SIOEN
ANNUAL REPORT 2015 - FINANCIAL

1.47
0.3375
6.35
0.2600
50.2%
0.1950
10.85
45.6%
9.05
0.180
10.41
9.80
37.8%
8.00
2.1%
10.49
9.60
10.9
16.0%
4.9
7.85

Financial

Letter to the stakeholders

Dear Madam, Dear Sir,

A year full of great progress and change

The year 2015 was my tenth year as CEO of the Sioen Industries Group. It was a year of great progress and change that enabled us to build a positive momentum across the entire group.

In 2015, we performed well on every front, and advanced in almost every activity. This annual report seeks to reflect our group's performance. You will find out who we are, our history, our products, what drives us and our particular style of entrepreneurship. Our action plan, objectives and challenges are also set out in this annual report.

The figures for 2015:

- In 2015 our net sales amounted to EUR 326.4 million.
- The operating result has evolved from EUR 27.8 million to EUR 35.8 million in 2015 or an increase of 28.8%.
- Our group profit was EUR 23.1 million or an increase of 40%.
- Net cash flow from continuing operations amounted to EUR 38.7 million. This is an increase of EUR 0.8 million (or 2.1%) compared to last year.
- EBITDA and EBIT from continuing operations increased with respectively 6.4% and 28.8% to EUR 51.9 million (15.9% of net sales) and EUR 35.8 million (11.0% of net sales).
- EBT from continuing operations amounted to EUR 32.8 million (10.0% of net sales).
- Sioen Industries is paying a dividend of EUR 0.48 per share to its shareholders in respect of 2015 (+29.7%).

Operational excellence

In 2015 the emphasis at Sioen was on operational excellence. With a stable turnover, 2015 was in all other aspects a year in which we improved.

We achieved maximum returns because of major efforts in all our (manufacturing) plants: In-house engineering in our spinning and weaving mills resulted in higher quality. We operated the direct coating lines at historically high speeds. We restructured our Indonesian facilities to give additional cost and production efficiency. Through monitoring we reached a better raw material consumption. We introduced fully automated traceability and we developed an unequalled number of new products.

In every division we went forward with our improvement programs, enhancing production and cost efficiency with lean management strategies. In addition, we carefully examined our stock situation and optimised at every level. We are implementing SAP in the apparel division, to have all Sioen divisions running under SAP.

Textile solution provider

In the last ten years, Sioen has evolved from being a component supplier to a solution provider, offering tailor-made solutions to our customers. We did this and continue to do so by customising our products and offering technically complex products and composites, financing, services and targeted training.

Many of our future development and latest research projects are focused on solution providing. The conversion from components supplier to solution provider is part of the roadmap to achieve our goal of being the world market leader in technical textiles and technical apparel.

In 2015, our position as solution provider was again reinforced with takeover of Dynatex *(page 146)*. A value adding company, offering solutions in multi-axial reinforcement weaving (composites).

Road to 2020: in search for growth

Recent and future investments imply growth in technical quality products and personalised solution-driven services. On our road to 2020, the key word is ‘integration’: of features, technologies, fabrics and services. Read more on *page 33-35* of this annual report.

As a market leader in our traditional markets, Sioen is continually looking for affiliated technologies and markets. City farming and flexible textile ecosystems are just some examples of where our technology can make the difference.

Other spin off of our multidisciplinary approach is to link construction and civil engineering with textiles for example in concrete reinforcement and coastal protection.

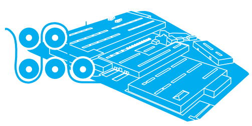
Value and growth

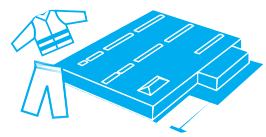
Sioen has signed up for long-term success, which requires besides economic, also strong health, safety, environmental and social performance. All are stated in this annual report *(page 42-54)* and in our CSR (Corporate Social Responsibility) manifesto. We take pride in our accomplishments, with a constant attention to how to be better and be the best in class.

Sioen Industries’ performance in 2015 and in previous years confirm our capacity to create long term value and growth. And that is what you, our stakeholders, and we entrepreneurs are looking for.

Michèle Sioen
CEO Sioen Industries

GROUP STRUCTURE





COATING

	Sioen Industries NV [1] Spinning, weaving, direct coating, online coating,Belgium
100.0%	**Saint Frères SAS** Direct coating, France
100.0%	**Sioen Shanghai** [2] Sales office, China
100.0%	**Sioen Fabrics SA** Transfer coating, Calendering, Belgium
100.0%	**Siofab SA** Transfer coating, Portugal
100.0%	**Pennel Automotive SAS** France
100.0%	**Coatex NV** Processing of coated fabrics and films, Belgium
100.0%	**Saint Frères Confection SAS** Heavy-duty manufacturing, France
100.0%	**Sioen Felt & Filtration SA** Felt and filter production, Belgium
100.0%	**Dynatex NV** [5] Direct coating, Belgium

APPAREL

99.7%	**Sioen NV** Apparel / Central distribution unit, Belgium	
10.5%	**Confection Tunisienne de Sécurité SARL** Apparel, Tunisia	89.5%
	Sioen Ireland [3] Apparel, Ireland	100.0%
100.0%	**Mullion Survival Technology Ltd.** Apparel, UK	
95.0%	**PT. Sioen Indonesia** Apparel, Indonesia	5.0%
95.0%	**PT. Sungin Tex** Apparel, Indonesia	5.0%
	Sioen France SAS Sales office, France	99.8%
99.7%	**Sioen Tunisie SARL** Sales office, Tunisia	
99.9%	**Sioen Zaghouan SA** Apparel, Tunisia	0.1%
5.0%	**Siorom SRL** Apparel, Romania	95.0%
	P. van Ochten Bedrijfskleding BV Apparel, the Netherlands	100.0%
	Sioen Asia Pacific PTE. Ltd. (7) Apparel, Singapore	100.0%
	Sioen Myanmar Ltd. (7) Apparel, Myanmar	99.0%

SIOEN INDUSTRIES NV

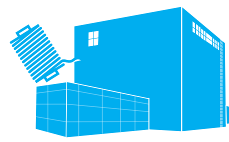
SHARED SERVICE CENTER

CHEMICALS

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

Richard SAS 99.9%
Paste production, France

Le Comptoir Zouloo SAS (6) 100.0%
Paste production, France



OTHER

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

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

Roland Planen GmbH 100.0%
Germany (dormant)

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

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

(1) Merger Holding company Sioen Industries (Shared Service Center) and Belgian direct coating companies at July 1st 2009
(2) Official name: Sioen Coated Fabrics (Shanghai) Trading Co. Ltd.
(3) Official name: Gairmeidi Caomhnaithe Dhun na nGall Teoranta
(4) Respectively through Monal SA and Roltrans Group BV
(5) New acquisition in 2015 - still 31.36% to acquire by means of deferred payments
(6) New acquisition in 2015
(7) Newly established in 2015

REPORT OF THE BOARD OF DIRECTORS

1I COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Operating result:
The operating result from continuing operations has evolved from EUR 27.8 million last year to EUR 35.8 million over 2015 or an increase with 28.8%.

- An improved sales mix combined with raw material prices temporary suffering from a slow down in Asia
- Continued improvements in production efficiency both in apparel and coating
- Ever lasting cost consciousness

These are just a few of the drivers supporting the positive evolution in the operating result.

Financial result:
Financial result of the Group amounted to EUR -3.0 million over the year 2015 against EUR -4.0 million in 2014. The increase is mainly due to positive currency results.

Income tax:
Income tax amounts to EUR 10.2 million over the year 2015 against EUR 6.9 million over 2014.

Profit (loss) for the period from continuing operations:
The company recorded EUR 22.6 million profit over the year 2015 against EUR 16.9 million over 2014.

Profit (loss) for the period from discontinued operations:
The profit amounted to EUR 0.5 million over the year 2015, while a loss of EUR 0.4 million was recorded over the year 2014.

Net cash flow from continuing operations:
The net cash flow from continuing operations amounted to EUR 38.7 million over 2015 against EUR 37.9 million in 2014.

Dividend:
The Board of Directors will propose to the General Shareholders' Meeting to pay out a dividend of 0.48 Euro per share.

COATING DIVISION

The coating division specializes in the coating (applying a protective layer) of textiles. This division is fully vertically integrated. Everything starts with the extrusion of technical yarns (polyester), which are woven into technical fabric and then coated with various polymers (PVC, PU, silicons, etc.). The Group is the only player in the world with full competence in various coating technologies, each with its own specific products and markets. In 2015, the coating division achieved external sales from continuing operations of EUR 190.7 million versus EUR 182.1 million over the same period last year. Continuous strong demand in our core business line (transport) combined with the successful entry in the tensile architecture market have boosted sales by 4.7% compared to last year.

APPAREL DIVISION

This division stands for 'technical protective clothing'. The apparel division is an innovative producer of a wide range of high-quality technical protective garments that meet all European standards. Sioen Apparel is active in various sectors where attention to safety is a priority. Attention to customer needs, strong quality consciousness and continuing research and development, combined with technically advanced products, are the basis of the successful development of this division. In 2015, the apparel division achieved sales from continuing operations of EUR 97.0 million versus EUR 105.3 million over the same period last year, or a decrease with 7.9%. Anticipating the restructuring of some production facilities, Sioen decided early 2015 to stop the manufacturing of branded products. This stop combined with the extraordinary, one off, delivery to the Dutch police force in 2014, distorting the like for like comparison, resulted in the decrease compared to last year.

CHEMICALS DIVISION

Sioen Chemicals processes basic raw materials (PVC powders, pigments, etc.) into high quality technical semi-finished products (pigment pastes and inks) for a wide range of applications. In 2015, the chemicals division achieved sales from continuing operations of EUR 38.8 million versus EUR 39.2 million in 2014, or a decrease with 1.1%.

DIVISION OTHER

This division consists of the real estate activities.

2I FINANCIAL AND OTHER RISKS

We refer to capture 3.6.26. Financial risk management, 3.6.27. Capital structure management and part 4. "Corporate governance statement" in this "Report of the Board of Directors".

3I OUTLOOK

In this static economic environment Sioen pursues growth through the development of new and complementary business lines in technical textiles without sacrificing profitability.

A strong focus on innovation, customer intimacy, an extensive product portfolio and sustained cost efficiency are the foundations upon which we build our future.

4I CORPORATE GOVERNANCE STATEMENT

4.1. GOVERNANCE

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

THE BOARD OF DIRECTORS - Composition (31/ 12/ 2015)

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

(1) Executive Director
(2) Non-executive Director
(3) Independent Director
(4) The Statutory Auditor's mandate expires at the General Shareholders' Meeting of 2017.

The Board of Directors and how it works

In accordance with the Articles of Association, the Board of Directors regularly meets depending on the needs and the interests of the company. In 2015, the Board held five meetings. The number of meetings attended by Directors individually in 2015 is as follows:

LMCL Comm. VA (represented by Mr. Luc Vansteenkiste)	5
M.J.S. Consulting BVBA (represented by Mrs. Michèle Sioen)	5
Mrs. Jacqueline Sioen-Zoete	5
D-Lance BVBA (represented by Mrs. Danielle Parein - Sioen)	5
P. Company BVBA (represented by Mrs. Pascale Sioen)	5

Louis Verbeke BVBA (represented by Mr. Louis-Henri Verbeke)	5
Mr. Luc Vandewalle	4
Lemon Comm. V (represented by Mr. Jules Noten)	4
Mr. Michel Delbaere	5

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

Working committees

The Sioen Industries Group has the following working committees:

1I Audit Committee

In 2015 the Audit Committee consisted of two independent Directors, being Mr. Vandewalle (Chairman) and Lemon Comm. V (represented by Mr. J. Noten) and one non-executive Director: Louis Verbeke BVBA (represented by Mr. L.-H. Verbeke). The duration of the mandate of members of the Committee coincides with their term as Director.

In 2015 the Audit Committee met four times. The external auditor attended two meetings. The number of meetings attended by individual members of the Audit Committee in 2015 is as follows:

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

In accordance with Article 526 bis of the Companies Code, the company declares that at least one of the members of the Audit Committee complies with the requirements of independence and possesses the necessary expertise in accounting and auditing. In 2015, the Audit Committee assisted the Board in discharging its responsibilities for monitoring control in the broadest sense. This included the following tasks:

- Analysis of the consolidated financial statements of the company, both for annual and half-yearly and quarterly consolidated results,
- Analysis of possible impairments,
- Evaluation of systems of internal control,
- Review of the content of the annual financial report as far as following matters are concerned:
  - financial information
  - comments on internal control and risk management,
- Supervision and monitoring of the auditor's independence.

2I Remuneration and Nomination Committee

The Remuneration and Nomination Committee in 2015 was composed of three Directors: LMCL Comm. VA (represented by Mr. L. Vansteenkiste, chairman and non-executive Director), Mr. M. Delbaere (independent Director) and Lemon Comm. V (represented by Mr. J. Noten, independent Director). The Committee advises the Board on the remuneration policy in general and on the remuneration of the members of the Board of Directors and the Executive Committee in particular. Also stock option plans are advised by the Committee. Currently there are no stock options for shares of Sioen Industries. The Board of Directors presents the remuneration report to the General Meeting.

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

Nominations have not been discussed during 2015.

The Committee met twice in 2015. The number of meetings attended by individual members of the Committee and the CEO in 2015 is as follows:

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

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

Management Committee

The members of the Management Committee (per 31 December 2015):

- M.J.S. Consulting BVBA, represented by Mrs. Michèle Sioen
- P. Company BVBA, represented by Mrs. Pascale Sioen
- Asceca Consulting BVBA, represented by Mr. Geert Asselman
- Devos Trading Company BVBA, represented by Mr. Michel Devos
- Flexcor NV, represented by Mr. Frank Veranneman
- Almelior BVBA, represented by Mr. Bart Vervaecke
- GPW Lobbestael BVBA, represented by Mr. Grisja Lobbestael
- O.V.S. Consulting BVBA, represented by Mr. Orwig Speltdoorn

Secretary: Mr. Robrecht Maesen.

Remuneration report

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

1I General principles of the remuneration policy

- The company compensates the CEO, the Directors and the executive management fairly.
- The level and structure of the remuneration is such that qualified and expert professionals can be attracted, retained and motivated, taking into account the nature and scope of their individual responsibilities.
- For non-executive Directors, any form of variable compensation is explicitly excluded.
- To align the interests of the CEO and the executive management to those of the company and its shareholders, a portion of the remuneration package is linked to the performance of the company and individual performance.
- On the advice of the Remuneration Committee the Board approves contracts for the appointment of the CEO and other members of the executive management.
- Contracts of the CEO or the executive management signed on or after 1 July 2009 incorporate no specific provisions relating to early termination.
- The Remuneration Committee monitors the market conformity of the fees. This assessment is based on the practical experience of the members in other companies.
- The Remuneration Committee wishes, through a stable and long term policy, to contribute to a sustainable business climate. Consequently, the above-stated principles will be sustained on the long term, and in particular, for the next two financial years.

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

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

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

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

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

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

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

The Board of Directors decides on the remuneration policy for the CEO based on a proposal by the Remuneration Committee. The remuneration is a competitive and motivating package consisting of:

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

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

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

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

Departure fees

- The departure fee in case of an early termination of the contract shall not exceed 12 months (basic remuneration).
- On the advice of the Remuneration Committee, the Board can approve a higher severance pay. This shall not exceed 18 months (basic remuneration).
- There are no specific individual agreements with Directors, the CEO and the executive management with respect to departure fees.

