

ANNUAL ACCOUNTS

2014



CONSOLIDATED BALANCE SHEET

(after profit appropriation; in EUR million)

	Notes	31-12-2014	31-12-2013
ASSETS			
Fixed assets			
Intangible fixed assets	(1)	137.2	148.3
Tangible fixed assets	(2)	577.1	513.4
Financial fixed assets	(3)	28.2	28.4
		<u>742.5</u>	<u>690.1</u>
Current assets			
Inventories	(4)	605.8	585.4
Trade and other receivables	(5)	280.4	355.3
Cash and cash equivalents	(6)	370.5	338.2
		<u>1,256.7</u>	<u>1,278.9</u>
Total assets		<u>1,999.2</u>	<u>1,969.0</u>
EQUITY AND LIABILITIES			
Group equity			
Capital and reserves	(7)	1,230.5	1,158.5
Minority interests	(8)	26.3	17.8
		<u>1,256.8</u>	<u>1,176.3</u>
Provisions	(9)	84.1	84.0
Non-current liabilities	(10)	59.5	99.9
Current liabilities	(11)		
Current liabilities to credit institutions and liabilities of a financing nature		61.0	14.6
Other current liabilities, accruals and deferrals		537.8	594.2
		<u>598.8</u>	<u>608.8</u>
Total equity and liabilities		<u>1,999.2</u>	<u>1,969.0</u>

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in EUR million)

FOR THE FINANCIAL YEAR	Notes	2014	2013
Net turnover	(14)	2,114.5	2,166.3
Changes in inventories of finished products		21.9	29.8
Other operating income	(15)	20.5	20.2
Total operating income		2,156.9	2,216.3
EU levies	(16)	11.0	10.8
Cost of raw materials and consumables	(17)	1,337.8	1,416.4
Cost of outsourced work and other external costs	(18)	351.0	312.5
Staff costs	(19)	250.9	217.2
Amortisation and depreciation on intangible and tangible fixed assets		91.3	82.2
Other changes in the value of intangible and tangible fixed assets	(20)	2.4	2.5
Other operating expenses		2.6	2.5
Total operating expenses		2,047.0	2,044.1
Operating profit		109.9	172.2
Interest receivable and similar income		4.2	10.6
Interest payable and similar charges		-/- 7.8	-/- 10.1
Financial income and expense	(21)	-/- 3.6	0.5
Result from ordinary activities before taxation		106.3	172.7
Taxation	(22)	-/- 27.4	-/- 32.6
Share in results from participating interests		0.5	0.6
Result from ordinary activities after taxation		79.4	140.7
Minority interests		-/- 0.3	-/- 1.4
Net result		79.1	139.3

CONSOLIDATED CASH FLOW STATEMENT

(in EUR million)

FOR THE FINANCIAL YEAR	Notes	2014	2013
Operating profit		109.9	172.2
Depreciation and amortisation		91.3	82.2
Other value adjustments		2.4	2.5
Changes in provisions	(24)	3.9	-/ 11.2
Changes in working capital (excluding cash and cash equivalents and short-term bank overdrafts)	(24)	-/ 18.1	-/ 43.0
Cash flow from business operations		189.4	202.7
Interest received (paid)		-/ 5.9	1.0
Income tax paid		-/ 14.5	-/ 25.3
Other movements		3.2	-/ 1.1
		-/ 17.2	-/ 25.4
Cash flow from operating activities		172.2	177.3
Investments in (in)tangible fixed assets		-/ 102.5	-/ 100.8
Proceeds from the sale of tangible fixed assets		0.8	1.2
Acquisitions of participating interests		-/ 19.3	-/ 35.1
Cash flow from investing activities		-/ 121.0	-/ 134.7
Gross distribution arising from Sugar Beet Delivery Payment Regulations	(30)	-/ 9.8	-/ 10.3
Changes in long-term receivables		-/ 2.6	-/ 0.9
Changes in non-current liabilities	(24)	-/ 0.5	3.6
Changes in current liabilities to credit institutions and liabilities of a financing nature		-/ 8.2	-/ 81.7
Cash flow from financing activities		-/ 21.1	-/ 89.3
Changes in cash and cash equivalents		30.1	-/ 46.7
Cash and cash equivalents at the beginning of the year		338.2	379.6
Cash and cash equivalents at participating interests acquired		2.2	5.3
Cash and cash equivalents at the end of the year		370.5	338.2

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

(in EUR million)

GENERAL

Coöperatie Koninklijke Cosun U.A. (hereinafter: 'Cosun'), with its registered office in Breda, the Netherlands, processes and prepares raw materials, mostly from agricultural sources, producing semi-manufactures for the international food and beverage industry and the food service industry (restaurants, caterers and wholesalers), and finished products that are sold to customers through retail outlets. The group also processes organic residuals into products such as bio-ethanol and animal feed.

