JAARVERSLAG**2014**ANNUAL REPORT


Relax ...
it's
miko

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FOREWORD BY THE MANAGING DIRECTORS

2014 came to a close with healthy figures. Both turnover and results made good progress. Growth in EBIT and EBITDA of 7.4 % and 8.7 % respectively is very encouraging in a country that was brought repeatedly to a standstill during regional and national strikes and in a continent still suffering under a difficult economic climate.

Our shareholders were rewarded for this good performance. The share price rose from EUR 64.79 at the end of December 2013 to EUR 71.19 at year-end 2014, an increase of almost 10 %. A proposal has now been tabled for the General Meeting to raise our dividends by 10 %.

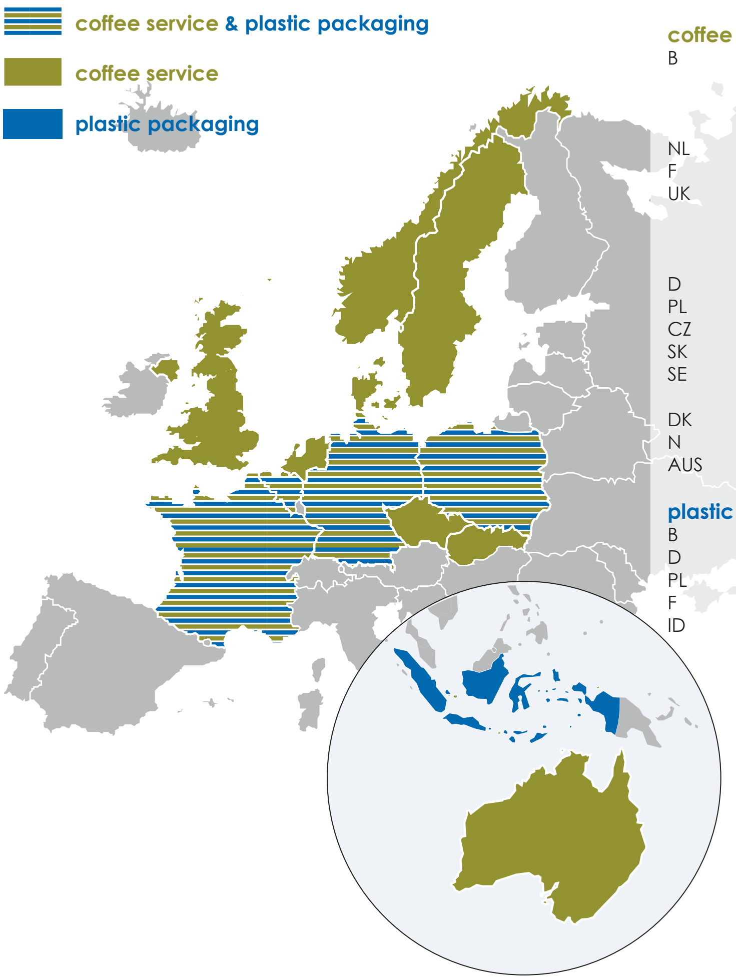
2014 saw the commemoration of those brave men and women who 100 years ago made the ultimate sacrifice for our freedom and homeland. A war deeply rooted in the collective memory of our country. A war that brought global recognition to this small country. It is sometimes said that "business is war". While it can never be compared to the "Great War", competition in business is sometimes so fierce it can be reminiscent of the field of battle. The coffee service department performed exceptionally well in its 'battle', bolstered by acquisitions in Scandinavia that were concluded in 2013 and also by the drop in the global market prices of coffee. This was beneficial for the margin.

Jan Michielsen & Frans Van Tilborg

A:KAFFE

Within that same strategy we succeeded during the first quarter of 2015 in acquiring a coffee service company in Oslo, Norway in our purchase of 66 % of the shares. This was "Kaffeautomater" that achieved turnover of EUR 1.8 million in 2014 with a workforce of just 8. Kaffeautomater trades under the name A:KAFFE. Like Miko, the company focuses on the out-of-home market, in which coffee is consumed outside the domestic environment such as office complexes, the hospitality industry and institutions. A:KAFFE concentrates on the office market. We are pleased to have expanded our presence in Scandinavia by adding a company in Norway. While the company is relatively small, we are eager to keep both feet on the ground and are confident in the growth potential that the world's richest country has to offer.

As mentioned above, the drop in global market prices of coffee was also beneficial. This was the case mainly during the first six months of the year. We observed considerable rises again toward the end of 2014. Green coffee remains the subject of fierce speculation. These are the people who sit at their computer screens who determine the price developments, and hence our margin ...



coffee service

B	Miko NV
	Miko Koffie NV
	Miko Coffee Service NV
	Miko Technics NV
NL	Miko Koffie Service BV
F	Miko Café Service SA
UK	Miko Coffee Ltd
	Miko Coffee South West Ltd
	Cornish Coffee Ltd
	Espresso Adesso Ltd
D	Miko Kaffee GmbH.
PL	Miko Kawa Sp. z o.o.
CZ	Miko Kava s.r.o.
SK	Miko Kava s.r.o.
SE	Kaffekompaniet Din Pauspartner AB
	AT Vending AB
DK	ABC Mokka ApS
N	Kaffeautomater AS
AUS	Beverage Marketing Australia Ltd

plastic packaging

B	Miko Pac NV
D	Miko-Hordijk Verpackungen GmbH.
PL	Miko Pac Sp. z o.o.
F	Miko Pac France SAS
ID	Innoware Indonesia PT

We were called upon to be a great deal fiercer in battle within the plastic processing department. It was the first time we truly had to face up to a weak European economy characterised by over-capacity. This was at the expense of the margin on account of involuntary price concessions. On the other hand, a great deal has been invested in recent years in the Polish production site, which resulted in substantial depreciation. This concerns new production, storage and office space. Investments were made for the long term.

innoware
pt. innoware indonesia

As large food companies are gradually switching from regional to global suppliers, this spurned us on to follow our customers to Asia. Following a lengthy search, this resulted in our acquisition of a 50 % interest in plastic processing company "Innoware" situated in Jakarta, Indonesia.

Innoware has been engaged in the production of plastic packaging since 2007. At the time of acquisition, the company had a workforce of 277 and a turnover of approx. EUR 6.5 million. Innoware has two departments. The Packaging department produces plastic containers for the food industry, mainly ice cream. The Promo department focuses on the production of plastic promotional products, such as soap boxes or beakers.

Besides the fact that the country is home to several global suppliers, we believe that Indonesia has much long-term potential on account of a population of more than 250 million and the fast-growing middle class. Thanks to its favourable geographical situation, Indonesia can also provide access to the vast population of the entire Asian continent. We initially intend to jointly set up a greenfield site based on the standards that we ourselves apply in Europe, in terms of both infrastructure and quality.

What are the prospects for 2015? We saw a sudden upturn in the raw material price of coffee at the end of 2014. These prices will remain high for the foreseeable future. On account of this volatility, we are cautious about commenting on expected results. However, our substantial investment budget of EUR 16.4 million confirms that we embarking on 2015 with confidence.

Dear employees, we would never have been able to realise such solid results in 2014 without you. Your energy, passion and teamwork are at the very basis of our success. You clearly have a heart for Miko. This was illustrated by your overwhelming willingness to continue working during regional and national industrial action at the end of 2014. Employee attendance of 97 % set a record in this regard. We were able to continue production without any obstruction. You clearly understand what this means: sine labore, non erit panis in ore - without work there will be no bread on the table. We would like to thank you from the bottom of our heart for your true Miko spirit! Let us maintain that same spirit in 2015.

Jan Michielsen	Frans Van Tilborg
Managing Director	Managing Director & CEO

Miko NV | Steenweg op Mol 177 | 2300 Turnhout | Belgium
KBO No. 0404.175.739 | RPR Turnhout

ANNUAL REPORT

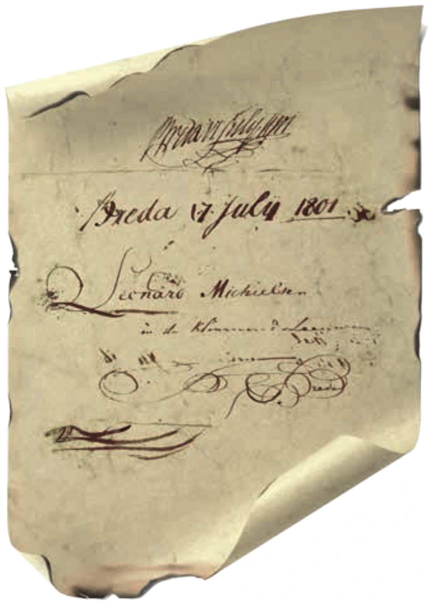
Dear Shareholders,

The Board of Directors of Miko NV take pleasure in reporting to you on the company's activities and results over the financial year 2014. The consolidated annual accounts, the single annual accounts and this annual report were approved at the meeting of the Board of Directors on 24 March 2015 and will be presented to the Ordinary General Meeting of 26 May 2015.

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 **Mi**chielsen **Ko**ffie) 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 battle with the multinational players who dominate the coffee racks in supermarkets.

This out-of-home market comprises two segments: the hospitality industry on the one hand and the offices 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 a success: Miko can rightfully claim to sell cups, not kilos, of coffee. This formula for success was quickly 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 and Australia. Miko also sells its coffee concepts via independent distributors in thirty countries within and outside Europe.

At the World Exhibition of Brussels in 1958, Miko launched the one-cup coffee filter. The filter skirt, which was made of plastic, had to be able to withstand the temperature of the boiling water used to make the coffee. Because no suitable technology existed yet, Miko developed it itself. The material polypropylene was selected. The new expertise that Miko gathered through this process was quickly applied to producing plastic packaging. Thus the Plastics department grew 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. With the aid of a robot a plastic label is placed in the mould and the plastic then injected around it. This leads to a high-quality end product.

Injection moulding

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 predominantly used to produce trays and boxes for ready meals.

Thermoforming

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

Miko Pac Poland

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

In April 2014 Miko Pac decided to enter into a partnership with Innoware, a Jakarta (Indonesia) based plastics-processing company. The share transfer took place at the end of October 2014. Miko Pac acquired a 50 % share in Innoware via a capital increase.

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

Miko has been listed on Euronext in 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 and, since 2014, Indonesia too – 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 be seduced into opportunism and a short-term mind-set. 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 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 strive continuously to improve the already high standard of our products by sustained research and development. This applies both for our coffees and our plastic packaging. We will continue to critically scrutinise our coffee service department in terms of the quality of service. We will strive to achieve excellence in this field.

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.