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

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

- The variable part of the remuneration will always consist of two or more components.
- The first part of the variable compensation will always relate to the results of the Group. This is to strengthen the Group cohesion and to prevent counter-productive internal competition.
- The second part of the variable part of the remuneration will cover the individual areas of responsibility of the member.
- The variable remuneration of the CEO and CFO will only be dependent on the Group results.
- The variable remuneration is based on the following principles:
  - Turnover (the achievement of certain annual revenue targets and/ or growth rates)
  - Profitability (return on sales targets and/ or investment projects)
  - Debt level (the debt of the company is key. In order to ensure future growth, it must be within certain limits.)
  - Personal objectives (depending on the function). These mainly relate to qualitative objectives. (For example initiate the development of a long term strategy.)
- Depending on the needs, the CEO can propose to the Remuneration Committee to adjust the significance of some parameters annually.
- The personal objectives are set annually through individual interviews and the variable remuneration linked to this is up to 30% of the total variable remuneration.
- Contracts signed on or after 1 July 2009 refer specifically to the criteria (as stated in the Belgian Corporate Governance Code) to be taken into account in determining the variable portion of compensation.

4I Recovery right

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

5I Evaluation of the remuneration

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

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

Remuneration of the members of the Board of Directors

In 2015 following remunerations were paid to the members of the Board of Directors and executive management in their capacity as Director (no performance related remunerations are paid to the non-executive Directors):

NAME	REPRESENTED BY	FUNCTION	BOARD OF DIRECTORS		AUDIT COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE		TOTAL
			Base fee	Atten-dance fee	Base fee	Atten-dance fee	Base fee	Atten-dance fee	
LMCL Comm. VA	Mr. L. Vansteenkiste	Director/ Chair-man	22 000	22 000			1 500	1 500	47 000
	Mrs. J. Sioen-Zoete	Director	11 000	11 000					22 000
M.J.S. Consulting BVBA	Mrs. M. Sioen	Managing Director	11 000	11 000					22 000
D-Lance BVBA	Mrs. D. Sioen	Director	11 000	11 000					22 000
P. Company BVBA	Mrs. P. Sioen	Director	11 000	11 000					22 000
	Mr. M. Delbaere	Director	11 000	11 000			750	750	23 500
Lemon Comm. V	Mr. J. Noten	Director	11 000	8 800	4 000	4 000	750	750	29 300
Louis Verbeke BVBA	Mr. L. Verbeke	Director	11 000	11 000	4 000	4 000			30 000
	Mr. L. Vandewalle	Director	11 000	8 800	6 000	4 500			30 300
TOTAL			**110 000**	**105 600**	**14 000**	**12 500**	**3 000**	**3 000**	**248 100**

M.J.S. Consulting, represented by Mrs. Michèle Sioen, received in 2015, in her capacity of CEO and next to her remuneration as a member of the Board of Directors, a fixed remuneration of EUR 537 500, a variable remuneration of EUR 87 343 and a compensation for other expenses (mainly car expenses) amounting to EUR 37 088.

Jack Projects, represented by Mrs. Jacqueline Sioen, received in 2015, in the context of a service agreement, a remuneration of EUR 250 000 and a compensation for other expenses (mainly car expenses) amounting to EUR 22 335.

The other members of the executive management [(1)], including Directors in their capacity as member of executive management, received in 2015 a fixed remuneration of EUR 2 306 749 (excluding CEO), a variable remuneration of EUR 255 987 and a compensation for other expenses (mainly car expenses) amounting to EUR 157 664.

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

Other

In 2015 there were no shares, share options or other rights to acquire shares of Sioen Industries attributed to the CEO nor the other members of the executive management. There are no retirement benefit plans.

Evaluation of the Board of Directors, Working Committees and Directors

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

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

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

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

External audit

Within the Sioen Industries Group, external audits are mainly performed by Deloitte Bedrijfsrevisoren. They include the audit of the statutory annual accounts and consolidated accounts of Sioen Industries NV and its subsidiaries. To the extent that the audit of a number of subsidiaries are carried out by other auditors, Deloitte Bedrijfsrevisoren makes use of their work. During the past financial year the Statutory Auditor received EUR 279 245 from Sioen Industries in respect of its statutory auditor mandate. In addition, the Statutory Auditor received EUR 13 846 for special missions/ legal assignments, and EUR 84 210 for other assignments outside the mandate. The mandate of Deloitte Bedrijfsrevisoren as Statutory Auditors of Sioen Industries NV expires at the General Shareholders' Meeting of 2017. Deloitte Bedrijfsrevisoren is represented by Mr. M. Dekeyser.

Internal control and risk management systems

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

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

1| Control environment

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

Integrity and ethics

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

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

Competences

The Sioen family surrounds itself since 1986 with external independent Directors. Their expertise and experience contribute to effective and proper management of the company. The aim is to attract Directors with different skills and experiences in order to create a momentum that enables the group to develop further.

A stimulating working environment, an "open door" policy and the ability to develop itself are the principles of the human resources policy. This enables the group to attract, to motivate and to retain qualified staff.

Governing Bodies

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

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

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

Company structure and delegation of powers

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

2I Risk analysis

The Board of Directors decides on the strategy of the Group, key policies and risk appetite. The role of the Board of Directors consists of pursuing the long-term success of the company and ensuring that risks are assessed and managed.

The executive management is responsible for developing systems to identify, assess, manage and monitor the risks.

Targets within the risk management process

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

External factors

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

Internal factors

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

Risk analysis (internal and external)

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

Risks relating to the activities of the Group

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

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

Risks relating to customer commitment

The Group has no customers who represent more than 10.0% of the total balance of trade receivables (see note 3.6.8. Trade receivables) and as a consequence there is no major risk related to customer commitment.

Risks associated with seasonal activities

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

Risks related to new emerging markets

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

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

Credit risk management
In view of the relative concentration of credit risk (see note 3.6.8. Trade receivables), the company covers credit risk on trade receivables via an Excess of Loss credit insurance with an own risk exposure of EUR 400 thousand. In addition, credit control strategies and procedures have been elaborated in order to monitor individual customers' credit risks.

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

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

The Group's capital is formed in accordance with the risk, which changes with economic developments and the risk profile of the underlying assets. The Sioen Group can change the dividend to shareholders, issue new shares or sell assets in order to maintain or change the capital structure.

The Board of Directors of Sioen Industries considers equity together with the bond of ten years (see 3.6.10. Borrowings) as permanent capital.

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

Foreign currency risk management
The purpose of the Group policy is to hedge against exchange risks arising mainly from financial and operational activities.

The risks are limited by offsetting transactions in the same currency ("natural hedging") or by hedging exchange rates through forward contracts or options.

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

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

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

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

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

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

3I Control activities

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

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

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

- Reporting, analysis and monitoring

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

- Data protection

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

4I Information and communication

To provide reliable financial information Sioen Industries makes use of a global standardized chart of accounts and has a global application of IFRS accounting standards.

The controlling team is responsible for checking the consistency of the reported figures by the various subsidiaries. Regarding information systems, there is a daily backup and a cascade system to limit access to crucial information.

5I Supervision and monitoring

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

Protocol to prevent abuse of insider information

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

4.2. GENERAL INFORMATION

Registered office and name

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

Incorporation and publication

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

Financial year

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

Term

The company is established for an indefinite period.

Object of the company

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

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

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

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

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

Consultation of documents

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

Voting right

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

Article 14, sub 2 of the articles of association stipulates that a majority of the Directors are appointed among the candidates nominated by Sihold NV, as long as Sihold NV possesses either directly or indirectly at least thirty-five percent of the shares of the company.

Authorized capital

The Board of Directors is authorized, during a period of five years counting from the date of publication in the annexes to the Belgian Official Gazette of the deed containing the amendment of the articles of association of 26 April 2013 (BOG of 24 May 2013), to increase the subscribed capital in one or several parts, by a maximum amount of forty-six million euros. This renewable authority is valid for capital increases in cash, in kind or by conversion of reserves. At the moment this amount is still wholly available.

Within the framework of the authorized capital, the Board of Directors is authorized, in the interest of the company and provided that the conditions referred to in articles 535 and 592 to 599 of the Companies Code are met, to cancel or restrict the preferential subscription right that is granted to the shareholders by law. The Board of Directors is authorized to restrict or cancel the preferential subscription right in favor of one or more particular persons, even if these are not staff members of the company or its subsidiaries.

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

In the absence of an explicit authorization granted by the General Meeting to the Board of Directors, the authorization of the Board of Directors to increase the subscribed capital through a contribution in cash with cancellation or restriction of the preferential subscription right of the existing shareholders or through a contribution in kind will be suspended as from the date of notification to the company by the Financial Services and Markets Authority of a public take-over bid on the shares of the company. This authorization will apply again immediately after the take-over bid is concluded. The General Meeting of 24 April 2014 explicitly authorized the Board of Directors to increase the subscribed capital in one or several parts through a contribution in cash with cancellation or restriction of the preferential subscription right of the existing shareholders or through a contribution in kind, pursuant to articles 557 and 607 of the Companies Code, as from the date of notification to the company by the Financial Services and Markets Authority of a public take-over bid on the shares of the company. This authorization was granted for a period of three years from 24 April 2014 and is renewable.

Acquisition by the company of shares in its own capital

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

The General Meeting of 26 April 2013 authorized the Board of Directors to acquire its own shares through purchase or exchange, in accordance with the Companies Code, for the maximum number allowed by law and at a price per share that cannot be lower than the last closing price at Euronext Brussels prior to the date of acquisition, less ten per cent (10%), and that cannot be higher than the same closing price increased by ten per cent (10%), and to sell or cancel these shares. The Board of Directors is entitled to use this authorization one or several times, whenever he seems fit. The Board is further authorized to determine through a notarial deed the amended number of shares and to adapt the articles of association accordingly; the amount of the subscribed capital cannot be reduced and the reserve unavailable, accrued for the cancelled shares, has to be written off. The Board of Directors can empower one Director to appear before the notary to pass the notarial deed. This authorization also applies to the acquisition of shares of the company by one or several of its direct subsidiaries within the meaning of the law, during a period of five years starting on 26 April 2013, and can be extended.

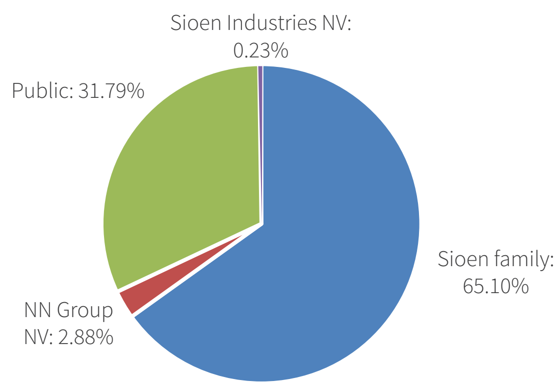
4.3. SHARE INFORMATION

Listing

In order to be able to continue following and ensuring the company's fast growth, and in the conviction that a transparent policy would further strengthen the Group's growth possibilities, the Sioen Industries share was introduced on the cash market, double fixing, of the Brussels Stock Exchange, on 18 October 1996. A year later the share was listed on the semi-continuous segment of the forward market and then, as of 11 March 1998, has been quoted on the continuous segment of the Brussels forward market, which has become Euronext Brussels. As per 31 December 2015, the total number of shares amounts to 19 825 903. 12 906 212 shares, or 65.10%, are owned by the Sioen family, a.o. through the holding company Sihold NV, 45 970 shares, or 0.23%, are owned by Sioen Industries NV[1] and 570 000 shares, or 2.88%, are owned by NN Group NV. The remaining number of shares, 6 303 721 or 31.79%, are spread among the public. Sioen has no preferential shares.

(1) All own shares purchased have been cancelled on 14 January 2016.

Shareholders' structure



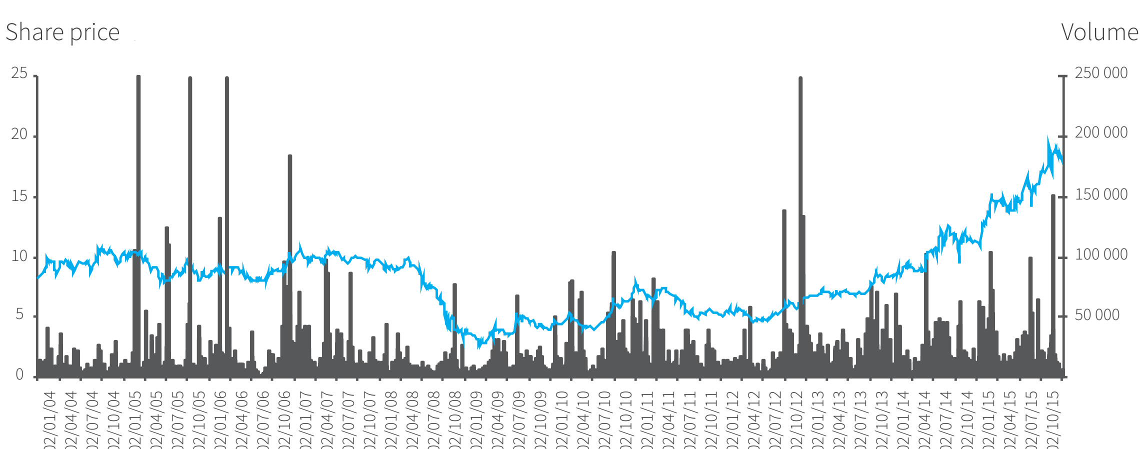
Evolution of the share in 2015

The share was quoted at its highest price on 6 November 2015, at EUR 19.46, at its lowest price on 14 January 2015 (EUR 10.96) and quoted EUR 18.50 on 31 December 2015. Market capitalization amounted to EUR 366.78 million on 31 December 2015.

2015: financial communication policy

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

Share price evolution (till January 2016)



Dividend policy

Generally, the Board of Directors wishes to strive for a pay-out ratio of more than 15%. In order to link the dividend to the cash flow expectations on the one hand and to reward the shareholders on the other hand, the Board strives to increase the dividend year after year. For the year 2015, the Board of Directors proposed the pay out of a dividend amounting to EUR 0.48 gross (EUR 0.3504 net) that will be made payable at the counters of Belfius Bank, ING Bank, BNP Paribas Fortis Bank, Bank Degroof and KBC Bank as from 17 May 2016, if approved by the General Shareholders' Meeting.

