463**		**74,154**

[1] The complete individual financial statements of Miko NV are available free of charge at the company's registered office and can also be requested via info@miko.be.

2. Income statement

Condensed income statement after result distribution as per 31 December 2015 and 2014.

		2015 (kEUR)		2014 (kEUR)	
I.	**Operating income**		**3,665**		**3,319**
	Turnover				
	Other operating income	3,665		3,319	
II.	**Operating expenses**		**4,019**		**3,621**
	A. Raw materials & consumables	0		0	
	B. Services & other goods	1,387		1,466	
	C. Employee benefit expense	1,935		1,944	
	D. Depreciations and amortisations	254		224	
	E. Impairment of inventories and trade receivables				
	F. Provisions	441		-15	
	G. Other operating expenses	2		2	
III.	**Operating profit/(loss)**		**-354**		**-302**
IV.	Financial income	1,862		1,927	
V.	Financial costs	-439		-232	
VI.	**Profit on ordinary activities before tax**		**1,069**		**1,393**
VII.	Extra-ordinary income	1		1	
VIII.	Extra-ordinary costs	0		0	
IX.	**Profit before tax**		**1,070**		**1,394**
X.	Income tax	385		154	
XI.	**Profit of the year**		**685**		**1,240**
XIII.	**Profit of the year to be appropriated**		**685**		**1,240**

Proposal for profit appropriation	2015 (kEUR)		2014 (kEUR)	
Profit to be appropriated		**685**		**1,240**
Profit of the year to be appropriated	685		1,240	
Profit brought forward	0		0	
Transfer from equity		**1,054**		**350**
From reserves	1,054		350	
Transfer to equity				
To share capital and share premium				
To statutory reserves				
To other reserves				
Profit to be carried forward				**0**
Profit to be carried forward			0	
Profit for distribution		**-1,739**		**-1,590**
To the shareholders	-1,739		-1,590	

Report of the board of directors on the statutory financial statements for the financial year ending 31 December 2015

Reference is made to the annual report on the consolidated financial statements of the Miko group over the financial year 2015.

Report of the statutory auditor to the general meeting of shareholders of Miko NV on the statutory financial statements for the financial year ending 31 December 2015

Type of opinion:

Unqualified opinion

NOTES

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For any additional queries, please contact:
Miko NV, Frans Van Tilborg,☎ +32 (0)14 - 46 27 70

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All information that has been made available to the public during the year 2015
can be found on the company website www.miko.eu.
Relevant changes that occurred after the closing of the financial year are included in this report.
In other words, it contains a description of the relevant facts up to the board meeting of March 2016.
Despite our attempts to provide up-to-date information, we cannot exclude the possibility
that some information may already be outdated.
For the most recent information, please visit our website.
This information is related to the regulatory requirements of article 66 of the prospectus regulations.

ADDRESSES

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Miko Koffie NV
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Miko Pac NV
Steenweg op Turnhout 160
B-2360 Oud-Turnhout

Miko Coffee Service NV
Steenweg op Mol 177
B-2300 Turnhout

Miko Technics NV
B-2300 Turnhout
Steenweg op Mol 177

F

Miko Café Service SAS
Zone Industrielle du Chemin Vert
rue de l'Angoumois 8
F-95815 Argenteuil - Cedex

Miko Pac France SAS
ZParc d'activité du bois de Soeuvres
2 rue de la clairière
F-35770 Vern sur seiche

NL

Miko Koffie Service BV
Industrieterrein De Schaapsloop
Korte Voren 3
NL-5555 XS Valkenswaard

D

Miko-Hordijk Verpackungen GmbH.
Molkereistrasse 46B
D-47589 Uedem

Miko Kaffee GmbH.
Molkereistrasse 46A
D-47589 Uedem

Miko Kaffee GmbH. (Süd)
Im Erlet 13
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St Anns House
St Anns Road
Chertsey Surrey KT16 9EH

Miko Coffee South West Ltd
3 Newbery Commercial Centre
Fair Oak Close, Exeter Airport Business Park
Clyst Honiton
Exeter EX5 2UL

The Cornish Coffee Company Ltd
Miko House, Parc Erissey Industrial Estate
New Portreath Road, Redruth
Cornwall TR16 4HZ

Espresso Adesso Ltd
14 Flakefield
College Milton
East Kilbride G74 1FP
Lanarkshire, Scotland

CZ

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Jinonická 804/80
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AT Vending AB
Datavägen 20
436 32 Askim

DK

ABC Mokka ApS
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DK-2640 Hedehusene

NO

Kaffeautomater AS
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N-1081 Oslo

ID

Innoware Indonesia
Jl. Kramat Sentiong No. 57
Kramat Senen Jakarta Pusat DKI Jakarta

FINANCIAL CALENDAR 2016/2017

• General meeting	24 May 2016
• Dividend payable	13 June 2016
• Announcement of half-year results	end of September 2016
• End of financial year	31 December 2016
• Announcement of annual results	end of March 2017
• General meeting	23 May 2017

www.miko.eu