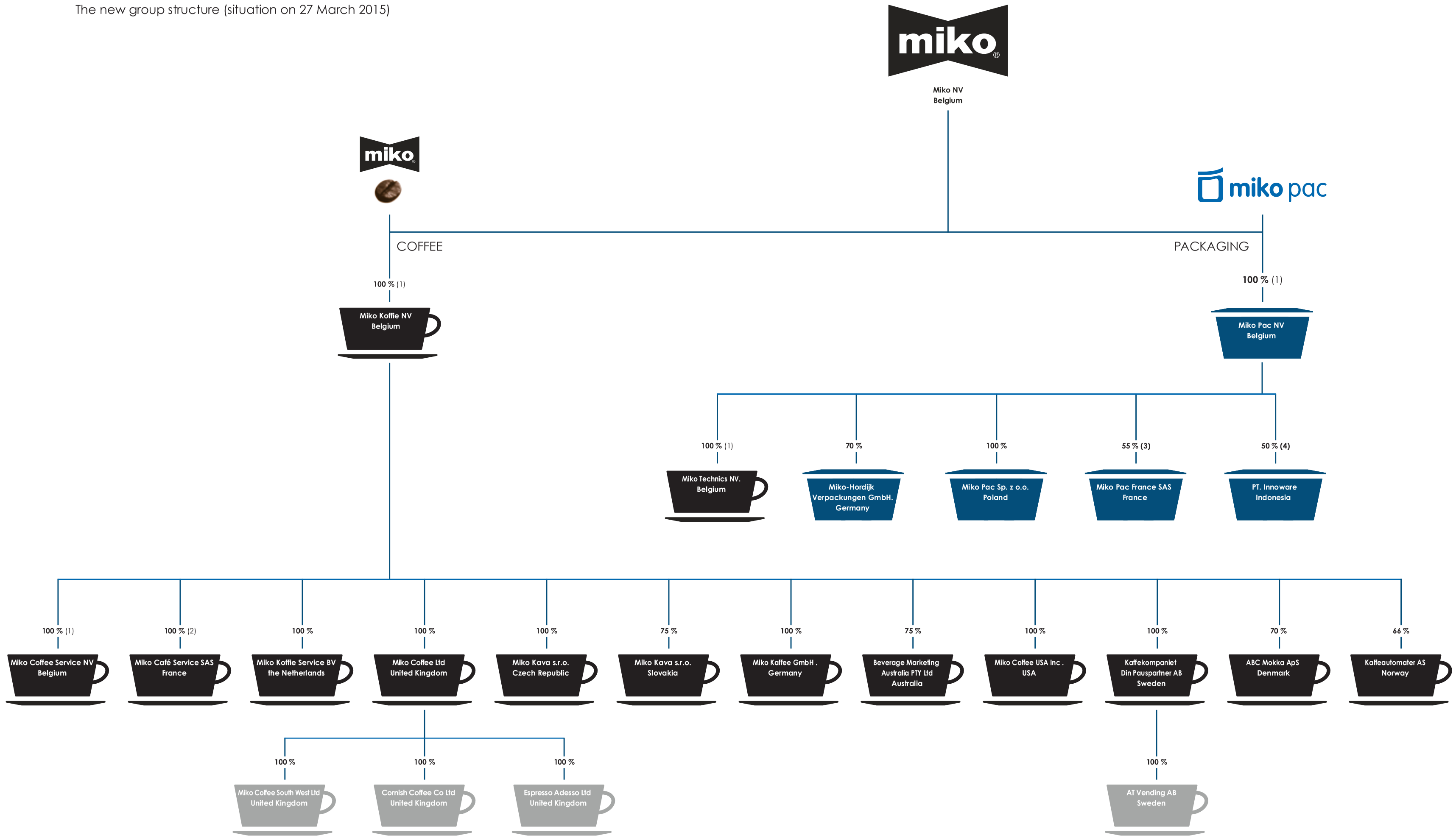
"I'm doing something for SE": a balance between Profit, People, Planet and Pleasure

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.

Ik heb de EN versie van 2013 overgenomen en geupdate (volgens jullie notities en de huidige NL versie)

2. CURRENT GROUP STRUCTURE

The new group structure (situation on 27 March 2015)



As of 24 March 2015 • **1** To avoid the application of Section 646 of the Belgian Companies Code, one share is transferred to the family holding company Imko Holding NV for each Belgian subsidiary. • **2** Miko Café Service SA was rebranded SAS in December 2014. This operation simplified the shareholder structure and the administrative burden on this company. A capital increase was effected at the same time. • **3** In January 2015, Miko Pac NV acquired a 55 % interest in Miko Pac France SAS, formerly Plastic Force France SARL via a capital increase. • **4** In April 2014, Miko Pac NV acquired a 50 % in PT. Innoware Indonesia, via a stock purchase linked to a capital increase. The share transfer took place in October 2014. The results of PT Innoware Indonesia were incorporated into the group results from 1 November. For more information, see point 3.3.4. of this Annual Report.

3. ANALYSIS OF THE RESULTS AND DEVELOPMENT OF THE COMPANY

3.1. Key financial data

3.1.1. Income statement

	2014 (KEUR)	2013 (KEUR)	Difference 2014/2013
Turnover	159,865	148,825	7.42%
Other operating income	3,328	3,291	1.10%
Total expenses	-152,554	-142,208	7.27%
Earnings before interest and taxes (EBIT)	10,639	9,909	7.37%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	20,725	19,068	8.69%
Net financial result	-657	-697	-5.87%
Profit before taxes	9,982	9,211	8.37%
Corporation tax	-2,450	-1,919	27.73
Net profit of the group	7,532	7,293	3.28%
Attributable to minority interest	10	172	-94.21%
Attributable to shareholders of MIKO	7,522	7,121	5.63%
Number of shares (basic, in units)	1,242,000	1,242,000	
Basic earnings per share, attributable to equity holders of MIKO (euro)	6.06	5.73	5.63%
Diluted earnings per share, attributable to equity holders of MIKO (euro)	6.02	5.71	5.02%
Gross dividend	1,590	1,440	10.34%
Gross dividend per share (euro)	1.28	1.16	10.34%

Company **turnover** increased by more than EUR 11 million. All subsidiaries succeeded in realising a turnover increase, with the exception of the plastics operations in Belgium. The latter was attributable to the fact that a key production line was shut down for maintenance over a number of months.

A large proportion of the increase in turnover derives from the acquisitions completed during the first half of 2013 in Denmark and Sweden. These contributed to a turnover increase of EUR 3.2 million.

The recent acquisition in Indonesia also contributed to a EUR 0.9 million in growth in turnover. The results of the Indonesian subsidiaries were incorporated into the consolidated results over 2 months.

For the remainder, it was mainly the plastics operations in Poland (EUR +3.5 million) and the coffee operations in the United Kingdom (EUR +0.9 million) and Germany (EUR +1.0 million) that performed well. The sales volumes in the coffee operations in Belgium, the Netherlands and France also rose, resulting in an increase in turnover.

The **costs** increased by 7.27 %. This mainly concerns a higher consumption of raw materials, a direct consequence of the increased turnover. The labour costs also rose, a direct consequence of the increase in workforce numbers (909 employees compared to 758 at year-end 2013). Other turnover-related costs also exhibited an increase: consider, for example, transport costs and the costs of maintaining the coffee machines.

The **overall gross margin** amounted to 48.71 % (48.04 % in 2013).

The **EBIT** (earnings before interest and taxes) increased by more than EUR 0.7 million (+7.37 %) and the **EBITDA** (earnings before interest, taxes, depreciation and amortisation) by EUR 1.7 million (+8.69 %).

The **financial result** increased slightly compared to 2013. The increase in interest charges as the result of the taking of new loans in 2013 and 2014 in order to finance acquisitions and build a production facility in Poland, was compensated in full by a drop in the exchange rate differences. The latter is the consequence of the strengthening of the pound sterling compared to the Euro in 2014.

The group paid in excess of EUR 2.5 million in **tax**, which corresponds to a tax burden of 24.6 % (compared to 20.8 % in 2013).

The **net profit** attributable to Miko’s shareholders amounted to EUR 7.5 million, a 5.6 % increase compared to the previous financial year. The Board of Directors proposed that the General Meeting raise the gross dividend per share from EUR 1.16 to EUR 1.28.

3.1.2. Balance sheet

	2014 (KEUR)		2013 (KEUR)	
ASSETS				
Non-current assets				
Tangible assets	48,296		41,868	
Intangible assets	18,818		16,215	
Deferred tax demands	505		581	
Trade and other receivables due in more than one year	1,287		375	
Total fixed assets		**68,906**		**59,038**
Current assets				
Inventories	24,083		21,311	
Trade and other receivables due in less than one year	28,436		27,551	
Cash and cash equivalents	17,547		10,162	
Total current assets		**70,066**		**59,024**
Total assets		**138,972**		**118,062**
LIABILITIES				
Equity				
Total equity		**74,098**		**67,309**
Liabilities due in more than one year				
Interest-bearing loans due in more than one year	24,268		16,659	
Obligations regarding personnel	744		634	
Deferred tax obligations	4,137		3,870	
Trade and other payables due in more than one year	949		794	
Long-term provisions	500		508	
Total liabilities due in more than one year		**30,598**		**22,464**
Liabilities due in one year or less				
Interest-bearing loans due in one year or less	12,767		9,271	
Taxes and social security contributions payable	5,880		5,271	
Trade and other payables due in one year or less	15,629		13,747	
Total liabilities payable in one year or less		**34,276**		**28,289**
Total liabilities		**138,972**		**118,062**

The **tangible assets** increased by approx. EUR 6.4 million. A total EUR 12.4 million was invested in 2014. The investments in the plastics department primarily concerned production equipment, i.e. machines, robots and dies. Investments in the coffee department were made for coffee equipment and a sortex machine to remove impurities from the raw coffee beans.

The acquisition of production activities in Indonesia contributed to a EUR 3,2 million increase.

These investments were set off against depreciation of EUR 8.8 million and decommissioning to the value of EUR 0.4 million.

The **intangible assets** increased by almost EUR 2.6 million. This relates to goodwill in connection with the acquisition in Indonesia

The **loans due in less than one year** increased by EUR 0.9 million. This relates to finance lease receivables for coffee machines in Denmark.

The **stocks** increased by EUR 2.7 million, which is the consequence of the acquisition in Indonesia (EUR 0.9 million) and the rise in turnover.

The **receivables due in less than one year** increased slightly (by 3.21 %), but relatively less than the increased turnover (by 7.42 %).

The **available resources** (cash) decreased by approx. EUR 7.4 million. For more information, see the cash flow overview below.

The **equity** increased by EUR 6.8 million. This increase is attributable to the net profit in the financial year and the minority interest relating to the acquisitions in Indonesia (EUR 3.2 million). This was compensated by the dividend paid (EUR 1.4 million) and the current value of the future right to acquire the remaining 50 % of the shares of the company in Indonesia (EUR 2.1 million).

The **loans due in more than one year** increased by approx. EUR 7.6 million. These news loans were taken in order to finance the acquisition in Indonesia and expand the production facility in Poland. On the other hand, a financial leasing obligation was entered into in Denmark to the sum of EUR 0.9 million.

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

The **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 the investments in tangible assets.

The **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.

The **long-term provisions** relate primarily to the provisions for the share option plan for management.

The **loans due in less than one year** increased by approx. EUR 3.5 million. This concerns that portion of the loans that must be repaid within the year.

The **taxes payable** increased by approx. EUR 0.6 million. This is a consequence of an increase in the corporation tax to be paid.

The **trade and other payables due in less than one year** increased by EUR 1.9 million. Despite the turnover increase, the trade debts rose by a mere EUR 0.2 million or 1.42 %. Where possible, the group endeavours to pay suppliers in cash in exchange for discounts. Other payables increased by EUR 1.7 million as a consequence of the consolidation of the company in Indonesia (EUR +0.5 million). On the other hand, there is still an earn-out obligation (EUR 0.5 million) relating to the acquisition in Indonesia if the profit targets of 2014 are realised.

3.1.3. Statement of cash flows

	2014 (KEUR)		2013 (KEUR)	
Earnings before interest and taxes (EBIT)	10.639		9.909	
Income tax expense	-2.450		-1.919	
Non-cash adjustments	9.961		9.523	
(Increase)/decrease in working capital	-1.923		1.232	
Cash flow from operating activities		**16.227**		**18.475**
Cash flow from investment activities		**-18.448**		**-26.539**
Cash flow from financial activities		**9.706**		**5.982**
Conversion differences		-126		-77
Total cash flows		**7.359**		**-1.889**

The **cash flow from operating activities** decreased by approx. EUR 2.2 million. This is attributable on the one hand to the rise in EBIT compensated by an increase in the requisite working capital by EUR 1.9 million.

The negative **cash flow from investment activities** is a consequence of the substantial investments made in 2014, on the one hand in tangible assets and on the other in intangible assets (almost exclusively in the plastics branch).

The **cash flow from financial activities** amounted to EUR 9.7 million and derives from the taking of new loans for the purposes of the aforementioned investments.

The effects of these measures resulted in an increase in **liquid assets** by approx. EUR 7.3 million. However, the company still has a strong cash position (in excess of EUR 17 million).

3.2. Coffee service department

3.2.1. General

The coffee department achieved a consolidated turnover of EUR 84.4 million in 2014. This represents a 9.3 % increase in relation to 2013.

This meant that the coffee department's share of the group turnover amounted to 52.7 %.

The investments in tangible assets amounted to EUR 3.3 million. This is related to the purchase of coffee equipment, as in every year, intended mainly for clients to loan or lease.

3.2.3. Development of activities

Following the acquisitions made in 2013, 2014 was characterised by the consolidation and gradual integration of the acquired companies into the group.