Share codes and classification

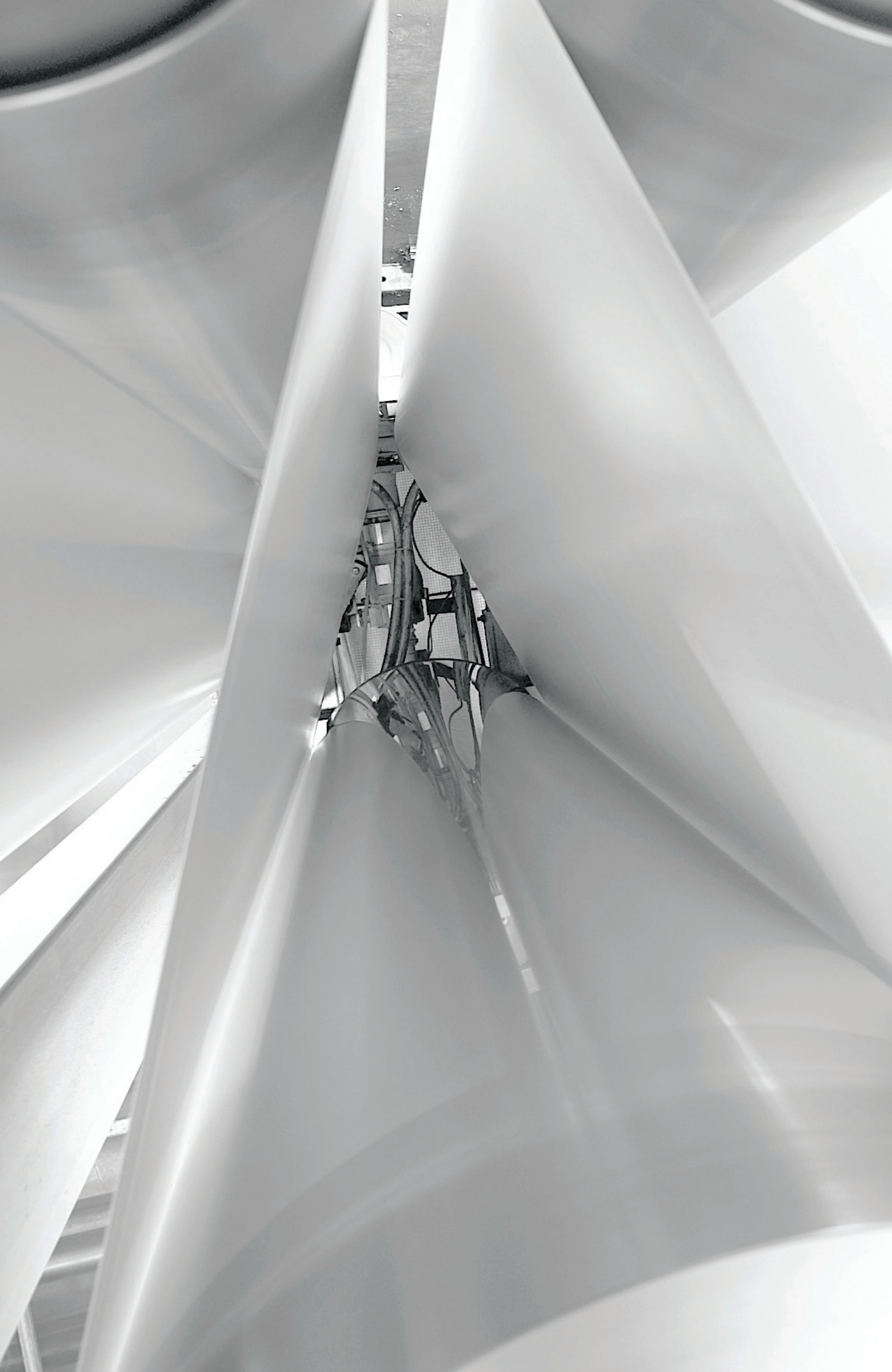
ISIN BE0003743573
Euronext code BE0003743573
Mnemo SIOE
Type Stock - Ordinary stock - Continuous
Market Euronext Brussels - Euronext - Local securities
Compartment B (Mid Cap)
ICB Sector classification:
3000, Consumer Goods
3700, Personal & Household Goods
3760, Personal Goods
3763, Clothing & Accessories
Reuters: SIOE.BR
Bloomberg: SIOE.BB

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

Declaration regarding the information given in this annual report 2015
The undersigned declare that:

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

Michèle Sioen, CEO
Geert Asselman, CFO



FINANCIAL OVERVIEW

1I COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Operating result:
The operating result from continuing operations has evolved from EUR 27.8 million last year to EUR 35.8 million over 2015 or an increase with 28.8%.

- An improved sales mix combined with raw material prices temporary suffering from a slow down in Asia
- Continued improvements in production efficiency both in apparel and coating
- Ever lasting cost consciousness

These are just a few of the drivers supporting the positive evolution in the operating result.

Financial result:
Financial result of the Group amounted to EUR -3.0 million over the year 2015 against EUR -4.0 million in 2014. The increase is mainly due to positive currency results.

Income tax:
Income tax amounts to EUR 10.2 million over the year 2015 against EUR 6.9 million over 2014.

Profit (loss) for the period from continuing operations:
The company recorded EUR 22.6 million profit over the year 2015 against EUR 16.9 million over 2014.

Profit (loss) for the period from discontinued operations:
The profit amounted to EUR 0.5 million over the year 2015, while a loss of EUR 0.4 million was recorded over the year 2014.

Net cash flow from continuing operations:
The net cash flow from continuing operations amounted to EUR 38.7 million over 2015 against EUR 37.9 million in 2014.

Dividend:
The Board of Directors will propose to the General Shareholders' Meeting to pay out a dividend of 0.48 Euro per share.

COATING DIVISION

The coating division specializes in the coating (applying a protective layer) of textiles. This division is fully vertically integrated. Everything starts with the extrusion of technical yarns (polyester), which are woven into technical fabric and then coated with various polymers (PVC, PU, silicons, etc.). The Group is the only player in the world with full competence in various coating technologies, each with its own specific products and markets. In 2015, the coating division achieved external sales from continuing operations of EUR 190.7 million versus EUR 182.1 million over the same period last year. Continuous strong demand in our core business line (transport) combined with the successful entry in the tensile architecture market have boosted sales by 4.7% compared to last year.

APPAREL DIVISION

This division stands for 'technical protective clothing'. The apparel division is an innovative producer of a wide range of high-quality technical protective garments that meet all European standards. Sioen Apparel is active in various sectors where attention to safety is a priority. Attention to customer needs, strong quality consciousness and continuing research and development, combined with technically advanced products, are the basis of the successful development of this division. In 2015, the apparel division achieved sales from continuing operations of EUR 97.0 million versus EUR 105.3 million over the same period last year, or a decrease with 7.9%. Anticipating the restructuring of some production facilities, Sioen decided early 2015 to stop the manufacturing of branded products. This stop combined with the extraordinary, one off, delivery to the Dutch police force in 2014, distorting the like for like comparison, resulted in the decrease compared to last year.

CHEMICALS DIVISION

Sioen Chemicals processes basic raw materials (PVC powders, pigments, etc.) into high quality technical semi-finished products (pigment pastes and inks) for a wide range of applications. In 2015, the chemicals division achieved sales from continuing operations of EUR 38.8 million versus EUR 39.2 million in 2014, or a decrease with 1.1%.

DIVISION OTHER

This division consists of the real estate activities.

2I CONSOLIDATED FINANCIAL STATEMENTS

2.1I CONSOLIDATED STATEMENT OF FINANCIAL POSITION / AT 31 DECEMBER 2015/ IN THOUSANDS OF EUROS

ASSETS	NOTE	2015	2014
Non-current assets			
Intangible assets	3.6.1	5 487	4 711
Goodwill	3.6.2	18 618	18 239
Property, plant and equipment	3.6.3	80 279	81 251
Investment property	3.6.4	5 647	6 329
Other long term assets	3.6.6	388	204
Deferred tax assets	3.6.17	5 909	5 502
TOTAL NON-CURRENT ASSETS		**116 328**	**116 236**
Current assets			
Inventories	3.6.7	85 366	86 346
Trade receivables	3.6.8	46 550	47 975
Other receivables	3.6.9	4 479	4 050
Other financial assets	3.6.9	19 030	46 998
Cash and cash equivalents	3.6.9	89 261	51 450
Deferred charges and accrued income	3.6.9	1 437	2 118
TOTAL CURRENT ASSETS		**246 123**	**238 937**
Assets related to discontinued operations	3.6.15		
TOTAL ASSETS		**362 451**	**355 173**

EQUITY & LIABILITIES	NOTE	2015	2014
Equity			
Share capital		46 000	46 000
Retained earnings		135 825	120 062
Other reserves		-7 868	-8 557
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	**2.4**	**173 957**	**157 505**
Non-controlling interest		0	0
TOTAL EQUITY	**2.4**	**173 957**	**157 505**
Non-current liabilities			
Borrowings	3.6.10		99 839
Provisions	3.6.12	1 667	1 330
Retirement benefit obligations	3.6.13	3 657	3 254
Deferred tax liabilities	3.6.17	8 175	8 396
Obligations under finance leases	3.6.11	5 619	7 034
Other amounts payable		14	3
TOTAL NON-CURRENT LIABILITIES		**19 132**	**119 856**
Current liabilities			
Trade and other payables	3.6.14	25 620	28 755
Borrowings	3.6.10	105 719	13 775
Provisions	3.6.12	749	572
Retirement benefit obligations	3.6.13	82	21
Current income tax liabilities	3.6.14	2 804	1 219
Social debts	3.6.14	10 099	9 789
Other amounts payable	3.6.14	4 583	3 835
Obligations under finance leases	3.6.11	1 561	1 949
Derivatives fair value		15 607	15 653
Accrued charges and deferred income	3.6.14	2 538	2 177
TOTAL CURRENT LIABILITIES		**169 362**	**77 745**
Liabilities directly associated with assets from discontinued operations	3.6.15		67
TOTAL EQUITY AND LIABILITIES		**362 451**	**355 173**

2.2I CONSOLIDATED INCOME STATEMENT / FOR THE YEAR ENDED 31 DECEMBER 2015

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

	NOTE	2015	2014
Net sales	3.5.1	326 395	326 558
Cost of sales	3.5.1	-246 353	-252 859
MANUFACTURING CONTRIBUTION		**80 042**	**73 699**
Sales and marketing expenses	3.5.1	-19 182	-17 029
Research and development expenses	3.5.1	-6 658	-5 950
Administrative expenses	3.5.1	-21 152	-20 306
Financial income		7 764	4 933
Financial charges		-10 786	-8 910
Other income	3.5.1	4 685	3 793
Other expenses	3.5.1	-325	-1 490
Non-recurring result (1)	3.5.1	-1 605	-4 911
PROFIT (LOSS) BEFORE TAXES		**32 782**	**23 829**
Income tax	3.5.2	-10 171	-6 918
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**22 612**	**16 911**
Profit (loss) for the period from discontinued operations	3.5.3.2	488	-415
GROUP PROFIT (LOSS)		**23 099**	**16 496**
Group profit (loss) attributable to shareholders of Sioen Industries		23 099	16 496
Group profit (loss) attributable to non-controlling interest		0	0
EBIT FROM CONTINUING OPERATIONS		**35 804**	**27 806**
EBIT		**36 170**	**27 775**
EBITDA FROM CONTINUING OPERATIONS		**51 863**	**48 761**
EBITDA		**52 161**	**48 720**
REBIT FROM CONTINUING OPERATIONS		**37 409**	**32 717**
REBIT		**37 775**	**32 686**
REBITDA FROM CONTINUING OPERATIONS		**52 509**	**49 146**
REBITDA		**52 807**	**49 105**
NET CASH FLOW FROM CONTINUING OPERATIONS		**38 670**	**37 867**
NET CASH FLOW		**39 090**	**37 441**

Non-GAAP measures are explained under the section 'definitions', p 157.

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

Earnings per share / in euro

		2015	2014
BASIC EARNINGS PER SHARE			
Net earnings for the period		**23 099 119**	**16 495 722**
Net earnings from continuing operations		22 611 557	16 911 138
Net earnings from discontinued operations		487 562	-415 416
Weighted average ordinary shares outstanding		**19 787 285**	**19 825 903**
Ordinary shares per 01 January		19 825 903	19 825 903
Ordinary shares per 31 December		19 779 933	19 825 903
Basic earnings per share		**1.17**	**0.83**
Basic earnings per share from continuing operations		**1.14**	**0.85**

DILUTED EARNINGS PER SHARE			
Net earnings for the period		**23 099 119**	**16 495 722**
Net earnings from continuing operations		22 611 557	16 911 138
Net earnings from discontinued operations		487 562	-415 416
Weighted average ordinary shares outstanding		**19 787 285**	**19 825 903**
Ordinary shares per 01 January		19 825 903	19 825 903
Ordinary shares per 31 December		19 779 933	19 825 903
Diluted earnings per share		**1.17**	**0.83**
Diluted earnings per share from continuing operations		**1.14**	**0.85**

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

	NOTE	2015	2014
Net sales		326 395	326 558
Changes in stocks and WIP (work in progress)		-3 906	2 287
Other operating income (2)		4 785	4 118
Raw materials and consumables used		-152 519	-165 643
GROSS MARGIN		**52.07%**	**49.98%**
Services and other goods		-50 490	-46 958
Remuneration, social security and pensions		-68 365	-67 448
Depreciations		-15 403	-16 470
Write off inventories and receivables		-104	584
Other operating charges (3)		-2 983	-4 311
Non-recurring result (1)		-1 605	-4 911
OPERATING RESULT		**35 804**	**27 806**
Financial result		-3 022	-3 977
Financial income		7 764	4 933
Financial charges		-10 786	-8 910
PROFIT (LOSS) BEFORE TAXES		**32 782**	**23 829**
Income tax	3.5.2	-10 171	-6 918
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Profit (loss) for the period from discontinued operations	3.5.3.2	488	-415
GROUP PROFIT (LOSS)		**23 099**	**16 496**
Group profit (loss) attributable to shareholders of Sioen Industries		23 099	16 496
Group profit (loss) attributable to non-controlling interest		0	0
EBIT FROM CONTINUING OPERATIONS		**35 804**	**27 806**
EBIT		**36 170**	**27 775**
EBITDA FROM CONTINUING OPERATIONS		**51 863**	**48 761**
EBITDA		**52 161**	**48 720**
REBIT FROM CONTINUING OPERATIONS		**37 409**	**32 717**
REBIT		**37 775**	**32 686**
REBITDA FROM CONTINUING OPERATIONS		**52 509**	**49 146**
REBITDA		**52 807**	**49 105**
NET CASH FLOW FROM CONTINUING OPERATIONS		**38 670**	**37 867**
NET CASH FLOW		**39 090**	**37 441**

Non-GAAP measures are explained under the section 'definitions', p 157.