The activities are classified as follows:

- Sugar activities: sugar, bioethanol and bio-energy from residual currents (Suiker Unie).
- Potato activities: potato products, such as chilled, frozen and dried potato products and potato specialities (Aviko and Rixona).
- Other activities: fruit and vegetable products (SVZ), inulin (Sensus), animal feed and starch (Duynie group) and innovation (Cosun Biobased Products).

APPLICABLE STANDARDS

The annual accounts have been prepared in accordance with the legal requirements as set out in Title 9, Book 2 of the Netherlands Civil Code. For the cooperative profit and loss account, Cosun has availed itself of the exemption available under Section 402, Book 2 of the Netherlands Civil Code.

CONSOLIDATION PRINCIPLES

The consolidated annual accounts include the financial data of Cosun and its group companies and other companies controlled by the company. Group companies acquired during the year under review are included as from the date at which direct or indirect influence can be exercised on the business and financial policy. The results of group companies sold are incorporated up to the moment the overriding control ended. Intercompany payables, receivables and transactions, as well as profits already recognised on these within Cosun but not yet realised, are eliminated in the consolidated annual accounts. The group companies are consolidated in full with the third-party minority interest being presented separately. Joint ventures are consolidated proportionally. In accordance with Articles 379 and 414, Book 2 of the Netherlands Civil Code, a list of data on group companies and other participating interests has been filed with the Chamber of Commerce for the Southwest Netherlands.

ACQUISITIONS AND DIVESTMENTS

The following acquisitions took place in 2014:

Aviko took a 60% interest in Martin Amberger Kartoffelverarbeitung Dolli-Werk GmbH & Co KG, Germany, as of 24 March 2014 and took a 51% interest in the joint venture Aviko SnowValley Food (Hebei) Co. Ltd., China, as of 7 August 2014.

Duynie acquired 100% of the shares in James & Son (Grain Merchants) Ltd. as of 30 May 2014 and the remaining 40% of the shares in Duynie Ltd. as of 30 June 2014, both located in the United Kingdom.

The following acquisitions took place in 2013:

Aviko acquired 100% of the shares of Smalands Rotfrukter AB in Sweden on 31 January 2013. Duynie acquired 100% of the shares of Beuker Vochtrijke Diervoeders B.V. on 19 June 2013.

The animal feed activities acquired of Jan Bakker at the end of 2013 were divested again in 2014. Otherwise, no significant divestments were made in 2014 (and in 2013).

ACCOUNTING POLICIES

GENERAL

The accounting policies adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention. Insofar as not stated otherwise, assets and liabilities are shown at nominal value. An asset is included in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is included in the balance sheet if it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

The income and expenses are accounted for in the period to which they relate.

POLICIES FOR THE TRANSLATION OF FOREIGN CURRENCIES

The reporting currency and the functional currency of the annual accounts of Cosun is the euro (EUR). The costs and income arising from transactions in foreign currencies or monetary receivables and payables, are translated at the average exchange rate or the rate prevailing at balance sheet date respectively. Translation gains and losses are taken to the profit and loss account. The net investment in foreign participating interests is translated at the exchange rate prevailing at balance sheet date. Foreign currency profit and loss account items of foreign participating interests are translated at the average exchange rate. Translation gains and losses are taken directly to the statutory reserve for exchange rate differences as part of Cosun's group equity, less tax effects if applicable. If a foreign operation is fully or partially sold, the respective amount is transferred from the reserve for translation differences to the other reserves. Translation gains and losses on long-term financing and financial instruments used to hedge exchange rate risks arising from foreign participating interests are treated accordingly.

FINANCIAL INSTRUMENTS

The financial statements includes the following primary financial instruments: loans granted, trade and other receivables, cash and cash equivalents, loans received, other financing commitments, trade payables and other payables. The financial statements also includes derivative financial instruments (derivatives).