Kaffekompaniet in Sweden added an office in Örebro to its network. The exchange of knowledge and experience between the Scandinavian companies led to the introduction of Aequator machines, following the experience gained with these appliances in Denmark. It is notable to record that a prominent new client is H&M (80 shops).

The three minority shareholders in ABC Mokka decided to resign their management roles. A fully fledged CEO was appointed by way of replacement, who focused initially on recruiting a new sales team and setting up efficient administrative procedures.

A new line of high-end Eversys coffee machines from Switzerland was launched, both for the hospitality and the OCS markets. The Saeco capsule machine, intended for smaller offices, was also added to the product range. Thanks to the centralised procurement policy for machines via Miko Technics, these new products can be introduced to the entire group with greater speed.

An entirely new website was designed for marketing purposes (www.mikocoffee.com). A considerable number of sports and cultural events were also sponsored, and familiarity with the Miko brands was broadened as a result of product placement in TV series in which the group had invested via the tax-shelter system.

Eversys

Connie & Clyde

Fairtrade Award out-of-home

The German branch was crowned winner of the fair trade award in the "out-of-home" category. They also succeeded in adding the offices of the United Nations in Bonn to their client base, and moreover recorded healthy growth (turnover of +21.4 %).

The Dutch subsidiary pursued a notable advertising campaign for Puro involving former professional football player Andy van der Meijde. Two key contracts in the leisure sector came to an end, one of which was extended.

The French branch continued expanding its network of technical cells in various French regions in order that commercial concepts with a key service component can be offered throughout France in the future, not only in the area in and around Paris. Turnover increased by 4.7 %.

In the United Kingdom, where demand for locally roasted coffee is very high, product lines titled "Handroasted in Cornwall" and "Handroasted in the West Country" were launched. The British branch was heralded as "coffee company of the Year" by Building and Facilities News.

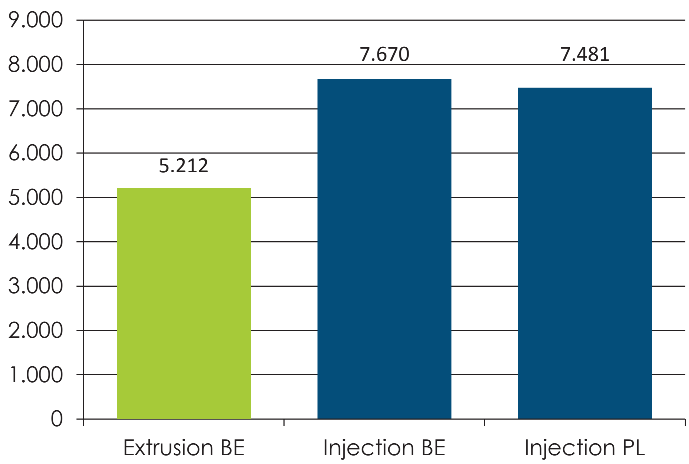
3.3. Plastics department

3.3.1. General

The plastics department achieved a consolidated turnover of EUR 75.5 million in 2014, a 5.4% increase compared to 2013 and representative of 47.3 % of group turnover.

This increase is attributable to the rise in units sold, primarily to clients in Poland and Germany.

Investments in this segment amounted to EUR 12.2 million. These related to production equipment in the form of machines, robots and dies.



3.3.2. Raw materials

Miko Pac consumed approx. 20,000 tonnes of raw materials (plastic pellets) in 2014.

3.3.3. Management changes

Jan Michielsen, responsible over many years for the day-to-day management of the plastics department, retired in 2014. Jan was in the service of the Miko group since 1976, was leader of the plastics department since 1999 and was a member of the Board of Directors and co-Managing Director of the Miko Group since 2010. He was closely involved in transforming Miko Pac from a small traditional player into a company that has gained wide international recognition for its flexibility and quality.

Karl Hermans & Kristof Michielsen

Jan's successors as managers of the plastics department are Karl Hermans and Kristof Michielsen, both from the Michielsen family, the group's majority shareholder.

Karl Hermans (40 years of age), has been in the service of the Miko Group since 2007 and has been Sales Director of Miko Pac since 2010. He will now be assigned additional tasks in the field of marketing, quality and administration.

Kristof Michielsen (38 years of age) has been in the service of the group since 1998 and has held the position of Production Director to date. Research & Development is to be added to his responsibilities, along with the management of the Miko Pac branch in Bydgoszcz (Poland), in partnership with local management.

3.3.4. Partnership with Innoware (Indonesia)

In April 2014 Miko Pac decided to enter into a partnership with Innoware, a Jakarta (Indonesia) based plastics-processing company. Miko Pac acquired a 50 % share in Innoware via a capital increase, which realised a turnover of EUR 6.5 million in 2014. Innoware has a permanent workforce of around 150 and between 50 and 100 contractors depending on the level of activity. The actual share transfer took place in October 2014. The results of PT Innoware Indonesia were therefore incorporated into the group results as from 1 November 2014.

Innoware new production plant

Innoware has been engaged in the production of plastic packaging since 2007 and has two departments. The Packaging department produces plastic containers for the food industry, mainly ice cream. The Promo department focuses on the production of plastic promotional products, such as soap boxes or beakers.

The partnership with Innoware was prompted by the long-term vision of the plastics department.

Indonesia has a great deal of potential on account of its population of more than 250 million and a rapidly expanding middle class. The focus of the local market currently still lies on the packaging of small individual portions, primarily in plastic films. This makes the price per sales unit acceptable for the consumer. Economic growth, an increasingly expanding middle class, and the associated rise in purchasing power lead to the expectation that demand for family-sized packaging materials will increase in the future.

Thanks to its favourable geographical situation, Indonesia can also afford access to the vast population of the entire Asian continent. This is a very important consideration, as the large food concerns have been undergoing a gradual evolution over the past decade from a local to a regional and even to a global purchasing policy. Over time, Miko Pac must hold the trump card, enabling it to supply the same high-quality products both in Europe and Asia. In pursuance of that goal, the final touches are being made to the plans for a new production hall, for which construction is scheduled to commence in 2015.

3.3.5. Shirtcase

Miko Pac (under the brand name Shacklestone) successfully launched its Shirtcase, a light, hard plastic box in which a shirt can be stored and transported without becoming creased. The product is intended for people with an active lifestyle, who need to look smartly dressed when attending professional engagements.

The Shirtcase is the first concrete result of the focus that the Miko Group has been placing on innovation over recent years, and was realised thanks to persistent collaboration between various departments of the company.

The Shirtcase is now available from more than 150 retail outlets, including clothing boutiques and specialist cycle shops. The initial steps were also taken towards bringing the product to market outside Belgium too.

3.3.6. Development of activities

The sales team in Poland was expanded with a view to capitalise on the export market even more intensively.

A majority shareholding was taken in an existing distributor in France in January 2015, its name being transformed to Miko Pac France.

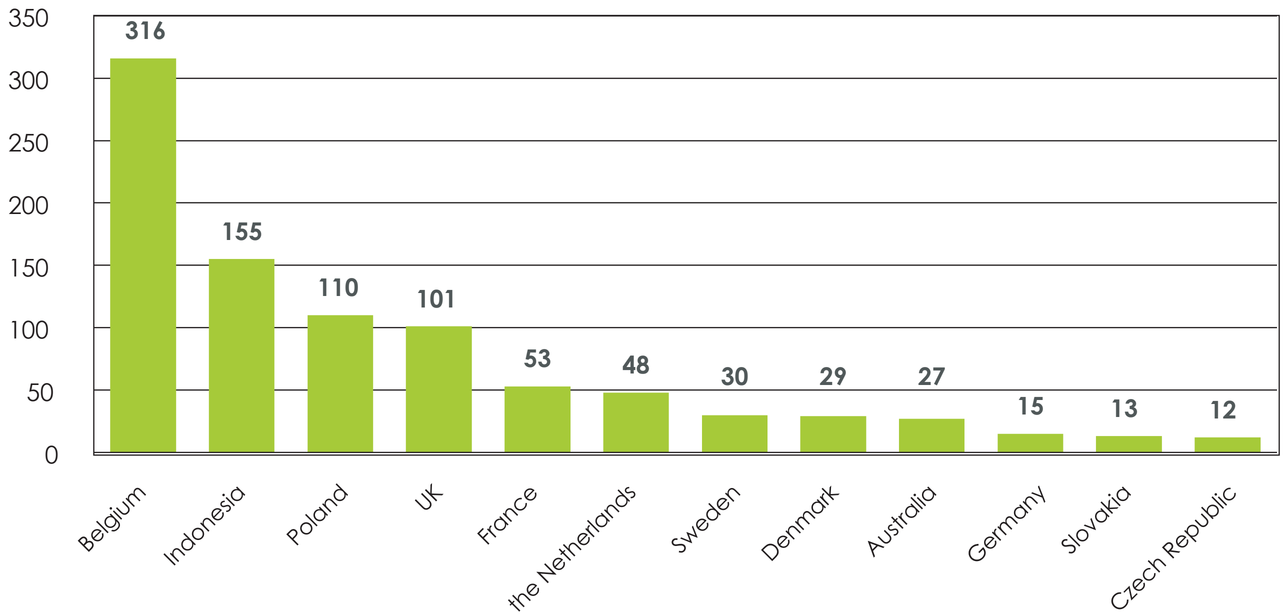
This resulted in various commercial successes, including a steady growth in the market for ready meals, various large new accounts in France and further penetration into several large German food companies.

At the same time, the margins of the plastics department came under pressure, primarily in Belgium and the rest of Western Europe, which prompted the pursuit of a somewhat more defensive policy geared to maintaining market share.

3.4. Human resources

At the end of 2014, 909 people were in the service of the Miko Group, 316 of whom in Belgium.

NUMBER OF EMPLOYEES BY COUNTRY



55% of staff worked in the coffee division and the other 45% in the plastics division.

The Miko Group launched a long-term project in 2014 geared to process-oriented organisation.

The project had the following objectives:

- to have the various departments of each business unit collaborate more efficiently by breaking down the virtual walls between them and by making judicious use of electronic means of communication and software
- to improve the service to our customers
- to strive to achieve an even higher employee satisfaction, thereby retaining employees for even longer.

The coffee service department in Belgium is to translate this into such solutions as regionally organised service teams, in which salespeople, customer-contact associates, delivery personnel, vending operators and technicians operate in tandem to provide the very best service to our customers.

In the case of the plastics department, this product has 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
- 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 pleasure - "PLEZIER").

3.5. Environment and safety

3.5.1. Environment

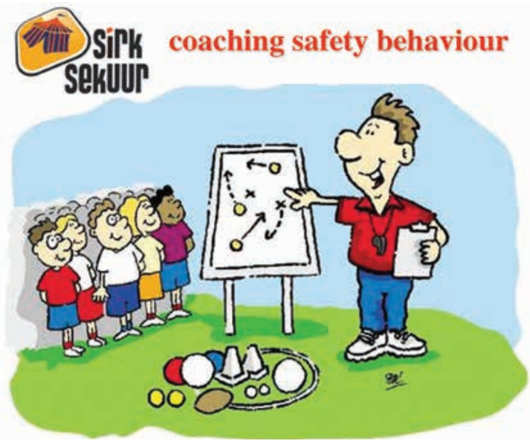
Sound barrier

Sound pollution or noise is one of the major types of nuisance in Flanders that also seriously impedes quality of life (sleeplessness, stress and overtiredness). However, companies are required always to comply with the Vlarem noise criteria (Vlaams Reglement betreffende de Milieuvergunning; environmental permit regulations). All the more reason to continue working on this as quietly as possible.

What may be an irritating noise for one person, may be barely discernible for another. Sound levels can only be determined by conducting objective sound measurements, a process that is very time-consuming. Once the relevant data have been analysed, it is possible to identify the sources of the noise and each source can addressed accordingly; this may take the form of a replacement by a noise-friendly piece of equipment or the installation of a specific sound barrier.

Miko Pac invested in a low-noise vacuum pump and three sound barriers near the ventilation grills of the injection moulding department. Miko Koffie installed sound insulation around the body of the raw coffee vacuum transporter, a sound barrier on the vacuum transporter of the roasted ground coffee and a sound barrier on the cool air ventilator of the coffee roaster. Mounting a sound barrier on the cool air ventilator was no mean feat: in addition to the building permit from the municipality, a telescopic crane was also needed to install the sound barrier on top of the roof structure.