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

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

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

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

	NOTE	2015	2014
GROUP PROFIT (LOSS)	**2.2.1**	**23 099**	**16 496**
Exchange differences on translating foreign operations			
Exchange difference arising during the period	2.4	1 135	1 456
Cash flow hedges			
Gains (losses) arising during the year	2.4	-22	-9 644
Income tax	2.4	7	3 278
Net other comprehensive income (loss) potentially to be reclassified to profit or loss in subsequent periods		***1 121***	***-4 910***
Remeasurement of defined benefit obligation			
Gains (losses) arising during the period	2.4	206	-465
Income tax	2.4	-56	132
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		***149***	***-332***
Other comprehensive income (loss) after tax impact		**1 270**	**-5 242**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**2.4**	**24 369**	**11 253**
Attributable to shareholders of Sioen Industries		24 369	11 253
Attributable to non-controlling interests		0	0

2. 3I CONSOLIDATED STATEMENT OF CASH FLOWS / FOR THE YEAR ENDED 31DECEMBER 2015 / IN THOUSANDS OF EUROS

	NOTE	2015	2014
GROUP PROFIT (LOSS)	**2.2.1**	**23 099**	**16 496**
Income tax (1)		10 049	7 303
Financial charges (1)		10 786	8 910
Financial income (1)		-7 764	-4 933
OPERATING RESULT(1)		**36 170**	**27 776**
Depreciation and amortisation of non-current assets		15 451	20 920
Write off inventories and receivables		104	-584
Provisions		436	532
Movements in working capital:			
Inventories		904	-940
Trade receivables		1 497	1 417
Other long term assets, other receivables & deferred charges and accrued income		1 034	745
Trade and other payables		-3 541	-333
Current income tax liabilities, social debts, other amounts payable & accrued charges and deferred income		849	-59
Amounts written off inventories and receivables		160	638
Cash flow from operating activities		*53 064*	*50 112*
Income taxes paid		-9 650	-5 336
NET CASH FLOW FROM OPERATING ACTIVITIES		**43 413**	**44 776**

(1) Including discontinued operations

	NOTE	2015	2014
Interest received		846	1 133
Other financial assets (deposits)		27 967	-10 000
Acquisitions/ sale of subsidiaries		-1 101	-1 900
Investments in intangible and tangible fixed assets		-13 287	-8 280
Disposal and sale of intangible and tangible fixed assets		507	490
NET CASH FLOW FROM INVESTING ACTIVITIES		**14 933**	**-18 557**
Net cash flow before financing activities		*58 347*	*26 219*
Purchase of treasury shares		-581	
Interest paid		-5 657	-5 968
Disbursed dividend		-7 312	-6 683
Decrease long term borrowings		-99 839	
Increase/ (decrease) short term borrowings		91 881	-2 361
Increase/ (decrease) obligations under finance leases		-1 802	-2 691
Other		110	589
Currency result		1 491	229
NET CASH FLOW FROM FINANCING ACTIVITIES		**-21 711**	**-16 885**
Impact of cumulative translation adjustments and hedging		1 175	1 456
CHANGE IN CASH AND CASH EQUIVALENTS		**37 811**	**10 790**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**51 450**	**40 660**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**2.1**	**89 261**	**51 450**

2. 4I CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / FOR THE YEAR ENDED 31 DECEMBER 2015 / IN THOUSANDS OF EUROS

			OTHER RESERVES								
	SHARE CAPITAL	**RESERVES**	**FOREIGN CURRENCY TRANSLATION RESERVE**	**REVALUATION SURPLUS**	**PENSION RESERVES**	**TREASURY SHARES**	**HEDGING RESERVES**	**EQUITY BEFORE NON-CONTROLLING INTEREST**	**NON-CONTROLLING INTEREST**	**EQUITY**	**NOTE**
BALANCE AT 1 JANUARY 2015	**46 000**	**120 062**	**1 159**	**76**	**-324**		**-9 468**	**157 505**		**157 505**	**2.1**
Group profit (loss)		23 099						23 099		23 099	2.2.1
Hedging							-22	-22		-22	2.2.3
Currency translation adjustments			1 135					1 135		1 135	2.2.3
Remeasurement of defined benefit obligation					206			206		206	2.2.3
Deferred tax					-56		7	-49		-49	2.2.3
Total comprehensive income (loss) for the period		23 099	1 135		150		-15	24 369		24 369	2.2.3
Payment of dividends		-7 336						-7 336		-7 336	
Purchase of treasury shares						-581		-581		-581	
Adjustments linked to treasury shares											
Cancellation of treasury shares purchased											
BALANCE AT 31 DECEMBER 2015	**46 000**	**135 825**	**2 294**	**76**	**-174**	**-581**	**-9 483**	**173 957**		**173 957**	**2.1**

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

3I NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS/ FOR THE YEAR ENDED 31 DECEMBER 2015

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

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2015, all of which were endorsed by the European Union.

Standards and interpretations applicable for the annual period beginning on 1 January 2015

- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2015)
- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 17 June 2014)

The impact of IFRIC 21 is that several levies are no longer allowed to be spread over the calendar year, as the obligating event occurs at a specific point in time and after which the Group can no longer avoid the outflow of economic benefit by its own actions. This has impacted the Group's financials as per 30 June, 2015 and 2014, with both EUR 1.2 million.

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

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2015

- IFRS 9 *Financial Instruments and subsequent amendments* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in EU)
- IFRS 16 *Leases* (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in EU)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 *Presentation of Financial Statements – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 7 *Statement of Cash Flows – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in EU)
- Amendments to IAS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in EU)
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 19 *Employee Benefits - Employee Contributions* (applicable for annual periods beginning on or after 1 February 2015)

The company is still in process of assessing the potential impact of IFRS 15 at initial application.

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

3. 2I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.2.1. Statement of compliance

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

3.2.2. Basis of preparation

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

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

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

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

3.2.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). The Company controls an entity if and only if the Company has all of the following elements:

- power of the entity, i.e. the Company has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the entity's returns)
- exposure, or rights, to variable returns from its involvement with the entity
- the ability to use its power over the entity to affect the amount of the Company's returns.

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

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

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

Foreign currencies

On the basis of the Group's relevant economic environment and its transactions, the euro has been chosen as the reporting currency. Foreign subsidiaries' financial statements are converted as follows:

transactions in foreign currencies are converted at the exchange rate which is applicable on the date of the transaction. On each balance sheet date, cash assets and liabilities expressed in foreign currency are converted at the closing rate. Non-cash assets and liabilities which are shown at their fair value in a foreign currency are converted at the exchange rate which is applicable when their fair value was determined.

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

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

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

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

Business combinations

If the Group takes over an entity or business activity, the identifiable assets, liabilities and contingent liabilities of the party which has been taken over are adopted at their fair value. Subsidiaries' financial statements are included in the scope of consolidation from the date of acquisition until control ceases. Goodwill is measured as the difference between the aggregate of (i) the value of the consideration transferred (generally at fair value), (ii) the amount of any non-controlling interest, and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquire, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with IFRS 3). If this difference is negative, the surplus, after reassessment of the fair values, is accounted for directly in the income statement.

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

3.2.4. Balance sheet

Intangible assets

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

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

Internally generated intangible assets are only recognized if all the following conditions are satisfied:

- an identifiable asset has been generated;
- it is likely that the generated asset will yield future economic benefits and
- the asset's cost price can be reliably determined.

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

Licences, patents and similar rights

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

Computer software

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

Research and development

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

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

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

Goodwill

Goodwill is measured as the difference between the aggregate of (i) the value of the consideration transferred (generally at fair value), (ii) the amount of any non-controlling interest, and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquire, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with IFRS 3). If this difference is negative, the surplus, after reassessment of the fair values, is accounted for directly in the income statement.

Goodwill is recorded as an asset and subjected to an impairment test at least once a year. Any impairment loss is immediately recorded in the profit and loss account and is not subsequently written back.

On the disposal of a subsidiary, associated undertaking or entity over which joint control is exercised, the related goodwill is included in the calculation of the gain or loss on disposal.

Property, plant and equipment

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

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

Subsequent expenditure associated with a tangible asset is usually recorded in the income statement as it is incurred. Such expenditure is only capitalized if it can be clearly shown to result in an increase in the expected future economic benefits from the use of the tangible asset compared with the original estimate.

Repair and maintenance costs which do not increase the likely future economic benefits are recorded as costs as they are incurred.

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

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

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

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

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

Impairment of tangible and intangible assets

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

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

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

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

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

Borrowing costs

The borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred. In 2015 no borrowing costs were capitalized.

Lease agreements

Financial leasing

Lease agreements which assign to the Group all the main risks and benefits associated with ownership are regarded as financial leasing. The assets acquired under financial leasing arrangements are stated in the balance sheet at their fair value at the start of the lease agreement, or, if this is lower, at the present value of the minimum lease payments, less accumulated depreciation and impairments.

The discount rate used in the calculation of the present value of the minimum lease payments is the interest rate implicit in the lease agreement, where this can be determined, or otherwise the company's marginal borrowing rate. Initial direct costs are included in the capitalized amount. Lease payments are broken down into interest charges and repayments of the principal. The interest charges are spread over the duration of the lease agreement such that a constant periodic interest rate is obtained on the outstanding balance for each period. A financial lease agreement results in the recording of both a depreciation amount and an interest charge in each period. The depreciation rules for assets acquired under financial leasing arrangements are consistent with those for assets over which full ownership is acquired.

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

Investment property
A property investment, i.e. one which is maintained in order to generate rental income, an appreciation of value or both, is shown at amortized cost on the balance sheet date. The estimated economic life of the investment property is between 10 and 20 years.

Financial investments
Investments are recorded in/ removed from the accounts on the transaction date, i.e. the date on which an entity undertakes to buy or sell the asset in question. Financial investments are valued at the fair value of the price paid, plus the transaction costs. Investments held for trading or available for sale are recorded at their fair value. If investments are maintained for trading purposes, the gains and losses arising from changes in the fair value are taken to the profit and loss account for the period in question. In the case of investments which are available for sale, gains and losses arising from changes in the fair value are immediately recognized in equity until the financial asset is sold or subject to impairment.

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

Investment grants
Investment grants relating to the purchase of tangible fixed assets are offset against the purchase price or manufacturing cost of the assets in question. The expected amount is recorded in the balance sheet at the time of initial approval, and, if necessary, corrected subsequently at the time of definitive allocation of the grant. The grant is recorded in the income statement in proportion with the depreciation of the tangible assets for which it was obtained.

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

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

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

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

Income tax
Income tax expense represents the sum of the tax due for the reporting period and deferred taxes. The tax due for the reporting period is based on the taxable profit for the period. Taxable profit differs from the net profit in the income statement, because it excludes certain items of income or expenditure which are taxable or deductible in subsequent years, or which will never be taxable or deductible. The current tax liability is calculated on the basis of the tax rates for which the legislative process has been (substantially) completed by the balance sheet date.

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

Deferred tax liabilities are recognized for taxable temporary differences which relate to investments in subsidiaries, associated undertakings and enterprises accounted for by the equity method unless the Group can determine the time when the temporary difference will be resolved or if it is likely that the temporary difference will not be resolved in the near future.

The book value of deferred tax receivable is assessed at every balance sheet date and reduced if it is no longer likely that sufficient taxable profit will be available to make it possible to use all or some of the benefit of the deferred tax receivable.

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

Retirement benefit obligation

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

Defined contribution plans

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

Defined benefit plans

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

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

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

Provisions

Provisions are established in the balance sheet if the Group has a legally enforceable or de facto liability on the balance sheet date as a result of an event in the past, for which it is likely that an outlay will be required of resources which contain economic benefits, and if this outlay can be reliably estimated. The amount recorded as a provision is the best estimate on the balance sheet date of the outlay required to satisfy the existing liability, if necessary discounted if the time value of money is relevant.

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

Interest-bearing financing

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

Trading accounts payable and other payables

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

Derivative financial instruments

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

Derivative financial instruments are treated as follows:

Cash flow hedging

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

Fair value hedging

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

Non-hedging derivatives

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

Revenue

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

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

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources (for example useful life of property, plant and equipment, assessment recoverability of deferred tax assets, estimates in measuring defined benefit obligations). The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment analysis 2015

In order to provide the stakeholders with in-depth knowledge as to the financial strength of the Group, we assessed the recoverable amount of goodwill for each of the cash-generating units (see also 3.3. Segment information). Actual cash flows may differ from the estimated cash flows in case key assumptions vary from the estimates. In 2015, there were no cash-generating units for which there was an indicator of impairment.

Key assumptions impairment analysis 2015

The recoverable amount of our global business has been determined on the basis of a value-in-use approach. Calculations of the value in use cover a five-year period. Cash flow estimates are based on strategic plans in line with the current operational structure, which are approved by management, as well as on assumptions used in the strategic plans on the long-term development of the business environment. Estimates on future growth rates, market positions and profitability levels are the most important key assumptions. Price development of a single cost item has no material impact whereas the estimated development of total costs affects the profitability level, which is one of the key assumptions. Capital expenditure is estimated to be comprised of normal replacements. The terminal growth rate used in the calculations is based on the management's assessment on long term growth. Growth rate for 2016 is estimated at 4.6%. Future growth rate (<5 years), starting from 2017, varies between 4% and 5% based on detailed forecasts, and the terminal growth rate (> 5 years) are estimated at 2%, based on analyst forecasts and historical rates.

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

Key assumptions impairment analysis 2014

We can refer to the key assumptions used for impairment analysis 2015 as described above. The key assumptions used were the same.

The amount by which the division's recoverable amount exceeds its carrying amount has been assessed as follows:
0-20% exceeds moderately
20-50% exceeds clearly
Over 50% exceeds significantly

2015	CARRYING AMOUNT IN RELATION TO RECOVERABLE AMOUNT OF CASH GENERATING UNITS WITH SIGNIFICANT CARRYING AMOUNTS OF ASSETS	RECOVERABLE AMOUNT EXCEEDING CARRYING AMOUNT OF CASH GENERATING UNITS WITH SIGNIFICANT CARRYING AMOUNTS OF ASSETS (000 EUR)
Coating division	exceeds significantly	121 655
Apparel division	exceeds significantly	45 812
Chemicals division	exceeds significantly	43 461

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

Sensitivities

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

2015	EXCESS DISCOUNTED CASH FLOW (DCF) VERSUS CARRYING VALUE (%)	CHANGE IN EXCESS RECOVERABLE AMOUNT IF EBIT IN RESIDUAL VALUE DECREASES WITH 1% (1)	CHANGE IN EXCESS RECOVERABLE AMOUNT IF SALES GROWTH RATE DECREASES WITH 1% AND EBIT IN RESIDUAL VALUE DECREASES WITH 1% (1)	CHANGE IN EXCESS RECOVERABLE AMOUNT IF DISCOUNT RATE INCREASES WITH 1%	CHANGE IN EXCESS RECOVERABLE AMOUNT IF DISCOUNT RATE DECREASES WITH 1%	CHANGE IN EXCESS RECOVERABLE AMOUNT IF LONG TERM GROWTH RATE DECREASES WITH 1%
Coating division	100.0%	-3.1%	-43.7%	-30.8%	44.8%	-25.0%
Apparel division	84.6%	-3.9%	-43.7%	-31.4%	43.6%	-25.0%
Chemicals division	229.6%	-2.1%	-27.5%	-20.7%	29.3%	-16.6%

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

(1) A 1% decrease of the nominal value of EBIT

3. 3I SEGMENT INFORMATION

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

/ in thousands of euros

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

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

Cash-generating units

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

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

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

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

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

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

These principal activities coincide with the main product groups.

Segment revenues and results

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

YEAR ENDED 31 DECEMBER 2015	COATING	APPAREL	CHEMICALS	OTHER	TOTAL FROM CONTINUING OPERATIONS	NOTE
Revenue from external customers	190 684	96 963	38 748		**326 395**	**2.2.1**
Intersegment revenues	4 139	36	8 799			
Segment operating result	25 547	8 680	4 832	811	**39 871**	
YEAR ENDED 31 DECEMBER 2014						
Revenue from external customers	182 072	105 314	39 173	-1	**326 558**	**2.2.1**
Intersegment revenues	5 161	2	8 451			
Segment operating result	14 542	12 040	4 256	-39	**30 799**	

Intersegment sales are undertaken at prevailing market conditions.

	NOTE	2015	2014
SEGMENT OPERATING RESULT		**39 871**	**30 799**
Reconciling items:			
Elimination of intersegment results		-4 066	-2 993
OPERATING RESULT	**2.2.2**	**35 804**	**27 806**
Financial charges	2.2.2	-10 786	-8 910
Financial income	2.2.2	7 764	4 933
PROFIT (LOSS) BEFORE TAX	**2.2.2**	**32 782**	**23 829**

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

Segment assets and liabilities

	COATING	APPAREL	CHEMICALS	OTHER	UNALLOCATED/ ELIMINATIONS	TOTAL	NOTE
YEAR ENDED 31 DECEMBER 2015							
Segment assets	230 862	96 258	37 220	9 912	-11 801	**362 451**	2.1
Segment liabilities	104 427	40 071	14 990	42 486	-13 481	**188 494**	
YEAR ENDED 31 DECEMBER 2014							
Segment assets	224 867	99 675	32 495	10 395	-12 261	**355 173**	2.1
Segment liabilities	108 258	48 045	14 366	44 162	-17 229	**197 601**	

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

Information about major customers

There is no reliance on a limited number of customers and there are no revenues from transactions with a single external customer amounting to 10% or more of the total Group revenues. We refer to note 3.6.8. Trade receivables.