PRIMARY FINANCIAL INSTRUMENTS

Primary financial instruments are initially recognized at fair value which includes the attributable transaction costs. After initial recognition, primary financial instruments are carried at amortised costs using the effective interest method, less impairment losses. The effective interest method is used to recognize transaction costs in the profit and loss account. Cosun applies nominal value if the amortised costs are in line with nominal value. The fair value of cash and cash equivalents is equal to the nominal value; cash and cash equivalents are freely available to Cosun unless stated otherwise.

DERIVATIVE FINANCIAL INSTRUMENTS (DERIVATIVES)

Currency derivatives, interest derivatives and forward commodity transactions

Cosun uses derivatives to hedge the exchange rate, interest rate and price risk from balances and highly probable future sales and purchases. Forward exchange contracts, interest rate swaps, forward commodity contracts and other derivative financial instruments are used to hedge these risks. Derivatives are initially recognized at fair value. After initial recognition derivatives are stated at cost or lower fair market value unless cost price hedge accounting is applied. At initial recognition the cost price is equal to the fair value. Cosun applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the derivatives and the future transaction in the profit and loss account.

If cost price hedge accounting is applicable the accounting policies are defined below:

- As long as the hedged financial asset or liability is not recorded in the balance, the derivative will not be recorded.
- As soon as the hedged position of the expected transaction leads to the recognition of a primary financial instrument, the gains or losses associated with the derivative are recognised in the profit-and-loss account in the same period in which the primary financial instrument affects profit or loss.
- Cosun periodically assesses the effectiveness of its hedging relationships. The results from the non-effective part of the hedge relationship are included in the profit-and-loss account.
- Should the transaction no longer be expected to take place, so the derivative no longer meets the conditions for cost price hedge accounting, or is sold, the accumulated profit or the accumulated loss is recognised in the profit-and-loss account.
- As soon as the derivative expires before the expected transaction has taken place the accumulated profit or accumulated loss that has not been included in the profit and loss account is recognised as accrual and deferrals on the balance sheet until the expected transaction has taken place.
- Translation gains and losses on primary financial instruments are compensated by changes in value of currency derivatives. The book value of a currency derivative is carried by the difference between the applicable exchange rate as at balance sheet date and the hedged exchange rate.
- The value of a currency derivative is amortized over the duration of the currency swap.

INTANGIBLE FIXED ASSETS

Goodwill is the excess of the purchase price and the fair value of the identifiable assets and liabilities of the acquired participating interest at the date of acquisition. Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the exchange rate applicable at the moment of acquisition. The capitalised goodwill is amortised according to the straight-line method over the estimated useful life, in general between 5 and 20 years.

Other tangible fixed assets (excluding CO₂ emission allowances) are carried at cost net of accumulated depreciation and other downward value adjustments.

Cosun obtained CO₂ emission allowances at zero cost. The company has not recognized its surplus CO₂ emission allowances obtained for nothing. Cosun acquires emission allowances to meet future deficiencies. The acquired emission allowances are stated at cost and will be charged to the result at time of use.

TANGIBLE FIXED ASSETS

Land and buildings, machinery and equipment and other tangible fixed assets are stated at cost of purchase or manufacture, less accumulated depreciation and other downward value adjustments. Grants and subsidies are deducted from the cost of purchase or manufacture of the asset in question.

Depreciation is calculated as a percentage of the cost of acquisition or manufacture according to the straight-line method on the basis of useful life. Land, tangible fixed assets in production and prepayments are not depreciated. Maintenance expenditure is only capitalised if it extends the useful life of the asset.

FINANCIAL FIXED ASSETS

Participating interests where significant influence can be exercised over the business and financial policy are stated on the basis of net asset value. Participating interests in which no significant influence is exercised are valued at the lower of cost and sustainable realisable value. Participating interest with a negative net asset value are valued at nil. A provision is recognized if necessary.

Deferred tax assets, including off-settable tax losses, are stated insofar as it is deemed probable that these will be realised in future and are calculated on the basis of the tax rate applicable at the time at which these are expected to be realised.

Other long-term receivables are carried at amortised cost, less a provision deemed necessary for uncollectability.