3.5.2. Safety



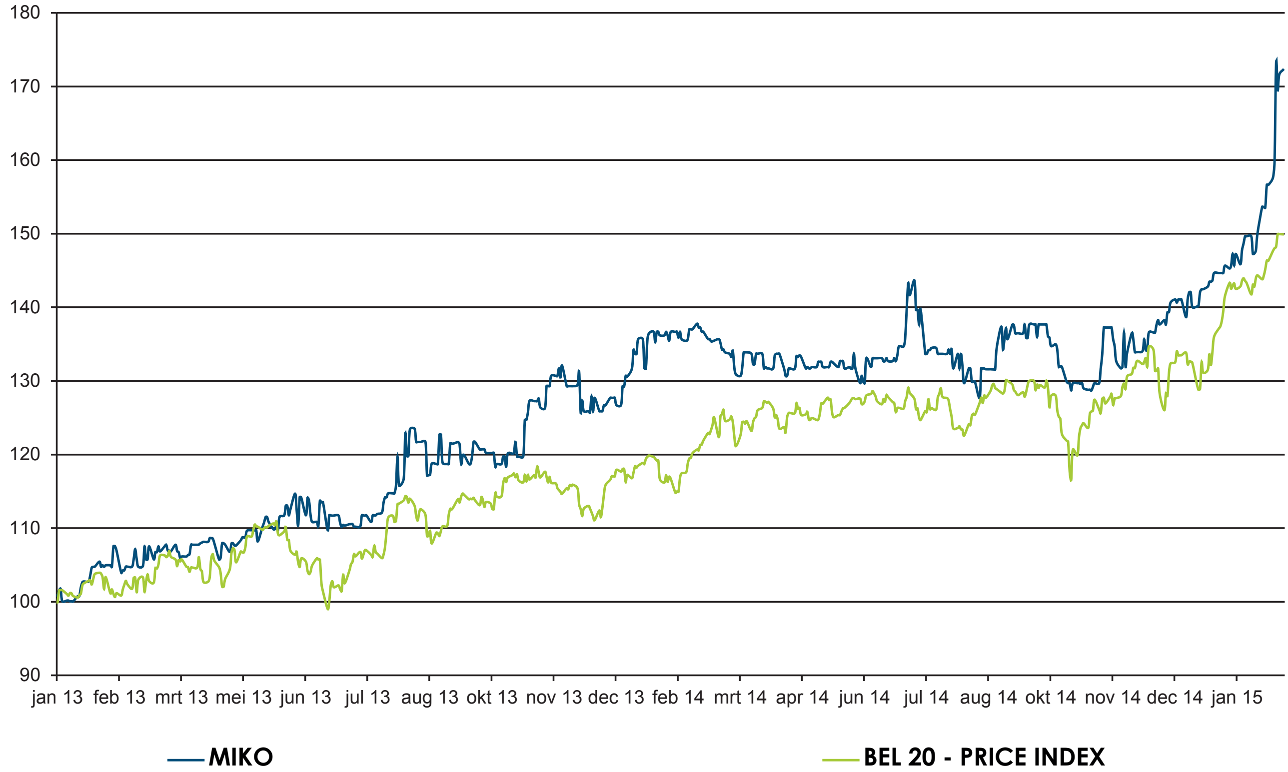
Sirk Sekuur

Accidents can only be avoided with complete commitment from management and each individual employee; in other words: everyone must co-operate to safeguard this. In order to enable current safety habits to develop, it is imperative to encourage safe behaviours while at the same time discouraging risky behaviours.

Idewe's Sirk Sekuur is a practical training course for the implementation and observation of safe behaviour in enterprises. A large group of production employees from Miko Koffie and Miko Pac have completed this training course. During their training sessions, the employees learned how to challenge a colleague if they observe him engaging in unsafe behaviour. What is more, they are also required to convince their colleague to carry out the work in a safe manner.

Each week at Miko Pac, someone is designated to work with the facilitator to monitor certain safety items: removing several piles outside the robot fencing, parking transpallets beneath other pallets, mandatory carrying of a personal alarm outside business hours ... This employee is easily identifiable in the department thanks to the yellow hairnet, and he works as a 'canary' in the field of safety. The idea for the canary was taken from the tradition followed by miners who took canaries with them down into the coal pits. The canaries would fall off their perches even in the event of very low concentrations of poisonous gases and were therefore a kind of early warning system for the miners. In a similar way, we plan to use our own canaries on the shop floor, thanks to their ability to respond to the even slightest form of unsafe behaviour. Our canaries will not be required to sing as they walk round the department …

3.6. Changes in the Miko share price



4. CORPORATE GOVERNANCE DECLARATION

4.1. Introduction

Miko's philosophy in the field of corporate governance is based upon the conviction that the emphasis must be placed upon entrepreneurship and performance within a sound framework of risk management.

Slight changes were made to the group's management structure as a result of Jan Michielsen's retirement. Until the end of 2014, the day-to-day management of the group was entrusted to two Managing Directors: Frans Van Tilborg and Jan Michielsen. Frans Van Tilborg has been the sole Managing Director since the beginning of 2015. Karl Hermans and Kristof Michielsen are together responsible for managing the plastics division. During the Annual General Meeting in 2015, both gentlemen will be nominated for appointment as (executive) Directors of Miko NV.

The coordinated articles of association, the group's Corporate Governance Charter and all annexes are available for consultation at the corporate area of the website, http://www.mikocoffee.com/miko-corporate-nl.html.

4.2. Declaration on the code applied with regard to sound management

The Miko Group applies the Belgian Corporate Governance Code 2009. The Code may be freely consulted at http://www.corporategovernancecommittee.be/nl/home.

If, because of the specific situation of the company, there are deviations from the Code, these deviations will be further explained in this declaration and answered on the basis of the "comply or explain" principle.

4.3. Board of Directors

4.3.1. Composition

According to the articles of association the Board of Directors of Miko NV should consist of at least six directors. According to Section 2.3. of the Code at least half of the members must be non-executive directors and at least three of them must be independent.

Composition Board of Directors:

NAME OF DIRECTOR	TYPE MANDATE	END OF MANDATE	ADDITIONAL INFORMATION
Frans Michielsen	Non-executive director	AGM 2016	Chairman of the Board of Directors
Frans Van Tilborg	Executive director	AGM 2019	Managing Director and CEO of the Miko Group
Jan Michielsen	Non-executive director[1]	AGM 2016[3]	
Patrick Michielsen	Non-executive director	AGM 2016	
Bart Wauters	Non-executive director	AGM 2019	
Franky Depickere	Independent director[2]	AGM 2019	Chairman of the Audit committee
Flor Joosen	Independent director[2]	AGM 2019	
Sabine Sagaert BVBA, permanently represented by Sabine Sagaert	Independent director[2]	AGM 2019	
Mark Stulens	Independent director[2]	AGM 2016	
CVD BVBA, permanently represented by Chris Van Doorslaer	Independent director[2]	AGM 2019	Chairman of the Appointments and remuneration committee

1 Jan Michielsen was an executive director until 31 December 2014. • **2** Franky Depickere, Flor Joosen, Sabine Sagaert BVBA, Mark Stulens, and CVD BVBA satisfy the conditions set down in Section 526ter of the Belgian Companies Code and are thus independent directors. • **3** Jan Michielsen has announced his intention to revoke his mandate as director at the Annual General Meeting in 2015.

Section 2.1. of the Corporate Governance Code stipulates that the composition of the Board of Directors must be based, amongst other things, upon gender diversity. Furthermore, the law of 28 July 2011 stipulates that as from 1 January 2019 at least one-third of the directors must be of a different sex than the other directors. The Board of Directors of the company currently comprises nine men and one woman. The company intends to take further steps, possibly by means of interim changes and finally on the occasion of the partial renewal of the Board in 2016, towards fully applying the statutory norm.

Section 4.6. of the Corporate Governance Code stipulates, amongst other things, that the duration of the mandate of the directors must be at most four years. The Miko Group deviates from the Code on this point by appointing its directors for six years. This deviation can be justified by the desire not to repeat the appointment process, which for a small company with a limited Board of Directors requires a relatively large amount of effort, unnecessarily often. Furthermore, a longer mandate gives the directors the opportunity to become thoroughly acquainted with the workings of the company so that they can carry out their directorship in the most effective manner possible. The Miko Group achieves the aim of this stipulation of the Code in a different way, namely by setting the duration of the individual directorships such that around half of the mandates expire every three years.

From left to right: Sabine Sagaert, Frans Michielsen, Patrick Michielsen, Franky Depickere, Flor Joosen, Mark Stulens, Frans Van Tilborg, Chris Van Doorslaer, Jan Michielsen, Bart Wauters

The Secretary of the Board of Directors is Johan Vandervee.

4.3.2. Operation

The Board of Directors met seven times in 2014.

The interim sales and operation figures are provided to the directors in advance and discussed at the meetings. The Managing Directors explain 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 2014:

- adoption of 2013 annual accounts and proposal for profit distribution
- approval of 2013 annual report
- discussion of investment projects
- discussion of acquisition opportunities
- discussion of successor for Jan Michielsen and amendment of management structure
- evaluation of the market conformity of intercompany activities
- discussion and approval of 2015 budgets and review of 2011-2015 strategy.

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 application of Section 524 of the Belgian Companies Code regarding the extension of a mutual loan between Miko NV and Imko Holding NV, the Committee of independent directors, with support from an independent expert, formulated a reasoned written recommendation to the Board of Directors. The Committee formed the opinion that the loan would not be disadvantageous for the company.

In 2014 there were no unusual transactions between the directors and Miko NV, nor were there any current accounts or securities from Miko NV to or for the benefit of these persons. There were no conflicts of interest within the meaning of Sections 523 and 524 of the Belgian Companies Code.

4.3.3. Attendance

NAME OF DIRECTOR	BOARD OF DIRECTORS	AUDIT COMMITTEE	APPOINTMENT AND REMUNERATION COMMITTEE
Frans Michielsen	7/7		
Frans Van Tilborg	7/7		
Jan Michielsen	7/7		
Patrick Michielsen	7/7	4/4	
Bart Wauters	6/7		3/3
Franky Depickere	5/7	3/4	
Flor Joosen	7/7		3/3
Sabine Sagaert BVBA, permanently represented by Sabine Sagaert	6/7		
Mark Stulens	5/7	3/4	2/3
CVD BVBA, permanently represented by Chris Van Doorslaer	6/7		3/3

4.3.4. Advisory committees

a) Audit committee

Franky Depickere (Chairman), Patrick Michielsen and Mark Stulens form the Audit committee.

Two of the three members are independent directors.

Franky Depickere has specific expertise in the field of accounting and audit. He is a graduate in commerce and financial sciences (HHS-UFSIA) and has a master's degree in the financial management of companies (VLEKHO). He trained in International Wealth Management at the Swiss Banking School (University of Zurich). Since 2006 he has been president of the administrative board and the management committee of Cera and managing director of Cera and of KBC Ancora. He is also member of the board of directors and president of the audit, risk and compliance committee of KBC Group.

The composition of the Audit committee therefore satisfies both the requirements of Section 526bis of the Belgian Companies Code and the independence requirements in the Corporate Governance Code.

The Audit committee met four times in 2014.

The following subjects were discussed:

- discussion of audit plan of the auditor
- auditor's report on the audit findings (annual accounts for 2013)
- application of the procedure according to Section 524 of the Belgian Companies Code in connection with the loan agreement with Imko Holding NV
- discussion of external loans of the Miko Group
- checking of the independence of the auditor; replacement of the permanent representative of the auditor in connection with the reaching of the maximum duration of his mandate
- discussion of risk management and internal control systems
- discussion of comments by the auditor on the half-yearly figures
- periodical analysis of the risk matrix.

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

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

b) Appointments and remuneration committee

Miko has elected to use the option of combining the appointments committee and the remuneration committee.

The Appointments and remuneration committee comprises CVD BVBA, permanently represented by Chris Van Doorslaer (chairman), Flor Joosen, Mark Stulens and Bart Wauters.

Three of the four members are independent directors.

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

The Committee met twice in 2014.