Other segment information

	COATING	APPAREL	CHEMICALS	OTHER	HEAD OFFICE	TOTAL	NOTE
YEAR ENDED 31 DECEMBER 2015							
Depreciations and amortisation	10 900	1 669	1 447	232	1 154	**15 403**	2.2.2
Additions to non-current assets	9 141	1 121	3 468		1 123	**14 852**	
YEAR ENDED 31 DECEMBER 2014							
Depreciations and amortisation	11 342	1 590	2 079	239	1 220	**16 470**	2.2.2
Additions to non-current assets	4 503	1 216	683	18	1 818	**8 238**	

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

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

2015	NOTE	GROSS SALES		NON-CURRENT ASSETS	CAPITAL EXPENDITURE
France		60 618	18.5%	8 458	1 623
Germany		53 956	16.4%		
Eastern Europe		41 604	12.7%	2 313	123
Belgium		33 984	10.3%	88 544	12 737
The Netherlands		32 115	9.8%	6 170	2
UK		28 104	8.6%	6	
Italy		14 871	4.5%		
Austria		8 705	2.7%		
Spain		7 613	2.3%		
Scandinavia		7 040	2.1%		
Switzerland		5 972	1.8%		
China		5 801	1.8%	41	1
Ireland		4 645	1.4%	53	57
Portugal		4 432	1.3%	322	6
Other		18 890	5.8%	4 127	304
SUBTOTAL		**328 349**	**100.0%**	**110 032**	**14 852**

Discounts		1 953
NET SALES	**2.2.1**	**326 395**

2014	NOTE	GROSS SALES		NON-CURRENT ASSETS	CAPITAL EXPENDITURE
France		61 058	18.6%	8 506	933
Germany		54 528	16.6%		
Eastern Europe		41 603	12.7%	2 557	615
Belgium		31 863	9.7%	87 777	6 343
The Netherlands		36 699	11.2%	6 385	24
UK		24 085	7.3%	11	
Italy		12 834	3.9%		
Austria		9 415	2.9%		
Spain		7 664	2.3%		
Scandinavia		7 323	2.2%		
Switzerland		6 196	1.9%		
China		5 303	1.6%	43	
Ireland		3 394	1.0%	91	
Portugal		4 335	1.3%	349	81
Other		22 262	6.8%	4 811	242
SUBTOTAL		**328 562**	**100.0%**	**110 530**	**8 238**

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

3. 4I EXCHANGE RATES

CODE	RATE	2015	2014
EUR	average	1.0000	1.0000
	closing	1.0000	1.0000
USD	average	1.1045	1.3211
	closing	1.0887	1.2141
GBP	average	0.7242	0.8031
	closing	0.7339	0.7789
RMB	average	6.9469	8.1539
	closing	7.0607	7.5358
PLN	average	4.1841	4.1939
	closing	4.2638	4.2731
TDN	average	2.1757	2.2496
	closing	2.2188	2.2622
UAH	average	24.4858	16.0927
	closing	26.1233	19.1424

3. 5I DETAILED CONSOLIDATED INCOME STATEMENT

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

	NOTE	2015	2014
Net sales			
Sales of goods		331 406	331 754
Subcontracting		218	207
Commissions and discounts		-5 229	-5 403
NET SALES	**2.2.1**	**326 395**	**326 558**
Cost of sales			
Purchases		-149 990	-158 354
Transport cost goods purchased		-1 479	-1 725
Stock variation		-1 918	526
Subcontracting		-3 028	-3 792
Remuneration, social security and pensions		-42 195	-43 131
Depreciations		-12 616	-13 197
Other services and goods		-34 746	-33 421
Write off inventories and receivables		-382	235
COST OF SALES	**2.2.1**	**-246 353**	**-252 859**
Sales and marketing expenses			
Subcontracting		-1	
Remuneration, social security and pensions		-12 265	-11 452
Depreciations		-105	-96
Other services and goods		-6 712	-5 831
Write off inventories and receivables		-98	350
SALES AND MARKETING EXPENSES	**2.2.1**	**-19 182**	**-17 029**
Research and development expenses			
Stock varation		-7	-10
Remuneration, social security and pensions		-4 757	-4 367
Depreciations		-166	-151
Other services and goods		-1 728	-1 422
RESEARCH AND DEVELOPMENT EXPENSES	**2.2.1**	**-6 658**	**-5 950**

	NOTE	2015	2014
Administrative expenses			
Remuneration, social security and pensions		-9 149	-8 499
Depreciations		-2 516	-3 026
Other services and goods		-9 863	-8 781
Write off inventories and receivables		375	
ADMINISTRATIVE EXPENSES	**2.2.1**	**-21 152**	**-20 306**

Other income			
Gains on disposal of items of PPE		364	243
Received indemnities		487	269
Received rent		1 446	1 396
Other		2 388	1 885
OTHER INCOME	**2.2.1**	**4 685**	**3 793**

Other expenses			
Losses on disposal of items of PPE		-58	-134
Provision liabilities & charges		407	-543
Local taxes		-589	-680
Other		-86	-133
OTHER EXPENSES	**2.2.1**	**-325**	**-1 490**

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

	NOTE	2015	2014
Non-recurring result			
Additional depreciation			-4 532
Restructuring provisions		-911	
Impairment loss		-48	
Restructuring expenses		-646	-379
NON-RECURRING RESULT	**2.2.1**	**-1 605**	**-4 911**
Financial result			
Interests received		801	1 110
Interests paid		-5 582	-5 860
Interest result		**-4 781**	**-4 751**
Currency income trade receivables		1 025	604
Currency income trade payables		589	339
Currency expenses trade receivables		-140	-133
Currency expenses trade payables		-799	-530
Currency result other		816	-37
Realized currency result		**1 491**	**243**
Revaluation income trade receivables		-231	293
Revaluation income trade payables		60	333
Revaluation expenses trade receivables		58	-77
Revaluation expenses trade payables		-15	-428
Fair value hedging instruments		-125	63
Gain (loss) arising from cash flow hedges		30	414
Revaluation other		530	-114
Unrealized currency result		**307**	**484**
Other		-38	46
FINANCIAL RESULT	**2.2.2**	**-3 022**	**-3 977**
Income tax			
Current tax		-11 112	-5 223
Deferred tax		941	-1 695
INCOME TAX	**3.5.2**	**-10 171**	**-6 918**
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**2.2.1**	**22 611**	**16 911**
Profit (loss) for the period from discontinued operations	3.5.3.2	488	-415
GROUP PROFIT (LOSS)	**2.2.1**	**23 099**	**16 496**

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

	NOTE	2015		2014	
Profit (loss) before taxes	2.2.1	32 782		23 829	
INCOME TAX EXPENSE CALCULATED AT THEORETICAL TAX RATE (1)		**10 645**	**32.5%**	**7 607**	**31.9%**
Tax impact of:					
effect of expenses that are not deductible in determining taxable profit		612	1.9%	503	2.1%
effect of revenue under favourable tax regime (2)		-70	-0.2%	- 427	-1.8%
withholding taxes		363	1.1%	196	0.8%
deferred tax assets not recognized		9	-0.0%	113	0.5%
tax assets recognized on previously not recognized losses		-195	-0.6%	- 778	-3.3%
adjustments recognized in current year in relation to the current tax of prior year		-271	-0.8%	- 619	-2.6%
notional interest deduction		-340	-1.0%	- 454	-1.9%
changes in tax regulations (3)				164	0.7%
deferred tax liability related to undistributed reserves (4)		-582	-1.8%	613	2.6%
INCOME TAX EXPENSE RECOGNIZED IN PROFIT OR LOSS	**2.2.1**	**10 171**	**31.0%**	**6 918**	**29.0%**

(1) Weighted average tax rate
(2) Corporate income tax rates of 10% or lower are considered as favorable tax regimes
(3) 2014: changed tax regime in Tunisia
(4) 2015: reverse of deferred tax liability set up in 2014 for reserve distribution Tunisia to Belgium (double tax treaty, no DBI deductibility for result 2014)

3. 5. 3I Discontinued operations

3.5.3.1I Abandoning of the ‘specialized automotive foils in small batches’ business

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

The ‘specialized automotive foils in small batches’ business relates to the division coating.

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

The combined results of the discontinued operations included in the income statement are set out below. The discontinued operations have been classified and accounted for at 31 December 2015 as a disposal Group related to discontinued operations.

	NOTE	2015	2014
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS			
Net sales			
Other operating income		330	3
Expenses		36	-33
PROFIT (LOSS) BEFORE TAX		**366**	**-30**
Attributable income tax		122	-385
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**2.2.1**	**488**	**-415**
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Net cash flow from operating activities		-22	-25
Net cash flow from investing activities		330	
Net cash flow from financing activities			
NET CASH FLOW		**308**	**-25**

In 2015 and 2014, the income statement from discontinued operations mainly consists of costs related to the ‘specialized automotive foils in small batches’ business (3.5.3.1). In 2015, land and a building, part of the discontinued operations, for which a provision for sanitation has been set up, has been sold. The gain on the sale is recognized in the result from discontinued operations.

3. 5. 4I Dividends

The proposed gross dividend for the period ending 31 December 2015 is EUR 0.48 per share or EUR 9 494 368 in total. The proposed dividend awaits shareholders’ approval at the General Shareholders’ Meeting and is not shown as a liability in these financial statements.

The gross dividend for the period ending 31 December 2014 amounted to EUR 0.37 per share or EUR 7 335 584 in total.

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

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

Total additions of intangible assets amount to EUR 2.4 million in 2015 compared with EUR 1.2 million in 2014. Additions in 2015 and 2014 mainly relate to the acquisition of software in the apparel division.

Amortization expenses of intangible assets amount to EUR 1.8 million in 2015 (2014: EUR 2.4 million). Amortization expenses have been included in the line item depreciation in the income statement by nature and are shown mainly in administrative expenses in the income statement by function.

An impairment analysis has been done at the end of 2015. As in 2014, no impairments were recorded. The recoverable amount of the relevant assets has been determined on the basis of their value in use. When related to continuing operations, impairment losses are included in the line item non-recurring result in the income statement.

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

2015	FORMATION EXPENSES	DEVELOPMENT EXPENSES	CONCESSIONS, PATENTS, LICENCES ETC.	SOFTWARE	CUSTOMER PORT-FOLIO	TOTAL	NOTE
ACQUISITION							
Opening balance	**1**		**11 868**	**16 064**	**7 740**	**35 673**	
Additions			883	1 190	368	**2 441**	
Disposals	-5		-17	-117		**-139**	
Sales							
Transfers							
Effect of foreign currency exchange differences			11	40		**50**	
Acquired through business combinations		30	145	7		**182**	3.6.19
Movement on held for sale							
Closing balance	**-4**	**30**	**12 889**	**17 184**	**8 107**	**38 207**	

DEPRECIATION							
Opening balance	**1**		**10 306**	**13 550**	**7 105**	**30 962**	
Disposals	-5		-17	-116		**-138**	
Sales							
Transfers							
Effect of foreign currency exchange differences			11	39		**50**	
Amortisation expenses		14	501	1 104	228	**1 847**	
Movement on held for sale							
Closing balance	**-4**	**14**	**10 801**	**14 577**	**7 333**	**32 721**	

NET BOOK VALUE							
Opening balance			**1 562**	**2 514**	**635**	**4 711**	**2.1**
Closing balance		**16**	**2 090**	**2 607**	**774**	**5 487**	**2.1**

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

DEPRECIATION							
Opening balance	**1**		**9 246**	**12 597**	**7 000**	**28 844**	
Disposals			-10	-275		**-285**	
Sales							
Transfers							
Effect of foreign currency exchange differences			11	40		**51**	
Amortisation expenses			1 059	1 188	105	**2 352**	
Movement on held for sale							
Closing balance	**1**		**10 306**	**13 550**	**7 105**	**30 962**	

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

3. 6. 21 Goodwill / in thousands of euros

	NOTE	2015	2014
Opening balance		**18 239**	**18 244**
Additions		384	
Disposals			
Sales			
Transfers			
Effect of foreign currency exchange differences		-4	-5
Acquired through business combinations			
Amortisation expenses			
Impairment losses recognized in profit or loss			
Movement on held for sale			
Closing balance	**2. 1**	**18 618**	**18 239**

ALLOCATION TO SEGMENTS	2015
Coating	11 211
Apparel	2 797
Chemicals	4 610

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

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

- Coating division
- Apparel division
- Chemicals division

The carrying amount of goodwill acquired in a business combination is allocated on a reasonable and consistent basis to each division, in conformity with IAS 36. For the discount factors used, applied in the value in use model, we refer to 3.2.5, Impairment analysis 2015. Management bases its assumptions on past performances and on its expectations over the coming years. An impairment analysis has been done at the end of 2015. No impairment losses have been recognized in the year.

The additions in goodwill in 2015 relate to business combinations. We refer to 3.6.19. Business combinations and disposal of subsidiaries.

3. 6. 3I Property, plant and equipment

During 2015, the total additions of property, plant and equipment amounted to EUR 12.0 million.

The main additions in 2015 were:

- EUR 2.6 million: investment in land at the chemicals division
- EUR 2.5 million: investment in new machinery at Sioen Industries, spinning department
- EUR 1.3 million: investment in new machinery at Sioen Industries, weaving department
- EUR 0.9 million: investment in new machinery at Saint Frères
- EUR 0.9 million: investment in new machinery at Sioen Fabrics
- EUR 0.8 million: investment in new machinery at Sioen Industries, coating department
- EUR 0.6 million: investment in infrastructure buildings
- EUR 0.5 million: investment in new machinery at Sioen Industries, online coating department
- EUR 0.3 million: investment in new machinery at the chemicals division

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

The main additions in 2014 were:

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

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

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

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

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

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

2015	LAND	BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, VEHICLES AND HARDWARE	LEASING AND OTHER SIMILAR OBLIGATIONS	ASSETS UNDER CONSTRUCTION	TOTAL	NOTE
ACQUISITION								
Opening balance	**14 557**	**64 611**	**177 720**	**13 621**	**30 210**	**14**	**300 733**	
Additions	2 556	813	7 718	503	275	161	**12 027**	
Disposals		-136	-2 252	-728	-4		**-3 121**	
Sales			-511	-441			**-951**	
Transfers				40	-40			
Effect of foreign currency exchange differences	40	647	832	371		2	**1 892**	
Acquired through business combinations			554	43	1		**598**	3.6.19
Transfer to investment property								
Movement on held for sale								
Closing balance	**17 154**	**65 934**	**184 062**	**13 410**	**30 441**	**177**	**311 177**	
IMPAIRMENT								
Opening balance		**9**	**1 500**				**1 509**	
Disposals								
Sales								
Transfers								
Effect of foreign currency exchange differences								
Impairment losses recognized in profit or loss			48				**48**	
Transfer to investment property								
Movement on held for sale								
Closing balance		**9**	**1 548**				**1 557**	

2015	LAND	BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, VEHICLES AND HARDWARE	LEASING AND OTHER SIMILAR OBLIGATIONS	ASSETS UNDER CONSTRUCTION	TOTAL	NOTE
DEPRECIATION								
Opening balance	**59**	**47 853**	**142 098**	**12 150**	**15 813**		**217 973**	
Disposals		-75	-2 078	-723	-7		**-2 882**	
Sales			-236	-398			**-634**	
Transfers				40	-40			
Effect of foreign currency exchange differences	7	443	759	348			**1 558**	
Depreciation	46	2 780	8 290	579	1 630		**13 324**	
Transfer to investment property								
Movement on held for sale								
Closing balance	**113**	**51 002**	**148 834**	**11 996**	**17 396**		**229 340**	
NET BOOK VALUE								
Opening balance	**14 498**	**16 749**	**34 122**	**1 471**	**14 397**	**14**	**81 251**	**2.1**
Closing balance	**17 041**	**14 923**	**33 678**	**1 414**	**13 046**	**177**	**80 279**	**2.1**