IMPAIRMENT OR VALUE ADJUSTMENT OF FIXED ASSETS

Cosun recognises intangible, tangible and financial fixed assets in accordance with accounting policies generally accepted for financial reporting in the Netherlands. Pursuant to these policies, assets with a long life should be subject to an impairment test in the case of changes or circumstances arising that lead to the suspicion that the book value of the asset will not be recovered. The recoverability of assets in use is determined by comparing the book value of an asset with the future net cash flow that the asset is expected to generate. In the case of a higher book value, the difference is charged to the result. Assets for sale are stated at book value or lower market value, less selling costs.

INVENTORIES

Raw materials and consumables are carried at the lower of cost in accordance with the FIFO ('first in, first out') method. Finished products are valued on the basis of cost of manufacture, including the purchase costs of used raw materials and consumables and the other costs directly attributable to manufacture. In addition, part of the indirect costs over the period of manufacture is attributed to the cost of manufacture. Members' bonus is not included in the valuation of inventory. Goods for resale are valued at cost. Cost includes the purchase price plus additional related costs. Land designated as project development land is valued at the historical cost of acquiring the land and other costs, which are directly attributable to the development.

When valuing inventories, account is taken of any value adjustment occurring on the balance sheet date including, if applicable, lower net realisable value.

RECEIVABLES

Non-interest bearing short term receivables are stated at nominal value. Interest bearing receivables are stated at amortized cost, less a provision deemed necessary for uncollectability. Provisions are determined on the basis of individual assessment of the collectability of receivables.

EQUITY

Pursuant to Guideline 620 of the Dutch Accounting Standards Board, the part (2%) of the paid-up capital that is payable on demand by the members is recognised as a liability in the consolidated annual accounts. As a result the consolidated equity differs from the equity in the cooperative annual accounts.

In so far as members are eligible to payment under the Sugar Beet Delivery Payment Regulations or the Cessation of Business Regulations, the payment is charged to equity the moment it is paid.

A standard payment regulation applies when a member obtains shares. The present value of the amount payable is recognised under receivables.

MINORITY INTERESTS

The third-party minority interests are valued at the third parties' share of the net asset value.

PROVISION FOR DEFERRED TAX LIABILITIES

Insofar as valuations for tax purposes differ from the policies described in this section, and these result in deferred tax liabilities, a provision is formed for these liabilities, calculated according to the tax rate applicable at the time when they are expected to be paid.

PENSIONS AND OTHER DEFERRED EMPLOYEE BENEFITS**Dutch pension plans**

The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension fund over the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is likely that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the staff and other commitments to staff. The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date. For any surplus at the pension fund as at balance sheet date, a receivable is recognised if the company has the power to withdraw this surplus, if it is likely that the surplus will flow to the company and if the receivable can be reliably determined.

Foreign pension plans

Pension plans that are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (company, fund and members) are recognised and measured in accordance with Dutch pension plans (see previous section). For foreign pension plans that are not comparable in design and functioning to the Dutch pension system, a best estimate is made of the commitment as at balance sheet date. This commitment should then be stated on the basis of an actuarial valuation principle generally accepted in the Netherlands.

Other deferred employee benefits

For other deferred employee benefits (such as jubilee) provisions are recorded. This provision is recorded at present value. The calculation of the present value is based on commitments, expected average remaining working period and age of the employees.

PROVISIONS

A provision is recorded when:

- There is a present legal or constructive obligation as a result of a past event.
- An estimate can be made reliable.
- It is probable that an outflow of economic benefits will be required to settle the obligation.

The provisions are valued at the discounted expected future cash flows.

NEGATIVE GOODWILL

Given its long-term nature, negative goodwill is presented as a non-current liability. The negative goodwill is recognised in the profit and loss account in proportion to the weighted average of the remaining useful life of the acquired depreciable assets.

LONG-TERM LEASE OBLIGATIONS

Agreements are assessed as to whether they contain a lease on the basis of economic reality on the contract date.

In case of finance lease (where the costs and benefits of the asset leased are borne entirely or almost entirely by the lessee) the leased asset and the associated debt on the date on which the agreement is entered into are recognised in the balance sheet at the lower of the asset's fair value at the date on which the agreement was entered into and the present value of the minimum lease payments. The initial direct costs borne by the lessee are included in the initial recognition of the asset. Lease payments are broken down into interest expense and repayment and the outstanding obligation, using a constant rate of interest over the remaining net obligation.