The following subjects were discussed:

- successor to Jan Michielsen as day-to-day manager of the plastics department and Managing Director of the group
- position to be shared between Karl Hermans and Kristof Michielsen
- discussion of function increases and widening and salary increases for executives and staff positions in Belgium
- discussion of remuneration for international management
- allocation of share options.

On each occasion, the Committee chairman produced a report at the next meeting of the Board of Directors.

4.3.5. Review

The company has set down, in the terms of reference of the Appointments 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."*

Separately from this, the Board of Directors, the Audit committee and the Appointments and remuneration committee periodically evaluate their own internal regulations. The advisory committees can make proposals for improvement to the Board of Directors.

4.4. Executive management

4.4.1. Operating committee

The Miko Group does not have a Management Committee as provided for in the Belgian Companies Code.

The day-to-day management of the group is performed by the Managing Director. The Operating committee assists him with his executive tasks.

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 comprises (situation on 24 March 2015): Frans Van Tilborg (chairman), Dirk Hermans, Karl Hermans, Joël Merens, Kristof Michielsen, Johan Vandervee and Wim Van Gemert.

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

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 2014 between the members of the Operating committee and Miko NV or one of the other companies of the Miko Group, nor were there any current accounts or securities by Miko NV or one of the other companies of the Miko Group to or for the benefit of these persons.

4.4.2. 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 management team of Miko Pac NV comprises (situation on 24 March 2015): Karl Hermans, Kristof Michielsen, Paul Cabanier, Wim De Ceuster, Lief Jochems, Guy Van De Pol, Patrick Van Zummeren, Gert Verstraelen and Katelijne Vos.

The management team of Miko Koffie NV comprises (situation on 24 March 2015): Bart Laps, Frank Michielsen, Eric Vandenabeele, Stefaan Baeyens, Johan Vandervee, Steven Van Oerle and Katelijne Vos.

The management team of Miko Coffee Service NV comprises (situation on 24 March 2015): Joël Merens (chairman), Marc Swinnen, Ilse Volckaert and Katelijne Vos.

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

Situation on 24 March 2015:

COMPANY	COUNTRY	NAME
COFFEE		
Miko Coffee Ltd	United Kingdom	Adrian Stagg
Miko Café Service SAS	France	Jacques Grevet
Miko Kaffee GmbH.	Germany	Dirk Reisige
Miko Koffie Service BV	The Netherlands	Koen Van Zon
Miko Kava s.r.o.	Czech Republic	Peter Leinfelder
Miko Kava s.r.o.	Slovakia	Radko Reseta
Kaffekompaniet Din Pauspartner AB	Sweden	Anders Sjögren
ABC Mokka ApS	Denmark	Henrik Malling
Beverage Marketing Australia Ltd	Australia	Gary Newcome
PLASTICS		
Miko Pac Sp. z o.o.	Poland	Andrzej Olszewski
Miko-Hordijk Verpackungen GmbH.	Germany	Daniel Kammann
PT Innoware Indonesia	Indonesia	Cirellus Hartono
Miko Pac France SAS	France	Frédéric Duval

4.5. Description of the internal control and risk management systems

4.5.1. 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.

4.5.2. 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.

4.5.3. Sound management

In the framework of sound management the group has taken a number of measures that should help 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.

4.5.4. 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.

4.5.5. 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.

a) 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 amongst the leaders of the group. This attitude is to be gradually rolled out further to the rest of the organisation.

b) Process and methodology

The key risks associated with the activities of the group 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.

c) 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 fully, or perhaps 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 try 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 cost increases on, 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 in Belgium; comparisons are always made with the forecasts in the areas of results, cash position and realised investments. The foreign entities are regularly visited 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. The management takes measures to limit the impact of such events, one measure being the installation of emergency generators.

4.5.6. Control activities

a) 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.

b) 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.

c) 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.

4.5.7. 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.

4.5.8. Control

The Audit committee of the Miko Group holds talks with the executive management about financial reporting and investigates the degree to which the executive management fulfils the recommendations of the external auditor.

4.6. Remuneration report

4.6.1. 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 Appointments 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)."

4.6.2. Remuneration policy during financial year 2014

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.

4.6.3. Remuneration of directors

Each director received a standard fee amounting to EUR 13,000 in 2014.

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

Section 7.6. of the Corporate Governance Code stipulates that the remuneration of the 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 Appointments 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.

The 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.

4.6.4. Remuneration of the CEO

Miko Group CEO Frans Van Tilborg has an independent statute.

The remuneration package of the CEO 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 348,279.25 in 2014. This amount was made up of a fixed component of EUR 232,271.60, a variable component of EUR 44,796.49, pension contributions and invalidity insurance of EUR 61,789.05 and benefits in kind (car, mobile phone, internet connection, share options) to the value of EUR 9,422.12.

The variable pay is less than a quarter of the total remuneration, meaning that the spreading rule, as set down in Section 520ter of the Belgian 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.

4.6.5. Remuneration of the executive management

The members of the Operating committee, with the exception of Marcel Lammerée, have an independent statute.

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 1,614,265.51 in 2014. This amount was made up of a fixed component of EUR 901,061.88, a variable component of EUR 160,713.02, pension contributions and invalidity insurance of EUR 456,106.49 and benefits in kind to the value of EUR 96,384.32.

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, with the exception of Marcel Lammerée, 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.

4.6.6. Share options

The members of the Operating committee have the option to register for the Miko Group share options 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 2014 may be exercised no later than seven years after their allocation.

A new arrangement for exercising share options was introduced in 2013. The beneficiary is granted the right to borrow shares from a financial institution and to sell them to the company at the current rate, after which the company resells them to the beneficiary at the exercise price. And finally the borrowed shares are returned to the financial institution. The beneficiary receives the difference between the exercise price and the current rate of the shares.

The advantage of this new arrangement is that the company is not required to maintain a reserve of its own shares, but can nevertheless always immediately honour a request to exercise share options, in spite of the relatively limited liquidity of the share.

The following share options were exercised in the 2014 financial year:

Year granted	2006	2007	2010
Vesting period	2010-2016	2011-2017	2014-2015
Exercise price	€ 56.00	€ 56.00	€ 51.50
Frans Van Tilborg	500	1,000	500
Jan Michielsen			500
Dirk Hermans	250		
Karl Hermans			
Marcel Lammeree			1,000
Joël Merens			
Kristof Michielsen			750
Wim Van Gemert			
Johan Vandervee		750	

The following new share options were granted in the 2014 financial year:

Allocation	03/2014	03/2014	12/2014	12/2014
Vesting period	2017-2019	2017-2021	2018-2019	2018-2021
Exercise price	€ 66.30	€ 66.30	€ 69.00	€ 69.00
Frans Van Tilborg		500		1,000
Jan Michielsen				
Dirk Hermans				1,000
Karl Hermans		1,000		1,000
Marcel Lammeree		1,000		
Joël Merens				
Kristof Michielsen		1,000		1,000
Wim Van Gemert				
Johan Vandervee		1,000		1,000

No share options expired during financial year 2014.

4.7. Capital and share ownership

4.7.1. 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 Section 461 of the Belgian 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 in relation to 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 4.7.8.

No important changes were made to the shareholder structure of Miko NV in 2014.

4.7.2. 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 NV (public limited company) under Belgian law.

On the balance sheet date the Stichting and Imko Holding together held 687,000 shares or 55.31% of the total, of which 403,710 shares or 32.50% were owned by the Stichting and 283,290 shares or 22.81% were owned by Imko Holding.

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 the Stichting and Imko Holding the company pays the management and operating costs of the Stichting. Furthermore, the company provides accounting services for Imko Holding. The costs associated with this are 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, Section 524 of the Belgian Companies Code is not applicable.

The company has entered into a loan agreement with Imko Holding. The total amount borrowed as of the balance sheet date is EUR 2,375,000. Before deciding about the extension of this loan agreement the procedure set out in the provisions of Section 524 of the Belgian Companies Code was applied.

The resolution by the committee comprising three independent directors read as follows:

> *"The committee believes that it is justifiable on the basis of the interests of the company to enter into the loan agreement with Imko Holding NV on the proposed conditions, that this decision does not appear to be unlawful and that this will not disadvantage the company or has not disadvantaged it."*

Extract from the minutes of the Board meeting on 25 March 2014:

> *"The Board determines that an action was proposed that is subject to the operation of Section 524 of the Belgian Companies Code (extension of the loan agreement with Imko Holding NV). The Board determines that the procedure referred to in that Section of the law was observed. The Board takes cognizance of the report comprising three independent directors and approves the action in accordance with the decision of that report."*

Auditor's conclusion:

> *"(The auditor confirms) that, with regard to the proposed extension of the loan agreement between the company and Imko Holding NV, the data indicated in the recommendation by the committee of three independent directors and in the minutes of the Board meeting, are a faithful representation of the facts."*

4.7.3. 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 the 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 no such notifications in 2014.

4.7.4. Shareholder structure

Situation on 31 December 2014 as known to the company:

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF SHARES
Stichting Administratiekantoor OKIM	403,710	32.50%
Imko Holding NV	283,290	22.81%
De Wilg Comm.V.	53,361	4.30%
Public	501,639	40.39%
TOTAL	**1,242,000**	**100%**

4.7.5. Rules for the appointment and replacement of the directors

The General Meeting is authorised to appoint, dismiss and replace the directors.

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.

In practice the appointment of new directors is regulated by the terms of reference of the Appointments 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 Foundation 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, a provision has been provided for in the articles of association that the mandate of a director who reaches the age of seventy shall end ipso jure at the next General Meeting.

4.7.6. 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 Section 558 onwards of the Belgian 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.

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

The following decision was made at the General Meeting of 12 May 2010:

> *"The Meeting resolves to approve the extension of the authorisation granted to the Board of Directors to proceed to the acquisition of own shares in accordance with Section 620 § 1 fifth paragraph of the Belgian Companies Act for a period of five years. This authorisation gives the Board of Directors the option of proceeding to acquire own shares up to a maximum of twenty percent of the capital without a prior decision by the general meeting. The purchase or exchange can occur at a price equal to at least eighty-five percent and at most one hundred and fifteen percent 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. This authorisation applies for a period of five years from the announcement of the above-mentioned decision in the Annex to the Belgian Official Gazette and can be renewed in accordance with Section 620 onwards of the Belgian Companies Act."*

This decision was published in the Belgian Official Gazette of 8 June 2010.

A proposal to extend this authorisation will be put before the General Meeting on 26 May 2015.

Article 6bis of the articles of association, as inserted into the decision of the Extraordinary General Meeting of 22 May 2012, reads as follows:

> "**Permitted capital**. – *The Board of Directors is authorised to increase the share capital, once or several times, by an amount equal to the share capital, or to issue convertible debt securities or warrants 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, capital increases or issues of convertible debt securities 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."*

The following decision was made at the Extraordinary General Meeting of 22 May 2012:

> *"In deviation from Section 607, first paragraph, of the Belgian Companies Code, the General Meeting authorises the Board of Directors to increase the capital by investments in kind or in cash with restriction or discontinuance of the pre-emptive right for shareholders, and to issue voting securities that may or may not represent the capital or securities that confer the right to register or obtain such securities, even if said securities or rights are not offered preferentially to the shareholders in proportion to the capital represented by their shares, but on the condition that the shares issued on the basis of the capital increase are fully paid up from the time of their issue, that the issue price of the shares issued on the basis of the capital increase is no less than the price of the offer, and that the number of shares issued on the basis of the capital increase is no more than one-tenth of the shares issued for the capital increase that represent the capital. This authorisation is valid for a period of three years."*

This decision was published in the Belgian Official Gazette of 12 June 2012.

A proposal to extend this authorisation will be put before the General Meeting on 26 May 2015.

The Board of Directors did not make use of these authorisations in 2014, 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.

4.7.8. 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. Registration is performed by registering the shares in the company's register of shares (for nominative shares), by the placing the shares on a securities trading account (for dematerialised shares) or by presenting the shares to the financial institution (for bearer shares).

In the case of dematerialised shares and bearer shares, the shareholder will obtain a certificate from his financial institution to demonstrate how many shares he had on the registration date.