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

2014	LAND	BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, VEHICLES AND HARDWARE	LEASING AND OTHER SIMILAR OBLIGATIONS	ASSETS UNDER CONSTRUCTION	TOTAL	NOTE
ACQUISITION								
Opening balance	**14 520**	**64 171**	**176 494**	**13 009**	**30 210**	**14**	**298 418**	
Additions		914	5 231	877			**7 022**	
Disposals		-894	-4 783	-497			**-6 174**	
Sales	-5	-260	-20	-150			**-435**	
Transfers								
Effect of foreign currency exchange differences	42	680	798	381			**1 901**	
Acquired through business combinations								
Transfer to investment property								
Movement on held for sale								
Closing balance	**14 557**	**64 611**	**177 720**	**13 621**	**30 210**	**14**	**300 733**	

2014	LAND	BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, VEHICLES AND HARDWARE	LEASING AND OTHER SIMILAR OBLIGATIONS	ASSETS UNDER CONSTRUCTION	TOTAL	NOTE
IMPAIRMENT								
Opening balance		**9**	**1 500**				**1 509**	
Disposals								
Sales								
Transfers								
Effect of foreign currency exchange differences								
Impairment losses recognized in profit or loss								
Transfer to investment property								
Movement on held for sale								
Closing balance		**9**	**1 500**				**1 509**	

2014	LAND	BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, VEHICLES AND HARDWARE	LEASING AND OTHER SIMILAR OBLIGATIONS	ASSETS UNDER CONSTRUCTION	TOTAL	NOTE
DEPRECIATION								
Opening balance	**15**	**45 542**	**132 665**	**11 961**	**14 232**		**204 415**	
Disposals		-881	-4 780	-493			**-6 153**	
Sales			-10	-132			**-142**	
Transfers								
Effect of foreign currency exchange differences	5	450	712	355			**1 522**	
Depreciation	39	2 742	13 511	459	1 581		**18 331**	
Transfer to investment property								
Movement on held for sale								
Closing balance	**59**	**47 853**	**142 098**	**12 150**	**15 813**		**217 973**	
NET BOOK VALUE								
Opening balance	**14 505**	**18 620**	**42 329**	**1 049**	**15 978**	**14**	**92 495**	
Closing balance	**14 498**	**16 749**	**34 122**	**1 471**	**14 397**	**14**	**81 251**	2.1

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

3.6.3.1 Assets pledged as security

There are no mortgages secured on the property, plant and equipment. The Group's obligations under finance leases (see note 3.6.11) are secured by the lessor's title to the leased assets.

3.6.3.2. Impairment losses recognized

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

In 2015, the Group carried out a review of the recoverable amount of its manufacturing plant and equipment. We refer to 3.2.5, Impairment analysis 2015.

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

3.6.3.3 Contractual commitments

At 31 December 2015, the Group did not have any material contractual commitments for the acquisition of property, plant & equipment.

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

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

	NOTE	2015	2014
ACQUISITION			
Opening balance		**7 401**	**7 575**
Additions			18
Disposals			
Sales		-953	-155
Transfers			
Effect of foreign currency exchange differences		97	-37
Acquired through business combinations			
Transfer to investment property			
Closing balance		**6 545**	**7 401**
DEPRECIATION			
Opening balance		**1 072**	**901**
Disposals			
Sales		-446	
Transfers			
Effect of foreign currency exchange differences		42	-61
Depreciation		231	232
Closing balance		**899**	**1 072**
NET BOOK VALUE			
Opening balance		**6 329**	**6 674**
Closing balance	**2. 1**	**5 647**	**6 329**

In 2015, land and a building in the USA have been sold. In 2014, there were no significant movements.

In 2015 total rental income amounted to EUR 1.2 million. Direct operation expenses relative to those industrial buildings amounted to EUR 0.8 million.
In 2014 total rental income amounted to EUR 1.1 million. Direct operation expenses relative to those industrial buildings amounted to EUR 0.9 million.

Based on valuation reports, the fair value of investment property amounts to approximately EUR 9.9 million in 2015 (EUR 9.9 million in 2014).

3. 6. 5I Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

			2015	2014	
Sioen Industries NV	Belgium	Ardooie	100.00%	100.00%	Group/ coating
Saint Frères SAS	France	Flixecourt	99.97%	99.97%	coating
Sioen Coated Fabrics (Shanghai) Trading Co. Ltd.	China	Shanghai	100.00%	100.00%	coating
Sioen Fabrics SA	Belgium	Moeskroen	100.00%	100.00%	coating
Siofab SA	Portugal	Vila das Aves	100.00%	100.00%	coating
Pennel Automotive SAS	France	Flixecourt	100.00%	100.00%	coating
Coatex NV	Belgium	Poperinge	100.00%	100.00%	coating
Saint Frères Confection SAS	France	Flixecourt	100.00%	100.00%	coating
Sioen Felt & Filtration SA	Belgium	Luik	100.00%	100.00%	coating
Dynatex NV	Belgium	Ardooie	100.00%	n.a.	coating
Sioen NV	Belgium	Ardooie	99.75%	99.96%	apparel
Confection Tunisienne de Sécurité SARL	Tunisia	Tunis	100.00%	100.00%	apparel
Gairmeidi Caomhnaithe Dhun Na nGall Teoranta Ltd.	Ireland	Donegal	100.00%	100.00%	apparel
Mullion Survival Technology Ltd.	United Kingdom	Scunthorpe	100.00%	100.00%	apparel
PT. Sioen Indonesia	Indonesia	Jakarta	100.00%	100.00%	apparel
PT. Sungin Tex	Indonesia	Bekasi	100.00%	100.00%	apparel
Sioen France SAS	France	Narbonne	99.83%	99.83%	apparel
Sioen Tunisie SARL	Tunisia	Tunis	99.83%	99.83%	apparel
Sioen Zaghouan SA	Tunisia	Zaghouan	99.95%	100.00%	apparel
Siorom SRL	Romania	Iasi	100.00%	100.00%	apparel
P. van Ochten Bedrijfskleding BV	The Netherlands	Breda	100.00%	100.00%	apparel
Sioen Asia Pacific PTE. Ltd.	Singapore	Singapore	100.00%	n.a.	apparel
Sioen Myanmar Ltd.	Myanmar	Yangon	99.00%	n.a.	apparel
European Master Batch NV	Belgium	Bornem	100.00%	100.00%	chemicals
Richard SAS	France	Lomme	99.91%	99.91%	chemicals
Le Comptoir Zouloo SAS	France	Lomme	100.00%	n.a.	chemicals
Roltrans Tegelen BV	The Netherlands	Tegelen	100.00%	100.00%	other
Monal SA	Luxemburg	Luxemburg	100.00%	100.00%	other
Roltrans Group BV	The Netherlands	Tegelen	100.00%	100.00%	other
Roltrans Group America Inc.	USA	Arlington	100.00%	100.00%	other
Roland Planen GmbH	Germany	Werlte	100.00%	100.00%	other
Roland Real Estate Sp.z.o.o.	Poland	Konin	100.00%	100.00%	other
Roland Ukraine Llc.	Ukraine	Rivne	100.00%	100.00%	other

Changes with respect to 2014:
- In 2015, the companies Le Comptoir Zouloo SAS and Dynatex NV have been acquired. For Dynatex NV, still 31.36% to acquire by means of deferred payments.
- In 2015, the companies Sioen Asia Pacific PTE. Ltd. and Sioen Myanmar Ltd. were set up.

There are no restrictions on the ability to access or use assets, and settle liabilities, of the Group.

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

2015	OPENING BALANCE	INCREASE	DECREASE	CLASSIFIED AS HELD FOR SALE	EFFECT OF FOREIGN CURRENCY EXCHANGE DIFFERENCES	(OTHER) MOVE-MENTS OR ADJUSTMENTS	CLOSING BALANCE	NOTE
Other shares		125				47	172	
Guarantees and deposits	197	63	-12		8	-40	216	
Other amounts receivable LT	7					-7		
OTHER LONG TERM ASSETS	**204**	**188**	**-12**		**8**		**388**	**2.1**

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

The increase in other shares in 2015 is explained by the participation in an innovation fund.

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

3. 6. 7I Inventories / in thousands of euros

	NOTE	2015	2014
Gross inventory			
Raw materials		16 695	19 671
Consumables		58	58
Work in progress		1 596	2 163
Finished goods		71 178	66 202
Goods in transit		2 565	4 574
		92 092	**92 668**
Amounts written off			
Amounts written off raw materials		-3 133	-2 539
Amounts written off consumables			
Amounts written off work in progress			
Amounts written off finished goods		-3 593	-3 783
Amounts written off goods in transit			
		-6 726	**-6 322**
Net inventory			
Raw materials		13 562	17 132
Consumables		58	58
Work in progress		1 596	2 163
Finished goods		67 585	62 419
Goods in transit		2 565	4 574
	2.1	**85 366**	**86 346**

AMOUNTS WRITTEN OFF INVENTORY	2014	WRITE-DOWN	REVERSAL	EXCHANGE RATE DIFFERENCES	ACQUIRED THROUGH BUSINESS COMBINATIONS	2015
	6 322	914	-532	23		**6 726**

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

Gross inventories (excluding write-offs) in respect of continuing operations decreased by EUR 0.6 million compared with 2014.

Obsolescence reserves on inventories in respect of continuing operations increased by EUR 0.4 million and amounted to EUR 6.7 million at the end of 2015 compared with EUR 6.3 million at the end of 2014.

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

3. 6. 8I Trade receivables / in thousands of euros

2015	2015	NOTE
Gross trade receivables	48 492	
SUBTOTAL TRADE RECEIVABLES	**48 492**	
Impairment trade receivables doubtful	-1 942	
TOTAL FINANCIAL INSTRUMENT 'TRADE RECEIVABLES'	**46 550**	**2.1**

	OUTSTANDING		SALES	
Customer 1	4 754	9.8%	11 220	3.4%
Customer 2	1 914	3.9%	6 395	2.0%
Customer 3	1 882	3.9%	2 388	0.7%
Customer 4	1 762	3.6%	7 995	2.4%
Customer 5	1 344	2.8%	5 169	1.6%
Other	36 836	76.0%	293 227	89.8%
TOTAL	**48 492**	**100.0%**	**326 395**	**100.0%**

AGEING (PAST DUE BUT NOT IMPAIRED)	1 - 15 DAYS	16 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	> 120 DAYS
SUBTOTAL TRADE RECEIVABLES	3 377	1 469	2 049	287	196	180

IMPAIRMENT TRADE RECEIVABLES DOUBTFUL	OPENING BALANCE	INCREASE	DECREASE	WRITE OFFS	FOREIGN EXCHANGE TRANSLATION GAINS AND LOSSES	MOVEMENT FROM HELD FOR SALE	CLOSING BALANCE
	1 836	243	-84	-56	3		**1 942**

Trade receivables include outstanding amounts from the sale of goods. Compared to last year, business activity remained at level, which is also reflected in the trade receivables.

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

An impairment is accounted for the amounts due that are defined as doubtful, amounting to EUR 1.9 million. An impairment for overdue trade receivables is recorded progressively in relation to the age of the receivables. An impairment is also recorded for trade receivables that exceed the internal credit limit. The impairment is recorded in 'sales & marketing expenses' in the consolidated income statement by function.

As of 1 April 2005 the Group decided to cover itself for credit risk by concluding an excess of loss credit insurance. The average credit period on sales of goods is about 57.9 days (last year 58.9 days). Generally no interest is charged on the overdue trade receivables except when legal procedures are started.

2014	2015	NOTE
Gross trade receivables	49 812	
SUBTOTAL TRADE RECEIVABLES	**49 812**	
Impairment trade receivables doubtful	-1 836	
TOTAL FINANCIAL INSTRUMENT 'TRADE RECEIVABLES'	**47 975**	**2.1**

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

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

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

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

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

3. 6. 9I Other current assets / in thousands of euros

Other receivables

	NOTE	2015	2014
FINANCIAL ASSETS			
Advances		75	30
Insurance premiums receivable			
NON-FINANCIAL ASSETS			
VAT receivable		2 517	1 941
Tax prepayment		1 391	1 272
Capital grants receivable			
Other		495	807
TOTAL OTHER RECEIVABLES	**2.1**	**4 479**	**4 050**

Other receivables consist primarily of VAT to be reclaimed amounting to EUR 2.5 million, pre-paid taxes amounting to EUR 1.4 million and EUR 0.5 million 'other', explained by the sale of the Roland business.

Other financial assets

	NOTE	2015	2014
Other investments and deposits		19 030	46 998
Options			
TOTAL OTHER FINANCIAL ASSETS	**2.1**	**19 030**	**46 998**

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

Cash and cash equivalents

	NOTE	2015	2014
Cash at bank		89 199	51 374
At hand		61	76
TOTAL CASH AND CASH EQUIVALENTS	**2.1**	**89 261**	**51 450**

Deferred charges and accrued income

	NOTE	2015	2014
Deferred charges		664	1 465
Accrued income		774	653
Other			
TOTAL DEFERRED CHARGES AND ACCRUED INCOME	**2.1**	**1 437**	**2 118**

Deferred charges amounting to EUR 0.7 million consist primarily of pre-paid rent, insurance policies and IT maintenance contracts.

3. 6. 10I Borrowings / in thousands of euros

	NOTE	2015	2014
Bond			99 839
Bank loans			
Other loans			
TOTAL BORROWINGS LONG TERM	**2.1**		**99 839**

Bond		99 973	
Current portion of amounts payable after one year			*9*
Credit institutions short term		*5 729*	*13 766*
Bank loans		5 729	13 775
Other loans		16	
TOTAL BORROWINGS SHORT TERM	**2.1**	**105 719**	**13 775**

2015	MINIMUM LOAN PAYMENTS	PRESENT VALUE OF LOAN PAYMENTS
Loan payments due within one year	106 679	105 719
In two years		
In three years		
In four years		
In and after five years		
TOTAL LOAN PAYMENTS	**106 679**	**105 719**

Future financial charges	4 750	
Present value of loan obligations	101 929	105 719
Less amount due for settlement within 12 months		105 719
Amount due for settlement after 12 months		

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

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

Long-term

On 14 March 2006, a EUR 100 million bond listed on Eurolist by Euronext Brussels was successfully issued, with a ten year term and fixed coupon interest of 4.75%. To cover the interest rate on this bond issue, an IRS (Interest Rate Swap) was concluded on 20 December 2005. This IRS is described in note 3.6.26. Financial risk management, and designated as 'cash flow hedging'. The effective combined interest rate on the EUR 100 million bond is 4.72%.

As the bond is falling due in March 2016, the debt is considered a short-term interest bearing loan.

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

Short-term

As per 31 December 2015, short-term loans amounted to EUR 105.7 million (including the bond). There are no straight loans in EUR. Straight loans in USD amounted to USD 2.1 million with a weighted average interest rate of 1.55%.

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

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

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

3. 6. 11I Obligations under finance leases / in thousands of euros

2015	NOTE	VALUE AT THE END OF THE YEAR	WITHIN ONE YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	AFTER 5 YEARS
Leasing and other similar obligations LT	2.1	**5 619**		721	685	721	759	2 733
Current portion of leasing	2.1	**1 561**	1 561					
Leasing short term								
OBLIGATIONS UNDER FINANCE LEASES		**7 180**	**1 561**	**721**	**685**	**721**	**759**	**2 733**

	NOTE	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF LEASE PAYMENTS
Lease payments due within one year		1 850	1 561
In two years		983	721
In three years		913	685
In four years		913	721
In and after 5 years		4 077	3 493
TOTAL LEASE PAYMENTS		**8 737**	**7 180**
Future financial charges		1 510	
Present value of lease obligations		8 691	8 691
Less amount due for settlement within 12 months	2.1		1 561
Amount due for settlement after 12 months	2.1		5 619

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

	NOTE	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF LEASE PAYMENTS
Lease payments due within one year		2 359	1 949
In two years		1 757	1 455
In three years		913	651
In four years		913	685
In and after 5 years		4 752	4 243
TOTAL LEASE PAYMENTS		**10 694**	**8 983**

Future financial charges		1 371	
Present value of lease obligations		10 354	10 354
Less amount due for settlement within 12 months	2.1		1 949
Amount due for settlement after 12 months	2.1		7 034

The Group leases some of its buildings (Ardooie, Moeskroen and Poperinge). There were new financial leases in 2015, for an amount of EUR 275 thousand.

The interest inherent in the leases is fixed for the entire lease term. The average effective interest rate contracted is approximately 4.84% p.a. (2014 4.85% p.a.).

3. 6.12I Provisions / in thousands of euros

2015	OPENING BALANCE	ADDITIONAL PROVISION RECOGNIZED	REDUCTIONS ARISING FROM PAYMENTS	REVERSAL	EXCHANGE RATE DIFFERENCES	ACQUIRED VIA BUSINESS COMBINATION	MOVEMENT ON HELD FOR SALE	CLOSING BALANCE
Provisions for environmental issues	576	106	-329					353
Provisions for other liabilities and charges	1 326	1 084	-115	-242	10			2 063
TOTAL PROVISIONS	**1 902**	**1 191**	**-445**	**-242**	**10**			**2 416**

2015	MORE THAN ONE YEAR	WITHIN ONE YEAR	NOTE
Provisions for environmental issues	247	106	
Provisions for other liabilities and charges	1 420	643	
TOTAL PROVISIONS	**1 667**	**749**	**2.1**

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

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

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

The provisions for environmental issues in 2015 and 2014 consist of a provision relating to the sanitation of land in the coating division. The risks were identified during the periodical environmental check-up of the sites.

The provisions for other liabilities and charges in 2015 and 2014 consist mainly of a provision for property taxes (new provision in 2014) and restructuring provisions.

3. 6. 13I Retirement benefit plans / in thousands of euros

In accordance with law and practice in each country, different retirement benefit systems are provided for the employees of the Group. Pension obligations in the Group relate to both, defined benefit and defined contribution plans. Most defined benefit plans are unfunded. For the funded plans, plan assets consist of insurance contracts. The Group has defined benefit plans in Indonesia (55%) and in the Eurozone (43%).

	2015	2014	NOTE
Post-employment benefits (defined benefit plans)	3 604	3 149	
Other long term benefits (termination benefits)	134	125	
TOTAL	**3 738**	**3 274**	
Long term	3 657	3 254	2.1
Short term	82	21	2.1

The movement of the net liability is as follows :

	Present value of defined benefit obligation	Fair value of plan assets	Net liability
AT 1 JANUARY 2015	**3 171**	**-22**	**3 149**
Current service cost	246		**246**
Past service cost	294		**294**
Net interest expense (income)	183		**183**
Total defined benefit cost charged to profit and loss	**723**		**723**
Remeasurements:			
Return on plan assets (excluding amount included in net interest expense (income))			
Actuarial (gain) loss from experience adjustment	24		**24**
Actuarial (gain) loss from change in financial assumptions	-230		**-230**
Total defined benefit cost (income) charged to other comprehensive income	**-206**		**-206**
Benefits paid	**-72**	**72**	
Contribution - employer		**-72**	**-72**
Reclassification - Belgian contribution plans	**4 548**	**-4 548**	
Currency	**10**		**10**
AT 31 DECEMBER 2015	**8 175**	**-4 571**	**3 604**

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

The significant actuarial assumptions were as follows:

	2015		2014	
	Eurozone	Indonesia	Eurozone	Indonesia
Discount rate	2.03%	9.00%	1.49%	8.25%
Rate of compensation increase	1.50%	8.00%	1.50%	8.00%

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

	+1%	-1%
Discount rate	-11%	13%
Rate of compensation increase	14%	-12%

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

	2015	2014
	13 years	13 years

Expected contributions for the largest defined benefit plans (Indonesia) for the year ending 31 December 2016 are EUR 9 thousand.

Risks related to defined benefit pension plans

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

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

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

Belgian contributions plans subject to legal minimum return

The Group has group insurance plans based on defined contributions for some employees in Belgium, for which the insurance company guarantees an interest until retirement (type ‘branche 21/tak21’). The contributions vary between 1% and 12% of the salary, paid by the employer.

By law, the employer has to guarantee a minimum rate of return on the contributions under those plans.

Following a change in legislation at the end of 2015, the minimum rates of return to be guaranteed by the employer read as follows:

- for the contributions paid as from 1 January 2016: an annually recalculated minimum rate of return based on 10-year OLO rates, with a minimum of 1.75% and a maximum of 3.75%, in view of the low rates of the OLO in the last years, the rate of return equals 1.75% for 2016
- for the contributions paid until end December 2015: the previously applicable rate of return (i.e. 3.25%) continues to apply until the date of leaving of the employees

In view of the minimum returns guarantees, those plans qualify as defined benefit plans.

In 2014, under the previous legal framework, the application of the PUC method was considered problematic, and there was uncertainty with respect to the future evolution of the minimum guaranteed rates of return. As a consequence, the Group adopted a retrospective approach whereby the net liability was based on the sum of the positive differences (determined by individual plan participant) between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date.

Due to the above-mentioned changes in legislation, resulting into fixed minimum guaranteed rates of return, the plans were reclassified as defined benefit pension plans at 31 December 2015. The estimated impact of applying defined benefit methodology resulted into recognition of a EUR 542 thousand past service cost.

During 2015, the employer contributions for those plans amounted to EUR 388 thousand (EUR 413 thousand for 2014).

3. 6. 14I Trade and other payables / in thousands of euros

Trade and other payables

	NOTE	2015	2014
Trade payables		26 364	28 954
Credit notes to receive		-1 335	-1 215
Advances		592	1 016
TOTAL TRADE AND OTHER PAYABLES	**2.1**	**25 620**	**28 755**

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

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

Other debts up to one year

	NOTE	2015	2014
Current income tax liabilities	2.1	2 804	1 219
Social debts	2.1	10 099	9 789
Other amounts payable	2.1	4 583	3 835
Accrued charges and deferred income	2.1	2 538	2 177
TOTAL OTHER DEBTS UP TO ONE YEAR		**20 025**	**17 020**

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

3. 6. 15I Assets and liabilities related to discontinued operations / in thousands of euros

2015	NOTE	TOTAL	ABANDONED SPECIALIZED AUTOMOTIVE FOILS IN SMALL BATCHES
TOTAL ASSETS RELATED TO DISCONTINUED OPERATIONS	**2.1**		
Provisions			
TOTAL LIABILITIES RELATED TO DISCONTINUED OPERATIONS	**2.1**		
NET LIABILITIES RELATED TO DISCONTINUED OPERATIONS			

2014	NOTE	TOTAL	ABANDONED SPECIALIZED AUTOMOTIVE FOILS IN SMALL BATCHES
TOTAL ASSETS RELATED TO DISCONTINUED OPERATIONS	**2.1**		
Provisions		67	67
TOTAL LIABILITIES RELATED TO DISCONTINUED OPERATIONS	**2.1**	**67**	**67**
NET LIABILITIES RELATED TO DISCONTINUED OPERATIONS		**-67**	**-67**

In 2015, land and a building, part of the discontinued operations, for which a provision for sanitation has been set up, has been sold. The gain on the sale is recognized in the result from discontinued operations (see note 3.5.3.2).

In 2014, a part of the discontinued operations, for which a provision for polluted soils in Temse, belonging to TIS NV, has been set up, was sold (see note 3.6.19.). The risk in Temse originates in the period before the takeover. In 2010 the Group decided to dispose part of its property (Temse) for which a provision for sanitation was set up. The land and the related provision for sanitation have been classified as 'discontinued' since 2010.

3. 6. 16I Financial instruments / in thousands of euros

	2015		2014		
	NOMINAL VALUE	FAIR VALUE	NOMINAL VALUE	FAIR VALUE	FAIR VALUE HIERARCHY
Obligations	25 339 (1)	-168	24 530 (1)	-43	2
Collar derivative	50 000 (2)	-15 438	50 000 (2)	-15 610	2

FIXED RATE (EUR)	NOMINAL VALUE (1)	FAIR VALUE	NOMINAL VALUE(1)	FAIR VALUE	FAIR VALUE HIERARCHY
Bond	100 000	100 571	100 000	103 623	1
Borrowing costs capitalized	- 879		- 879		
Finance leases	7 180	7 221	8 983	9 308	2
Bank loans					
TOTAL	**108 104**	**109 605**	**108 104**	**112 931**	

(1) FX forward/swap contracts, nominal value equals foreign currency amount * contract rate
(2) Amount in the contract

Financial risk management

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

Fair value

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

Non-derivative financial liabilities

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

Interest risk management

On 21 April 2011, the Group entered into a cash flow hedge to hedge, within certain limits, the interest rate risk on highly probable future debt to be issued in March 2016 for a term of 10 years, for a principal amount of EUR 50 million. For this purpose, the Group entered into a forward starting interest rate collar for a nominal amount of EUR 50 million. A collar is a derivative financial instrument by which the buyer of the instrument receives / executes payments at the end of the reference period in which the interest rate evolves out of the agreed upon borders (upper and lower border / tunnel). The forward starting interest rate collar was settled in cash on 14 March 2016 (EUR 18.1 million, which represents the fair value of the forward starting interest rate collar on that date). The effective part of the loss on the derivative will be amortized to profit or loss over the term of the hedged debt (ie. over a term of 10 years).

The fair value of the forward starting collar as of 31 December 2015 was EUR -15.4 million (EUR -15.6 million as of 31 December 2014).

In 2015, an amount (net of tax) of EUR 0.1 million was recognized in Other Comprehensive Income (Cash Flow Hedge Reserve) (EUR -6.3 million in 2014). This is the effective part of the total change in FV of the derivative over the year.

In 2015, a total amount of EUR -0.4 thousand (EUR -0.8 million in 2014) was recognized directly in profit or loss as ineffectiveness arising from this cash flow hedge.

COLLAR (000) EUR	NOMINAL AMOUNT	RATE	START DATE	END DATE	BARRIER OPTION TYPE	ESTIMATED FAIR VALUE AT 31/ 12/ 2015	ESTIMATED FAIR VALUE AT 31/ 12/ 2014
CAP	50 000	5%	16/ 03/ 2016	16/ 03/ 2026	Knock-In: from 2.5% increasing to 3.5% over the period	-15 438	-15 610
Floor	50 000	4%	16/ 03/ 2016	16/ 03/ 2026			

3. 6. 17I Deferred taxes / in thousands of euross

	NOTE	DEFERRED TAX ASSET 2015	DEFERRED TAX ASSET 2014	DEFERRED TAX LIABILITY 2015	DEFERRED TAX LIABILITY 2014
Intangible assets		1 230	1 103	813	805
Property, plant and equipment		3 058	2 572	14 773	15 678
Inventories		943	910		
Trade receivables		390	1 384		
Other receivables					
Retirement benefit obligations		1 028	944	7	7
Provisions		268	81		
Other amounts payable		12	12		
Exchange difference				1 139	1 421
Hedging reserves		5 248	5 306	11	67
Undistributed reserves					977
Tax losses carried forward		8 388	14 646		
TOTAL		**20 565**	**26 958**	**16 744**	**18 955**
Non recognition of deferred tax receivable		-6 087	-10 897		
Netting		-8 569	-10 559	-8 569	-10 559
TOTAL	**2.1**	**5 909**	**5 502**	**8 175**	**8 396**

THE TOTAL VALUE OF CARRIED-FORWARD TAX LOSSES ARRANGED BY EXPIRY DATE	2015	2014
One year		2 226
Two years	1 575	2 599
Three years	1 350	3 093
Four years		2 737
Five years and later	1 981	
No expiry date	25 369	42 529
TOTAL	**30 276**	**53 184**
Of which:		
Unrecognized carried forward tax losses	21 402	38 443
Unrecognized deferred tax on undistributed reserves		

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

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

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

RECONCILIATION OF MOVEMENT OF DEFERRED TAX	**NOTE**	**2015**	**2014**
Net tax liability at the beginning of the period		2 894	4 231
Net tax liability at the end of the period		2 266	2 894
Difference		*-628*	*-1 337*
Deferred tax as shown in the P&L		-1 063	2 080
Deferred tax effect through equity	2.4	49	-3 410
Deferred tax acquired via business combinations		384	
Deferred tax currency translation effect		2	-7

3. 6. 18l Related party transactions / in thousands of euros

	NATURE OF TRANSACTION	2015
Recticel Group	Sale	1 239
Recticel Group	Purchase	125
INCH	Sale	713
La Marzelle	Purchase	64

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

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

Other transactions with related parties other than Directors are not included, given the negligible amount (under EUR 50 000 in current and last year). With regard to Directors' and executive management remuneration, we refer to note 3.6.28. Remuneration.

3. 6. 19I Business combinations and disposal of subsidiaries / in thousands of euros

2015

On 24 April 2015, the Group announced the acquisition of Dynatex and Le Comptoir Zouloo with a total purchase price of EUR 1.1 million.

Dynatex is a young innovative company, specialized in multi-axial aramid reinforcement fabrics. A pioneering idea protected by several patents. Today, these fabrics are mainly used for trailer construction, where they, due to their strength, contribute to the structural integrity of the trailers on the one hand and protect against vandalism and theft on the other.

By acquiring this company, Sioen emphasizes its aim of technical leadership in the market of technical textiles.

A product portfolio of EUR 0.6 million has been recognized and a residual goodwill of EUR 0.2 million has been accounted for. As of acquisition date, Dynatex contributed sales of EUR 0.5 million and a loss of EUR 15 thousand. Over a 12 months period, this would mean EUR 1.4 million sales and EUR 20 thousand loss.

	NOTE	DYNATEX
Intangible assets	3.6.1	182
Property, plant and equipment	3.6.3	572
Inventories		536
Trade receivables		243
Other LT assets, other receivables, deferred charges and accrued income		96
Cash and cash equivalents		- 272
TOTAL ASSETS		**1 357**
Equity		398
Borrowings		173
Trade and other payables		320
Other amounts payable		466
TOTAL EQUITY AND LIABILITIES		**1 357**

Le Comptoir Zouloo is a small French company, specialized in the production and sale of color pigments. Comparable to Richard Colorants, a subsidiary of Sioen Chemicals, Le Comptoir Zouloo focuses on the production and distribution of color pigments through the Do It Yourself- market.

In that view, it is very complementary with Richard Colorants and is a perfect addition to strengthen the market position in France.

A client portfolio of EUR 0.4 million has been recognized and a residual goodwill of EUR 0.1 million has been accounted for. As of acquisition date, Le Comptoir Zouloo contributed sales of EUR 0.2 million and a loss of EUR 40.0 thousand. Over a 12 months period, this would mean EUR 0.5 million sales and EUR 0.1 million profit.