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 e-mail 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 form must be delivered to the company, by the sixth day before the date of the General Meeting at the latest, via e-mail address av@miko.be or by normal post.

5. AUDITOR

At the General Meeting of 28 May 2013, the civil company PricewaterhouseCoopers Bedrijfsrevisoren, with its registered offices at 1932 Sint-Stevens-Woluwe, Woluwe Garden, Woluwedal 18, was reappointed as auditor. The mandate runs until the Annual General Meeting of 2016. PricewaterhouseCoopers Bedrijfsrevisoren is represented by Mr Koen Hens since the 2014 General Meeting.

A fee of EUR 8,323 was paid to the auditor for scrutinising the annual accounts of Miko NV. A total fee EUR 139,163.92 was paid to the auditor and companies with which he maintains a professional working relationship, for scrutinising the annual accounts of the various subsidiaries.

In addition, the companies with which the auditor maintains a professional working relationship submitted an invoice in 2014 to the sum of EUR 3,350 for other services.

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 UK Companies Act 2006:

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

6. IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No important events occurred after the end of the 2014 financial year.

7. RESEARCH AND DEVELOPMENT

The Miko Group spent the amount of approx. EUR 1 million on research and development in 2014. This related primarily to cost of developing new moulds in the plastics sector.

8. BRANCHES

The company has no branches.

9. 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.

10. 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.

11. INFORMATION STIPULATED BY SECTION 34 KB 14 NOVEMBER 2007

11.1. Capital structure

There are no different categories of shares. For more information and for the shareholder structure, see point 4.7 of this report.

11.2. Transfer restrictions

There are no statutory restrictions regarding the transfer of shares.

11.3. 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 4.7.5 of this report.

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

11.4. Employee share plan

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

11.5. Restrictions on the voting right

In accordance with Section 461 of the Belgian 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 in relation to 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 4.7.8. of this report.

11.6. 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.

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

For the appointment and replacement of directors: see point 4.7.5 of this report.

Amendments to the articles of association shall be subject to Belgian Companies Code.

11.8. Authorities of the managing body

In general, the Board of Directors has the duties and authorities assigned to it by virtue of the Belgian 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 4.7.7 of this report for more information.

11.9. 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.

11.10. 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 4.6.4 and 4.6.5 of this report.

12. PROPOSAL FOR ALLOCATION OF RESULTS

Statutory results 2014	EUR 1,239,835.71
Transferred result 2013	EUR 138.82
Withdrawal from available reserves	EUR 350,000.00
Remuneration of the capital	EUR 1,589,760
Gross dividend per share	EUR 1.28
Net dividend per share	EUR 0.96
Balance to be transferred	EUR 214.53

13. CONCLUSION

We ask the General Meeting to approve this annual report and the annual accounts for the financial year 2014 and to grant a discharge to the directors and the auditor.

Drawn up at Turnhout on 24 March 2015.

On behalf of the Board of Directors,

Frans Van Tilborg
Managing director
CEO

Frans Michielsen
Chairman

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 909 persons as of 31 December 2014, compared to 758 persons at the end of last year.

The results were made public on 27 March 2015, after approval by the Board of Directors on 24 March 2015. The financial statements will be made available to the shareholders on 24 April 2015.

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 26 May 2015.

The shares of Miko NV are listed on Euronext Brussels.

2. Consolidated income statement according to IFRS (KEUR)

	Notes	2014 (KEUR)			2013 (KEUR)		
Revenue				**159.865**			**148.825**
Revenue from the sale of goods		155.081			144.351		
Revenue from leasing		4.646			4.226		
Proceeds from sale of non-current assets		138			248		
Other operating income	8.1		3.328			3.291	
Raw materials & consumables	8.2	81.999			77.325		
Employee benefit expense	8.3	36.520			33.725		
Depreciation and amortisation	9.1-9.2	9.653			8.872		
Other operating expenses	8.1	24.382			22.287		
Total costs			-152.554			-142.208	
Profit before interests and tax (EBIT)				**10.639**			**9.909**
Net financial result			-657			-697	
Financial income	8.4	353			282		
Financial costs	8.4	-1.010			-979		
Profit before tax				**9.982**			**9.211**
Income tax expense	8.5		2.450			1.919	
Profit of the year				**7.532**			**7.293**
Attributable to non-controlling interests				10			172
Attributable to owners of Miko				**7.522**			**7.121**
Basic earnings per share, attributable to owners of Miko (in euro)	9.15			6,06			5,73
Diluted earnings per share, attributable to owners of Miko (in euro)	9.15			6,02			5,71

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

Consolidated statement of comprehensive income:

	2014 (KEUR)		2013 (KEUR)	
Profit of the year		**7.532**		**7.293**
Currency translation differences	-27		-463	
Other items of comprehensive income for the year	-111		-18	
Total comprehensive income		**7.394**		**6.812**
Attributable to shareholders of Miko	7.384		6.635	
Attributable to non-controlling interests	10		177	

3. Consolidated balance sheet according to IFRS (KEUR)

	Notes	2014 (KEUR)		2013 (KEUR)	
ASSETS					
Non-current assets					
Property, plant & equipment	9.1	48.296		41.868	
Intangible assets	9.2	18.818		16.214	
Deferred income tax assets	9.11	505		581	
Trade and other receivables	9.3	1.287		375	
Total non-current assets			**68.906**		**59.038**
Current assets					
Inventories	9.4	24.083		21.311	
Trade and other receivables	9.5	28.436		27.551	
Cash and cash equivalents	9.6	17.547		10.162	
Total current assets			**70.066**		**59.024**
Total assets			**138.972**		**118.062**
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		5.065		5.065	
Reserves and retained earnings		65.403		61.543	
Currency translation differences		-113		-86	
Total equity attributable to equity holders of Miko		70.355		66.522	
Non-controlling interests		3.743		787	
Total equity			**74.098**		**67.309**
Non-current liabilities					
Borrowings	9.8	24.268		16.659	
Post-employment benefits	9.10	744		634	
Deferred income tax liabilities	9.12	4.137		3.870	
Trade and other payables	9.9	949		794	
Provisions for other liabilities and charges	9.10	500		508	
Total non-current liabilities			**30.598**		**22.464**
Current liabilities					
Borrowings	9.8	12.767		9.271	
Taxes and social security charges	9.9	5.880		5.271	
Trade and other payables	9.9	15.629		13.747	
Total current liabilities			**34.276**		**28.289**
Total equity and liabilities			**138.972**		**118.062**

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 01/01/2013	**5.065**	**58.215**	**376**	**439**	**64.095**
Profit for the year		7.121		172	7.262
Other comprehensive income		-23	-463	5	-481
Subtotal	5.065	65.313	-86	616	70.908
Share-based payments		-352			-352
Purchase of treasury shares					0
Other		-1.893			-1.893
Dividends relating to 2012		-1.317		-60	-1.377
Changes in non-controlling interests		-207		232	24
Balance at 31/12/2013	**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
Share-based payments					0
Purchase of treasury shares					0
Other		-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**

[1] The reserves contain amounts not available for distribution in the amount of 2.133 KEUR in 2014 (1,973 KEUR in 2013).

5. Consolidated statement of cash flows

	Notes	2014 (KEUR)		2013 (KEUR)	
Cash flows from operating activities					
Profit before interests and tax (EBIT)	2	10.639		9.909	
Income tax paid	2	-2.450		-1.919	
Non-cash transactions					
Depreciations, amortisations and impairment	9.1-9.2	9.653		8.872	
Other non-cash transactions		308		652	
Changes in working capital					
(Increase)/decrease in non-current trade and other receivables	9.3	-912		- 84	
(Increase)/decrease in inventories	8.2	-2.772		12	
(Increase)/decrease in current trade and other receivables	9.5	-885		- 813	
Increase/(decrease) in taxes and social charges payable	9.9	609		1.946	
Increase/(decrease) in non-current trade and other payables	9.9	155		-151	
Increase/(decrease) in current trade and other payables	9.9	1.882		321	
Net cash generated from operating activities			**16.227**		**18.745**
Cash flows from investing activities					
Purchases of intangible assets	9.2	-3.332		-12.947	
Purchases of property, plant & equipment	9.1	-12.417		-14.290	
Proceeds from sale of non-current assets	9.1-9.2	560		778	
Others	9.1-9.2	-3.259		-80	
Net cash used in investing activities			**-18.448**		**-26.539**
Cash flows from financing activities					
Purchase of treasury shares	4			0	
Dividends paid	4	-1.651		-1.377	
Other	4	3.045		7	
Proceeds from borrowings	9.8	12.512		11.250	
Repayment of borrowings	9.8	-3.543-		-3.201	
Interests	8.4	-657		-697	
Net cash used in financing activities			**9.706**		**5.982**
Currency translation differences			-126		-77
Net (decrease)/increase in cash and cash equivalents			**7.359**		**-1.889**

Cash and cash equivalents at beginning of year	9.6		**9.391**		**11.280**
Cash flows from operating activities		16.227		18.745	
Cash flows from investing activities		-18.448		-26.539	
Cash flows from financing activities		9.706		5.982	
Currency translation differences		-126		-77	
Cash and cash equivalents at end of year	9.6		**16.750**		**9.391**

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 2014 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 2014. 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 2014, except for elements of IAS 39 not adopted by the European Union; however, these are not applicable to the Miko Group.

The following standards, amendments to standards and interpretations that apply as from 2014 are considered relevant for the Miko Group:

- IAS 28 Revised 'Investments in associates and joint ventures'
- IFRS 10 'Consolidated financial statements'
- IFRS 11 'Joint arrangements'
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 11 'Joint arrangements' and IFRS 12 'Disclosure of interests in other entities'
- Amendments to IAS 32 'Offsetting financial assets and financial liabilities'

The following standards, amendments to standards and interpretations are mandatory for accounting years beginning on or after 1 January 2014, but are not relevant for the Miko Group and its operations:

- IAS 27 Revised:'Separate financial statements'
- IFRS 12 'Disclosure of interests in other entities'
- Amendments to IAS 36 'Impairment of assets'
- Amendments to IAS 39 'Financial instruments: Recognition and measurement'
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 12 'Disclosure of interests in other entities' and IAS 27 'Separate financial statements' for investment entities

6.2. Consolidation principles

The consolidated financial statements contain the financial data of Miko NV 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 2014 is not significantly affected by these assumptions and parameters.

6.4. 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:

	2014		2013	
	Average rate	Closing rate	Average rate	Closing rate
GBP	1,2405	1,2839	1,1774	1,1995
PLN	0,2397	0,2340	0,2382	0,2407
CZK	0,0363	0,0361	0,0385	0,0365
DKK	0,1341	0,1343	0,1341	0,1341
SEK	0,1099	0,1065	0,1156	0,1129
AUD	0,6584	0,8237	0,7258	0,6484
IDR[1]	15.263,99	15.076,10		

[1] Denominated in IDR per EUR

6.5. 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.

6.6. 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.

6.7. 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.

6.8. 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.

6.9. 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.

6.10. 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.

6.11. 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.).

6.12. 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.

6.13. 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.

6.14. 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]
Expected life	7 year	8 year	6 year
Volatility of share price	14,66%	14,66%	14,66%
Risk-free interest rate	0,91%	0,91%	0,91%

[1] In 2012, 2013 and 2014, share options have been issued with a maximum life of 10 years, 5 years and 7 years. For more information, reference is made to section 4.6.6. 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 2014, 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.

6.15. 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 2014.

See also section 8.3.1.

6.16. 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.

6.17. Trade payables

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

6.18. 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.

6.19. 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. Revenue is recognised to the extent that the related costs have been incurred.

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

6.20. 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.

6.21. 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.

6.21.1. 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.

6.21.2. 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.

6.21.3. 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.

6.21.4. 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.