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

	NOTE	LE COMPTOIR ZOULOO
Property, plant and equipment	3.6.3	26
Inventories		97
Trade receivables		94
Other LT assets, other receivables, deferred charges and accrued income		1
Cash and cash equivalents		58
TOTAL ASSETS		**276**
Equity		178
Borrowings		84
Trade and other payables		14
TOTAL EQUITY AND LIABILITIES		**276**

There were no disposals of subsidiaries in 2015.

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

	NOTE	PROPERTY TEMSE
Land and buildings		624
Other LT assets, other receivables, deferred charges and accrued income		1
Cash and cash equivalents (1)		1 900
TOTAL ASSETS RELATED TO DISCONTINUED OPERATIONS		**2 526**
Provisions		2 412
Trade and other payables		5
TOTAL LIABILITIES RELATED TO DISCONTINUED OPERATIONS		**2 418**
NET ASSETS RELATED TO DISCONTINUED OPERATIONS		**108**

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

There were no acquisitions of subsidiaries in 2014.

3. 6. 20I Operating lease arrangements / in thousands of euros

	2015	2014
Amounts recognized in income	1 337	1 346
Payments due within one year	1 061	1 030
Between one and five years	1 409	1 226
Over five years	1	
MINIMAL FUTURE PAYMENTS	**2 471**	**2 257**

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

3. 6. 21I Commitments for expenditure

At the end of 2015 and 2014, there were no commitments for expenditure.

3. 6. 22I Contingent assets and liabilities

Contingent assets are estimated at EUR 1.5 - 2.0 million at the end of 2015 and mainly related to the divison other. There were no contingent assets at the end of 2014. Contingent liabilities at the end of 2015 and 2014 were EUR 0.5 million and related to the coating division.

3. 6. 23I Events after reporting period

On 4 March 2016, the Group announced the takeover of Manifattura Fontana S.P.A., an Italian producer of geotextile non-wovens, serving the European civil engineering market. This transaction has an enterprise value of approximately EUR 9.5 million and is subject to customary closing conditions. In a first phase, Sioen Industries Group will acquire 90% of the shares. The closing of this acquisition is expected to be finalized in April 2016.

On 14 March 2016, the Group has repaid its EUR 100 million bond. For information regarding the refinancing, we refer to 3.6.10. Borrowings, 3.6.16. Financial instruments and 3.6.26. Financial risk management.

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

3.6. 24I Staff / year end position

COUNTRY	2015	2014
Indonesia	1 075	1 629
Belgium	861	871
Tunisia	441	545
Romania	242	253
France	160	157
Portugal	17	17
China	15	15
Ireland	12	24
Myanmar	9	
The Netherlands	8	7
Germany	8	7
UK	5	5
Dubai	2	
Spain	1	
Ukraine	1	1
TOTAL	**2 857**	**3 531**

Blue Collar	2 179	2 791
White Collar	678	740
TOTAL	**2 857**	**3 531**

The decrease is mainly situated in Indonesia and therefore has a smaller impact on personnel costs.

3. 6. 25I Audit and non-audit services

	2015 DELOITTE
Audit fees	279 245
Non audit fees by the auditor	
Legal missions	3 500
Tax advice	
Other	10 346
Non audit services by companies linked to the Deloitte network	
Tax advice	84 210
Other	

3. 6. 26I Financial risk management

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

Interest rate risk

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

Sensitivity analysis of the fluctuation of the interest rate by 5%:

As per 31 December 2015, there was USD 2.1 million of short term financing at floating rates with a weighted average of 1.55%. A 5% increase in interest rates, to an average of 1.63%, would impact the financial result with EUR 1.5 thousand more interest costs on an annual basis.

In connection with the Group's refinancing, it was decided in December 2005 to enlist the support of the capital market via the issue of a EUR 100 million bond over ten years with fixed coupon interest. Because such an operation can easily take three months, and interest rates at the end of December 2005 were very attractive, Sioen concluded a ten-year IRS starting in April 2006, the presumed starting date of the bond. As this IRS can be regarded as effective cash flow hedging as per IAS39, the EUR 0.636 million negative market value fluctuation on 31 December 2005 of this IRS was deducted from equity. At 2 February 2006, the market value was up EUR 1.346 million, and it was realized following the hedge strategy at the moment of issuing of the bond. This received premium complies with the conditions for cash flow hedging defined in IAS39, and will be spread out over the term of the bond. The realized capital gain (EUR 1.346 million) was recognized in equity and is being taken into income over the life of the bond (10 years).

The bond of EUR 100 million was repaid on 14 March 2016. The Group will be refinanced by means of a 10-year fixed-interest-rate bullet loan of EUR 50 million to finance future growth.

Exchange rate risk

It is the Group's policy to hedge against exchange risks arising from financial and operating activities centrally. The risks are limited by compensating for transactions in the same currency ('natural hedging'), or by fixing exchange rates via forward contracts or options. The main currencies for the Sioen Group are GBP (inflow) and USD (outflow). In 2015, the GBP net inflow represents EUR 21.5 million (GBP 15.6 million) and the USD net outflow EUR 6.5 million (USD 7.2 million). As these volumes represent less than 10% of total net sales, the impact of changes in these exchange rates is limited.

Sensitivity analysis of the fluctuation of the exchange rate by 1%:

Based on the Group's sensitivity analysis, an adverse change in the GBP/ EUR and USD/ EUR exchange rate by 1% would decrease the Group's realized currency result by EUR 278.8 thousand.

Liquidity risk

In order to guarantee liquidity and financial flexibility, the Sioen Group has credit lines available to meet current and future financial needs. At the end of 2015, the Sioen Group has total credit lines available of EUR 54.2 million (EUR 60.7 million for 2014). Straight loans, at 31 December 2015, are in USD amounting to a total amount of USD 2.1 million with a weighted average interest rate of 1.55%. For the maturity analysis in view of liquidity risk we refer to note 3.6.10. Borrowings.

Financial risk

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

Credit risk

In view of the relative concentration of credit risk (see note 3.6.8. Trade receivables), the company covers credit risk on trade receivables via an excess of loss credit insurance with an own risk exposure of EUR 400 thousand. In addition, credit control strategies and procedures have been elaborated in order to monitor individual customers' credit risk.

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3. 6. 27I Capital structure management

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

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

The Group's capital is formed in accordance with the risk, which changes with economic developments and the risk profile of the underlying assets. The Sioen Group can change the dividend to shareholders, issue new shares or sell assets in order to maintain or change the capital structure. The Board of Directors of Sioen Industries views equity together with the 10-year bond loan (cf. 3.6.10. Borrowings) as permanent capital. At 31 December 2015 equity and the bond loans represented respectively 48.0% and 27.6% and together 75.6% of the balance sheet total.

3. 6. 28I Remuneration

Remuneration of the members of the Board of Directors

In 2015 following remunerations were paid to the members of the Board of Directors and executive management in their capacity as Director:

NAME	REPRESENTED BY	FUNCTION	AMOUNT 2015
LMCL Comm. VA	Mr. L. Vansteenkiste	Director/ Chairman	47 000
	Mrs. J. Sioen-Zoete	Director	22 000
M.J.S. Consulting BVBA	Mrs. M. Sioen	Managing Director	22 000
D-Lance BVBA	Mrs. D. Sioen	Director	22 000
P. Company BVBA	Mrs. P. Sioen	Director	22 000
	Mr. M. Delbaere	Director	23 500
Lemon Comm. V	Mr. J. Noten	Director	29 300
Louis Verbeke BVBA	Mr. L. Verbeke	Director	30 000
	Mr. L. Vandewalle	Director	30 300
TOTAL			**248 100**

M.J.S. Consulting, represented by Mrs. Michèle Sioen, received in 2015, in her capacity of CEO and next to her remuneration as a member of the Board of Directors, a fixed remuneration of EUR 537 500, a variable remuneration of EUR 87 343 and a compensation for other expenses (mainly car expenses) amounting to EUR 37 088.

Jack Projects, represented by Mrs. Jacqueline Sioen, received in 2015, in the context of a service agreement, a remuneration of EUR 250 000 and a compensation for other expenses (mainly car expenses) amounting to EUR 22 335.

The other members of the executive management [1], including Directors in their capacity as member of executive management, received in 2015 a fixed remuneration of EUR 2 306 749 (excluding CEO), a variable remuneration of EUR 255 987 and a compensation for other expenses (mainly car expenses) amounting to EUR 157 664.

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

3.6.29I Approval of financial statements

The consolidated financial statements for 2015 were approved by the Board of Directors for publication on 24 March 2016.

4I STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the Shareholders' meeting on the consolidated financial statements for the year ended 31 December 2015

The original text of this report is in Dutch

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of total comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the consolidated financial statements of Sioen Industries NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated statement of financial position shows total assets of 362 451 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 23 099 (000) EUR.

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

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

Statutory auditor's responsibility

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

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

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

Unqualified opinion

In our opinion, the consolidated financial statements of Sioen Industries NV give a true and fair view of the group's net equity and financial position as of 31 December 2015, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Board of Directors is responsible for the preparation and the content of the Directors' report on the consolidated financial statements.

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

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

Gent, 25 March 2016
The statutory auditor

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

5I STATUTORY ANNUAL ACCOUNTS OF SIOEN INDUSTRIES NV

The statutory annual accounts of the parent company Sioen Industries NV are shown below in condensed form. In June 2016, the annual report and annual accounts of Sioen Industries NV and the auditor's report will be filed with the National Bank of Belgium in accordance with Articles 98-102 of the Companies Act.

These reports are available on request at the following address:

Sioen Industries NV – Fabriekstraat 23 – 8850 Ardooie.

The statutory auditor has issued an unqualified opinion.

CONDENSED BALANCE SHEET OF SIOEN INDUSTRIES NV AFTER APPROPRIATION OF PROFIT

31 DECEMBER (000) EUR	2015	2014
Fixed assets	**111 707**	**69 598**
Intangible fixed assets	5 124	5 820
Tangible fixed assets	23 417	21 591
Financial fixed assets	83 166	42 187
Current assets	**159 831**	**199 961**
Amounts receivable after one year		
Stocks and contracts in progress	25 138	25 524
Amounts receivable within one year	35 801	85 907
Investments	62 633	59 997
Cash at hand and in bank	35 420	27 820
Deferred charges and accrued income	839	713
TOTAL ASSETS	**271 538**	**269 559**

Equity	**99 460**	**87 825**
Capital	46 000	46 000
Revaluation surpluses	9	9
Reserves	6 768	6 348
Accumulated profits (losses)	46 315	35 107
Investment grants	368	361
Provisions and deferred taxes	**1 378**	**1 600**
Provisions for liabilities and charges	1 337	1 560
Deferred taxes	42	40
Amounts payable	**170 700**	**180 134**
Amounts payable after one year	4 668	105 791
Amounts payable within one year	164 865	73 549
Accrued charges and deferred income	1 167	794
TOTAL LIABILITIES	**271 538**	**269 559**

CONDENSED INCOME STATEMENT OF SIOEN INDUSTRIES NV

31 DECEMBER (000) EUR	2015	2014
Operating income	**163 281**	**157 745**
Turnover	154 395	149 624
Increase (decrease) in stocks of finished goods, work and contracts in progress	- 558	- 562
Fixed assets - own construction	603	482
Other operating income	8 841	8 201
Operating charges	**-141 998**	**-145 186**
Raw materials, consumables and goods for resale	-87 373	-88 333
Services and other goods	-24 856	-22 350
Remuneration, social security costs and pensions	-21 442	-20 003
Depreciation and amounts written off	-5 593	-5 425
Provisions for liabilities and charges - appropriations	223	- 880
Other operating charges	-2 957	-8 195
Operating profit (loss)	**21 283**	**12 559**
Financial income	14 479	13 417
Financial charges	-7 384	-9 258
Financial result	**7 095**	**4 159**
GAIN (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXES	**28 378**	**16 718**
Extraordinary result	**- 716**	
PROFIT (LOSS) FOR THE PERIOD BEFORE TAXES	**27 662**	**16 718**
Transfer from postponed taxes	**11**	**23**
Income taxes	**-6 303**	**- 299**
PROFIT (LOSS) FOR THE PERIOD	**21 370**	**16 442**
Transfer from untaxed reserves	**161**	**91**
Transfer to untaxed reserves		
PROFIT (LOSS) FOR THE PERIOD AVAILABLE FOR APPROPRIATION	**21 531**	**16 533**

Activity of Sioen Industries

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

Comments

The turnover of Sioen Industries increased with 3.2% from EUR 149.6 million in 2014 to EUR 154.4 million in 2015. In 2015 the operating profit amounted to EUR 21.3 million, compared with an operating profit of EUR 12.6 million in 2014. Financial result increased from EUR 4.2 million in 2014 to EUR 7.1 million in 2015 due to higher dividends received from subsidiaries in 2015 and currency result.

Accounting principles

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

Transparency disclosure

Pursuant to articles 6 to 18 of the Act of 2 May 2007 (Transparency Law) on the disclosure of significant participations in listed companies, the applicable quotas were set at, on the one hand, 5 percent or a multiple thereof and on the other hand at 3 percent and 7.5 percent (article 8 of the articles of association).

In accordance with articles 6 to 18 of the Act of 2 May 2007, following notifications of shareholdings in Sioen Industries NV were received:

NOTIFYING PARTY	DATE OF NOTIFICATION	NUMBER OF SHARES	PERCENTAGE OF TOTAL NUMBER OF SHARES
Sihold NV (1) and companies/ parties under the influence of the family Sioen	7 March 2015	12 906 212	65.10%
NN Group NV (2)	20 August 2015	570 000	2.88%
TOTAL		**13 476 212**	**67.97%**

(1) Sihold NV is controlled by Sicorp NV, which is controlled in turn by the Dutch foundation Stichting Administratiekantoor Midapa. This foundation is controlled by Mrs. Sioen.
(2) NN Group NV controls NN Insurance Eurasia NV which in turn controls NN Investment Partners Holdings NV. NN Investment Partners Holdings NV controls NN Investment Partners International Holdings BV which in turn controls NN Investments Partners Belgium SA.

6I PROPOSALS TO THE GENERAL SHAREHOLDERS' MEETING

PROPOSALS TO THE GENERAL SHAREHOLDERS' MEETING OF SIOEN INDUSTRIES NV OF 29 APRIL 2016

The Board of Directors of Sioen Industries proposes to the General Shareholders' Meeting to approve the annual accounts at 31 December 2015 and to consent to the appropriation of profit.

The profit for the financial year ended is EUR 21 531 299, compared to a profit of EUR 16 533 436 for the financial year 2014.

The profit brought forward from the previous financial year is EUR 35 107 357. The profit available for appropriation is consequently EUR 56 638 657.

THE BOARD OF DIRECTORS PROPOSES TO APPROPRIATE THE PROFIT AVAILABLE FOR APPROPRIATION OF EUR 56 638 657 AS FOLLOWS:

(IN EUR)	
Addition to other reserves	- 581 446
Gross dividends for the 19 779 933 shares	-9 494 368
Directors' fees	- 248 100
Profit to be carried forward	46 314 743

THE PROPOSED NET DIVIDEND PER SHARE IS CALCULATED AS FOLLOWS:

(IN EUR)	
Net dividend per share	0.3504
Withholding tax 27/ 73	0.1296
Gross dividend per share	0.4800
Pay-out ratio [1]	41.99%

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

If this proposal is accepted, the net dividend of EUR 0.3504 per share will be made payable as from 17 May 2016 onwards.

DEFINITIONS

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

ADDRESSES

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

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

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

Financial calendar
Trading update first quarter 2016: 28 April 2016
General Shareholders' Meeting: 29 April 2016
Half year results 2016: 31 August 2016
Trading update third quarter 2016: 15 November 2016