6.21.5. 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 31/12/2013 (KEUR)	Coffee	Plastics	General [3]	Total
Total sales	79.260	71.849		151.109
Sales to other segments	-2.056	-228		-2.284
Sales to external customers	77.204	71.621		148.825
Inter-segment eliminations			-20	-20
Consolidation				
Non-allocated income and expenses			-680	-680
EBITDA [1]	8.706	10.832	-470	19.068
Result of segment (EBIT [2])	3.768	6.841	-700	9.909
Financial result			-697	-697
Income tax			-1.919	-1.919
Group profit before non-controlling interest				7.293
Non-controlling interest				172
Net profit				**7.121**

[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 31/12/2013 (KEUR)	Coffee	Plastics	Inter-segment elimination	Total
Segment net assets (IFRS)	55.373	49.122		104.495
Non-allocated assets				14.876
Inter-segment eliminations			-1.309	-1.309
Total assets	**55.373**	**49.122**	**-1.309**	**118.062**
Segment net liabilities	7.410	5.938		13.348
Non-allocated liabilities				105.988
Inter-segment eliminations			-1.274	-1.274
Total liabilities	**7.410**	**5.938**	**-1.274**	**118.062**
Cost of investments	17.495	9.325		26.820
Cost of non-allocated investments				417
Total cost of investments				**27.237**
Depreciations and amortisations of segment assets	4.753	3.992		8.745
Depreciations and amortisations of non-allocated assets				127
Total depreciations and amortisations				**8.872**
Deferred tax assets	563	0	18	581
Deferred tax liabilities	2.161	1.709		3.870
Provisions	45			45
Other non-cash transactions				
Provisions for doubtful debtors	633	115		748
Impairment				

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)	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	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				

7.2. Geographical information

7.2.1. Geographical dispersion of revenue (KEUR)

	BE	FR	NL	UK	DE	SE/DK	PL	Other	Total
2013	31.197	14.790	14.959	27.016	27.731	8.115	10.037	14.980	148.825
2014	32.578	14.951	15.729	27.528	29.701	13.749	11.559	14.070	159.865
Evolution	1.381	161	770	512	1.970	5.634	1.522	-910	11.040

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 13.90% 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 (KEUR)

	BE	FR	NL	UK	DE	PL	ID	Other	Total
2013	26.846	373	1.012	3.360	165	11.624	0	1.525	44.906
2014	26.480	385	946	3.432	191	14.920	3.205	2.293	51.852
Evolution	-366	12	-66	72	26	3.296	3.205	768	6.947

8. Notes to the income statement

8.1. Other operating income and expenses

	2014 (KEUR)		2013 (KEUR)	
Services and other goods		**23.240**		**21.429**
Cost of sales	6.342		5.819	
Maintenance	4.890		4.024	
Energy	3.349		3.292	
Vehicles	2.853		2.772	
Insurance	616		626	
Other	5.190		4.896	
Provisions and reversal of provisions		**434**		**288**
Other expenses		**708**		**570**
Total other operating expenses		**24.382**		**22.287**
Other operating income				
Recharged expenses	1.649		1.598	
Recovered employee benefit expense	1.427		1.392	
Other	252		301	
Total other operating income		**3.328**		**3.291**

8.2. Change in inventories and gross margin

	2014 (KEUR)	2013 (KEUR)
Purchases	83.626	77.208
Change in inventories	-1.627	117
Gross profit as % of sales	48,71	48,04%
Loss or impairment of inventories	0	0

8.3. Employee benefit expense

	2014 (KEUR)	2013 (KEUR)
Wages and salaries	23.989	22.294
Social security contributions	5.809	5.551
Termination benefits	243	248
Directors' compensation	1.738	1.368
Temporary staff	986	944
Other	2.081	1.796
Training	252	161
Pension contributions	1.286	1.018
Share-based payments	136	345
Total	**36.520**	**33.725**
Number of employees at reporting date (headcount)	**909**	**758**

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 2014 was 1.286 KEUR (in 2013 this was 1.018 KEUR).

The company has no obligations to pay further contributions.

8.3.1. 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.

Because of the minium 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 2014. For informational purposes, the following figures are given:

Employers contributions 2014 (KEUR)	351
Amount of the pension funds per 31 December 2014 (KEUR)	1.155

See also section 6.15.

8.3.2. 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 160 KEUR on 31 December 2014.

8.3.3. 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.

8.3.4. 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.

8.4. Financial income and costs

	2014 (KEUR)	2013 (KEUR)
Interest income from investing activities	67	40
Interest income from leasing activities	0	0
Dividend income from non-consolidated entities	0	0
Interest expense: borrowings	-431	-218
Interest expense: finance lease	-204	-253
Interest expense: operating lease	-50	-42
Interest expense: other	-123	-103
Other expenses, net (incl. bank charges)	286	242
Net foreign exchange gains/(losses)	-11	-129
Net gains/(losses) on disposal of financial assets	-191	-235
Total	**-657**	**-697**

8.5. Income tax

	2014 (KEUR)	2013 (KEUR)
Current income tax		
Current tax on profits for the year	1.992	1.757
Adjustments in respect of prior years and reversal of tax provisions	21	16
Total current tax	2.013	1.774
Deferred income tax		
Origination and reversal of temporary differences	439	150
Impact of change in tax rates or new taxes	0	0
Usage of tax losses of previous years	-2	-6
Deferred tax recognised on tax losses for the current year	0	1
Total deferred tax	437	145
Total income tax expense in income statement	2.450	1.919
Profit before tax	9.982	9.211
Effective tax rate	**24,55%**	**20,80%**

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	**2014 (KEUR)**	**2013 (KEUR)**
Taxes calculated at the applicable tax rate of 33,99%	3.393	3.131
Impact of tax rates of other jurisdictions	-571	-617
Income not subject to tax	41	-16
Expenses not deductible for tax purposes	423	470
Utilisation of previously unrecognised tax losses	106	-1
Impact due to changes in the tax rate	1	195
Impact of overestimates and underestimates in prior periods	-88	145
Other increases (decreases)	-239	-745
Notional interest deduction	-616	-643
Tax calculated at the effective tax rate	2.450	1.919

9. Notes to the consolidated balance sheet

9.1. Property, plant and equipment

2013 (KEUR)	Land and buildings	Installations and machinery	Equipment	Total
a) Cost of acquisition				
As at end of previous financial year	11.713	71.570	27.129	110.412
Movements during the year				
Additions	229	9.828	4.233	14.290
Disposals		-1.268	-2.174	-3.442
Impairment charge				
Transfers	2.486	-2.531	45	0
Exchange differences	-45	-331	-265	-640
Other		1.435	798	2.233
As at end of current financial year	14.383	78.703	29.767	122.853
b) Depreciations and impairment				
As at end of previous financial year	2.692	55.562	16.534	74.788
Movements during the year				
Depreciation charge	273	4.179	2.853	7.305
Acquisition of subsidiary				
Disposals		-1.139	-1.773	-2.912
Impairment charge				
Transfers				0
Exchange differences	-13	-183	-153	-349
Other		1.418	735	2.153
As at end of current financial year	2.952	59.837	18.196	80.985
Net book value at end of current financial year	**11.430**	**18.867**	**11.570**	**41.868**

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
Movements during the year				
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
Movements during the year				
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**

The items “land and buildings” and “installations and machinery” comprise, at 31 December 2014, assets in use by the company under finance lease agreements for resp. 4.720 KEUR and 711 KEUR (resp. 4.812 KEUR and 1.082 KEUR per 31 December 2013).

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	4.720 KEUR	629 KEUR
Residual value/purchase option	152 KEUR	13 KEUR

9.2. Intangible assets

2013 (KEUR)	Goodwill	Patents, trademarks and client relationships	Software	Total
a) Cost of acquisition				
As at end of previous financial year	3.072	4.968	1.081	9.121
Movements during the year				
Additions	10.721	2.109	117	12.947
Disposals				
Impairment charge				
Transfers				
Exchange differences	-61	-87	-2	-150
Other				
As at end of current financial year	13.732	6.990	1.196	21.918
b) Amortisations and impairment				
As at end of previous financial year	387	2.749	1.057	4.193
Movements during the year				
Amortisation charge	17	1.516	33	1.566
Acquisition of subsidiary				
Disposals				
Impairment charge				
Transfers				
Exchange differences	-26	-28	-2	-56
Other				
As at end of current financial year	378	4.237	1.088	5.703
Net book value at end of current financial year	**13.354**	**2.753**	**108**	**16.215**

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**

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

Allocation of goodwill	2014 (KEUR)	2013 (KEUR)
Coffee	12.719	13.131
Plastics	3.537	223
Total	**16.256**	**13.354**

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 goodwill allocated to the CGU Coffee is significant in relation to the total goodwill. The cash flow projection for this CGU 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 9% does not give rise to an impairment for this CGU.

9.3. Non-current trade and other receivables

2013 (KEUR)	**Net receivables leasing**	**Non-current trade receivables**	**Other**	**Total**
1. Opening balance	99	51	141	**291**
2. Movements	-42	69	23	**50**
3. Exchange differences			35	**35**
4. Closing balance	57	120	197	**375**
2014 (KEUR)				
1. Opening balance	57	120	197	**374**
2. Movements	876	-59	96	**913**
3. Exchange differences				
4. Closing balance	933	61	293	**1.287**

All non-current receivables have a maturity of less than five years. The applied interest rates are at arm's length for 2014 (same for 2013).

No loans have been advanced to directors or related parties.

At the end of 2014, 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	2014 (KEUR)	2013 (KEUR)
1. Raw materials and consumables	7.873	6.686
2. Work in progress	194	198
3. Finished goods	9.265	5.740
4. Goods for resale	6.751	8.687
Total	**24.083**	**21.311**

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 bubble wraps for laundry detergent.

9.5. Current trade and other receivables

Trade and other receivables	2014 (KEUR)	2013 (KEUR)
1. Trade receivables	25.479	25.681
2. Finance lease receivables	427	13
3. Doubtful debtors	-915	-748
Total trade receivables	24.991	24.946
4. Loans to directors or related parties	0	0
5. Other receivables (including tax receivables)	2.379	1.677
6. Deferred charges	1.065	928
Total other receivables	3.444	2605
Total trade and other receivables	**28.435**	**27.551**

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 2,89% 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 41,23% 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 51 days for the coffee segment (2013: 56 days) and 61 days for the plastics segment (2013: 67 days). Interest is not systematically charged on overdue receivables.

Trade receivables include debtors with a carrying amount of 8.714 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

	2014 (KEUR)	2013 (KEUR)
1-30 days	4.932	4.785
31-60 days	1.550	1.903
61-90 days	1.291	811
>90 days	941	742
Total	**8.714**	**8.240**

9.5.3. Movements in the provision for doubtful debtors

	2014 (KEUR)	2013 (KEUR)
At the start of the financial year	748	818
(Use of provision)	-153	-321
Additional provisions	320	251
Balance	**915**	**748**

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 31/12/2013	0,8337	6,52%
Closing rate 31/12/2014	0,7789	6,49%

Net book value in K£	**2014**	**2013**
Trade payables	-717	-930
Trade receivables	1.618	1.821
Cash and cash equivalents	191	232
Net book value	**1.092**	**1.123**

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 88 KEUR.

9.5.5. Other

At the end of 2014, there are no indicators of impairment for current receivables (e.g. loss of market share or technological obsolescence).

9.6. Cash and cash equivalents

	2014 (KEUR)	2013 (KEUR)
Cash in hand	56	56
Cash at bank	13.430	9.946
Short-term bank deposits (<3 months)	4.061	160
Bank overdrafts	-797	-772
Total cash and cash equivalents	**16.750**	**9.390**

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:

	2014 (KEUR)	2013 (KEUR)
Non-current borrowings	30.598	22.000
Cash and cash equivalents	17.547	10.162
Net	13.051	11.838
Equity	74.098	67.278
Net debt ratio	**17,61%**	**17,60%**

The group is not subject to external capital requirements.

9.8. Borrowings

Borrowings	**2014 (KEUR)**	**2013 (KEUR)**
I. Current		
Bank borrowings		
Finance lease liabilities	980	599
Bank overdrafts	797	772
Other	10	7
Amounts becoming due within 12 months		
Bank borrowings	6.494	3.790
Other current liabilities		
Borrowings from third parties		0
Borrowings from related parties	4.486	4.104
Total current borrowings	**12.767**	**9.271**
II. Non-current		
Bank borrowings		
Finance lease liabilities	5.365	4.935
Bank borrowings	14.874	9.791
Other non-current liabilities		
Other borrowings from third parties	26	93
Other long-term liabilities[1]	4.003	1.839
Total non-current borrowings	**24.268**	**16.659**

[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 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 3,02%. The group has undrawn credit lines for an amount of 5.303 KEUR.

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

Detailed information regarding maturity of borrowings:

2013 (KEUR)	1 year or less	1-5 years	Over 5 years
Bank borrowings	3.790	8.633	1.158
Other borrowings	7	1.932	0
Finance lease liabilities (total)	599	2.153	2.782
Total borrowings	**4.396**	**12.718**	**3.940**
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**

These amounts are exclusive of future interest expense for an amount of 2.659 KEUR, calculated based on the applicable interest rates at the reporting date (at the end of 2013, this was 2.155 KEUR).

Effective interest rates (%)	2014	2013
Bank borrowings	1,51-12,25	1,51-4,67
Other borrowings	2,49	2,36-2,53
Finance lease liabilities	3,21-13,59	3,21-4,50

All borrowings are denominated in euro 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

	2014 (KEUR)	2013 (KEUR)
Non-current trade and other payables		
Non-current trade payables	0	0
Other payables	949	794
Total non-current trade and other payables	**949**	**794**
Current trade and other payables		
Trade payables	12.630	12.454
Other payables	1.372	149
Accrued expenses & deferred income	1.627	1.144
Total current trade and other payables	**15.629**	**13.747**
Taxes and social security charges		
Tax payables	2.633	2.673
Social security charges payable	3.248	2.598
Total current taxes and social security charges	**5.881**	**5.271**

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	**634**	**0**	**508**	**1.142**
Additional provisions	59		136	195
Unused amounts reversed	-24			-24
Used during year	-33		-147	-180
Exchange differences	-8		3	-5
Acquisition or disposal of subsidiary	116			116
At 31 December	**744**	**0**	**500**	**1.244**

The provision for post-employment benefits amounts to 744 KEUR (2013: 634 KEUR).
This provision was recognised with a view to the statutory regulations relating to early retirement.

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:

	2014 (KEUR)	2013 (KEUR)
Opening balance	**581**	**552**
Withdrawal from deferred income tax assets	-13	-168
Addition to deferred income tax assets	-324	197
Exchange differences		
Transfer to deferred income tax liabilities	261	
Closing balance	**505**	**581**

The deferred tax assets in the balance sheet relate to:

	2014 (KEUR)	2013 (KEUR)
1. Depreciations	530	411
2. Intangible assets	755	1.116
3. Provisions	70	70
4. Exchange differences	0	
5. Post-employment benefits	40	42
6. Tax losses		
7. Inventories	121	140
8. Other	68	533
Total	**1.584**	**2.311**

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:

	2014 (KEUR)	2013 (KEUR)
Opening balance	**3.870**	**3.197**
Withdrawal from deferred income tax liabilities	-269	-15
Addition to deferred income tax liabilities	73	687
Exchange differences		
Transfer to deferred income tax assets	463	
Closing balance	**4.137**	**3.870**

The deferred tax liabilities in the balance sheet relate to:

	2014 (KEUR)	2013 (KEUR)
1. Depreciations	-11.639	-11.873
2. Intangible assets	-1.724	-447
3. Provisions	-187	-372
4. Exchange differences		
5. Post-employment benefits	387	512
6. Tax losses		
7. Inventories	-331	-181
8. Other	174	-70
Total	**-13.320**	**-12.431**

The difference between the deferred tax liability on the balance sheet and the calculation based on the Belgian tax rate of 33.99% is -233 KEUR in 2014 (in 2013: -48 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	2014 (KEUR)	2013 (KEUR)
Operating lease payments recognised in the income statement	1.472	1.404
Future aggregate minimum lease payments under non-cancellable operating leases for the following periods:	3.213	3.750
1. No later than 1 year	1.233	1.240
2. Later than 1 year and no later than 5 years	1.954	2.432
3. Later than 5 years	26	78

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 2013: 9.980 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 2014, it is not expected that a loss will be realised.

9.14. Share capital

	2014	2013
I. Number of shares		
Number of shares at 1 January	1.242.000	1.242.000
Shares issued		0
Number of shares at 31 December	1.242.000	1.242.000
Shares bought back (net)		0
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		0
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	36.425	45.600
1.5. Number of shares used to calculate diluted earnings per share	1.249.243	1.247.429
2. Profit/(loss) attributable to the owners of Miko	7.522	7.121

The total number of shares of 1.242.000 (with no nominal value) consists of 745.405 nominative shares, 153 bearer shares and 496.442 dematerialised shares (situation at 31 December 2014).

At the end of 2014, the group did not hold any treasury shares.

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

	2005	2006	2007	2008	2011	2012	2013	2014
At 1 January	100	1.000	3.850	5.050	5.200	9.300	11.150	
Exercise price	€38,00	€47,00	€56,00	€56,00	€51,50	€46,00	€50,51	€66,30
Granted/(exercised) during the year	-100	-750	-1.350	-2.550	-4.700			8.250
Exercisable at end of period	0	250	2.500	2.500	500	9.300	11.150	8.250
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 [1]	5 years	10 years [2]	10 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 2012, 8,450 have an exercise period of 10 years and 850 have an exercise period of 5 years.
[3] 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.
[4] Of the options granted in 2014, 250 have an exercise period of 7 years and 8.000 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 t o the income statement over the vesting period.

The following criteria were used for this calculation:

	2012 [1]	2013 [2]	2014 [3]
Exercise price	46,00	50,51	66,30
Current share price	71,19	71,19	71,19
Expected option life	2,00-7,00	3,00-8,00	4,00-6,00
Share price volatility	14,66%	14,66%	14,66%
Risk-free interest rate	0,91%	0,91%	0,91%
Dividend as a % of share price	1,90%	1,79%	1,73%

[1] Of the options granted in 2012, 8,450 have an exercise period of 10 years and 850 have an exercise period 5 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, 250 have an exercise period of 7 years and 8.000 have an exercise period of 5 years.

The fair value of the share options amounted to 451 KEUR on the reporting date.

9.15. Related parties

	2014 (KEUR)	2013 (KEUR)
I. RECEIVABLES FROM RELATED PARTIES		
II. PAYABLES TO RELATED PARTIES		
1. Borrowings	4.375	4.103
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		
7. Loans granted to management and directors		

For more information on remuneration of management and directors, reference is made to the remuneration report (section 4.6. of the annual report).

The borrowings concern two loan agreements with Imko Holding NV (see section 4.7.2. of the annual report) on the one hand, and a loan agreement with Lammerée Beheer BV on the other. The latter company is not a related company as defined in the Belgian Company Code, but it is controlled by a former member of the operating committee. As a result, the transaction is not subject to the statutory regulations concerning conflicts of interest, but it is subject to the procedure for suspect transactions in section 4.1. of the group's Corporate Governance Charter. This procedure has been applied.

The agreements were entered into for a period of maximum one year, with an interest rate equal to the relevant Euribor plus 2%.

See also section 4.7.2. of the annual report.

9.16. Scope of consolidation

Company name	Country	Holding 2014	Holding 2013	Registration number	Registered office	Number of employees
Miko Koffie NV	Belgium	100,00%	100,00%	0869.777.422	Steenweg op Mol 177, 2300 Turnhout	50
Miko Coffee Service NV	Belgium	100,00%	100,00%	0429.197.383	Steenweg op Mol 177, 2300 Turnhout	89
Miko Pac NV	Belgium	100,00%	100,00%	0433.522.197	Steenweg op Turnhout 160, 2360 Oud-Turnhout	147
Miko Technics NV	Belgium	100,00%	100,00%	0418.703.864	Steenweg op Mol 177, 2300 Turnhout	4
Miko Kaffee GmbH.	Germany	100,00%	100,00%			
Miko Koffie Service BV	The Netherlands	100,00%	100,00%			
Miko Café Service SAS	France	100,00%	99,96%			
Miko Kava s.r.o.	Czech Republic	100,00%	100,00%			
Miko Kava s.r.o.	Slovakia	75,00%	75,00%			
Miko Coffee Ltd	UK	100,00%	100,00%			
Cornish Coffee Company Ltd	UK	100,00%	100,00%			
Miko Coffee South West Ltd	UK	100,00%	100,00%			
Espresso Adesso Ltd	UK	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%				

All the entities above are fully consolidated.

9.17. Shareholder structure

Situation at 31 December 2014, 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%
Public	501.639	40,39%
TOTAL	**1.242.000**	**100%**

For more information, see section 4.7.2. of the annual report.

9.18. Events after the reporting period

See section 6 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, 2014, 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

Jan Michielsen
Managing 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 2014

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 2014 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'000 138.972 and the consolidated statement of comprehensive income shows a profit for the year of EUR'000 7.394.

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 2014 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.

Antwerp, 31 March 2015

The Statutory Auditor
PwC Bedrijfsrevisoren BCVBA
Represented by

Koen Hens*
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

1. Statutory financial statements Miko NV

1.1. Balance sheet

Condensed balance sheet after result distribution as per 31 December 2014 and 2013 [1]:

		2014 (KEUR)		2013 (KEUR)	
	ASSETS				
II.	Intangible assets	67		97	
III.	Property, plant and equipment	562		541	
IV.	Financial fixed assets	67.141		67.340	
	Fixed assets		**67.770**		**67.977**
V.	Other long-term receivables	9		9	
VII.	Short-term receivables	4.681		5.313	
VIII.	Deposits	0		0	
IX.	Cash and cash equivalents	1.513		512	
X.	Prepaid expenses and accrued income	181		114	
	Current assets		**6.384**		**5.948**
	TOTAL ASSETS		**74.154**		**73.926**
	EQUITY & LIABILITIES				
I.	Share capital	5.065		5.065	
IV.	Reserves	63.912		64.262	
V.	Retained earnings	0		0	
	EQUITY		**68.977**		**69.327**
VII.	Provisions	452		466	
	PROVISIONS AND DEFERRED TAX LIABILITIES		**452**		**466**
VIII.	Long-term liabilities			0	
IX.	Short-term liabilities	4.722		4.132	
X.	Accrued charges and deferred income	3		1	
	LIABILITIES		**4.725**		**4.133**
	TOTAL EQUITY & LIABILITIES		**74.154**		**73.926**

[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.

1.2. Income statement

Condensed income statement after result distribution as per 31 December 2014 and 2013.

		2014 (KEUR)		2013 (KEUR)	
I.	**Operating income**		**3.319**		**3.618**
	Turnover				
	Other operating income	3.319		3.618	
II.	**Operating expenses**		**3.621**		**4.296**
	A. Raw materials & consumables	0		0	
	B. Services & other goods	1.466		1.962	
	C. Employee benefit expense	1.944		1.759	
	D. Depreciations and amortisations	224		125	
	E. Impairment of inventories and trade receivables			0	
	F. Provisions	-15		103	
	G. Other operating expenses	2		2	
III.	**Operating profit/(loss)**		**-302**		**-678**
IV.	Financial income	1.927		1.935	
V.	Financial costs	-232		-432	
VI.	**Profit on ordinary activities before tax**		**1.393**		**1.170**
VII.	Extra-ordinary income	1		0	
VIII.	Extra-ordinary costs	0		0	
IX.	**Profit before tax**		**1.394**		**1.170**
X.	Income tax	154		145	
XI.	**Profit of the year**		**1.240**		**1.025**
XIII.	**Profit of the year to be appropriated**		**1.240**		**1.025**

Proposal for profit appropriation	2014 (KEUR)		2013 (KEUR)	
Profit to be appropriated		**1.240**		**1.026**
Profit of the year to be appropriated	1.240		1.025	
Profit brought forward	0		1	
Transfer from equity		**350**		**415**
From reserves	350		415	
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		0	
Profit for distribution		**-1.590**		**-1.441**
To the shareholders	-1.590		-1.441	

2. Report of the board of directors on the statutory financial statements for the financial year ending 31 December 2014

Reference is made to the annual report on the consolidated financial statements of the Miko group over the financial year 2014.

3. 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 2014

Type of opinion:

Unqualified opinion

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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 2013
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 2014.
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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FINANCIAL CALENDAR 2015/2016

• General meeting	26 May 2015
• Dividend payable	8 June 2015
• Announcement of half-year results	end of September 2015
• End of financial year	31 December 2015
• Announcement of annual results	end of March 2016
• General meeting	24 May 2016



www.miko.eu