The capitalised asset leased is depreciated over the shortest period of the lease term or the useful life of the asset if there is no reasonable certainty that the lessee will become the owner at the end of the lease term.

In case of operating lease, lease payments are charged to the profit and loss account on a straight-line basis over the lease term.

DETERMINATION OF THE RESULT

Net turnover concerns the income from goods and services delivered to third parties, less discounts awarded and turnover tax. Turnover is only recorded if there is reasonable assurance that future benefit will be accrued by the business and that such benefit can be estimated reliably. Income is recorded when the significant risk and rewards of ownership have been transferred to the buyer, receipt of the consideration is probable, and the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

Members receive a members' bonus for the beet they deliver. The members' bonus is recognised as cost of raw materials and consumables.

The share in the result of participating interests represents Cosun's share in the result of these participating interests (if the participating interest is valued at net asset value) or the dividend received or other value adjustment (if the participating interest is valued at cost).

Taxation on the result comprises both taxes payable and deductible in the short term and deferred taxes, taking account of tax facilities and non-deductible costs. No taxes are deducted from profits if and insofar as these can be offset against losses from previous years and a deferred tax asset had not been recognized. Taxes are deducted from losses if these can be offset against profits in previous years. In addition, taxes will be deducted if and insofar as it may be reasonably expected that losses can be offset against future profits.

FAIR VALUE

Fair value represents the amount for which an asset is traded or an obligation settled between properly informed independent parties prepared to enter into a transaction.

THE USE OF ESTIMATES

During the preparation of the annual accounts, the management must, in accordance with the general prevailing policies, make certain estimates and assumptions that co-determine the stated amounts. The actual results may deviate from these estimates.

CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. Cash flows denominated in foreign currencies have been translated into euros at average exchange rates. The cost of group companies acquired and the selling price of group companies disposed of are included in cash flow from investing activities.

(1) INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets were as follows:

	GOODWILL	OTHER INTANGIBLE FIXED ASSETS	TOTAL
At cost as at 1 January 2014	246.0	29.2	275.2
Accumulated amortisation and other value adjustments as at 1 January 2014	105.9	21.0	126.9
BOOK VALUE AS AT 1 JANUARY 2014	140.1	8.2	148.3
Movements:			
- Investments	1.3	1.5	2.8
- Amortisation	-/ 12.3	-/ 2.1	-/ 14.4
- Other movements	-	0.5	0.5
BOOK VALUE AS AT 31 DECEMBER 2014	129.1	8.1	137.2
At cost as at 31 December 2014	246.6	28.9	275.5
Accumulated amortisation and other value adjustments as at 31 December 2014	117.5	20.8	138.3

GOODWILL

The goodwill related to acquisitions, is amortized over 5 to 20 years. A period of 20 years applies to investments that have a strategic character and an expected economic useful life of at least 20 years.

OTHER INTANGIBLE FIXED ASSETS

The other items under intangible assets, including software and licensing expenses, are amortised over a period of three to five years.

(2) TANGIBLE FIXED ASSETS

Movements in tangible fixed assets were as follows:

	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	PREPAYMENTS AND IN PRODUCTION	NOT USED FOR OPERATIONS	TOTAL
At cost as at 1 January 2014	338.5	946.8	63.6	10.4	7.0	1,366.3
Accumulated depreciation and impairments as at 1 January 2014	181.3	621.0	50.3	-	0.3	852.9
BOOK VALUE AS AT 1 JANUARY 2014	157.2	325.8	13.3	10.4	6.7	513.4
Movements:						
- Investments	17.9	85.9	5.5	-	-	109.3
- Divestments	-/- 0.1	-/- 0.6	-/- 0.1	-	-	-/- 0.8
- New in consolidation	23.8	11.0	1.0	-	-	35.8
- Transfer	-/- 0.4	2.0	0.9	-/- 0.8	-	1.7
- Depreciation	-/- 11.1	-/- 64.6	-/- 4.7	-	-	-/- 80.4
- Other changes in value	-/- 0.1	-/- 2.3	-	-	-	-/- 2.4
- Exchange differences	0.2	0.3	-	-	-	0.5
BOOK VALUE AS AT 31 DECEMBER 2014	187.4	357.5	15.9	9.6	6.7	577.1
At cost as at 31 December 2014	380.8	1,036.8	65.7	9.6	7.0	1,499.9
Accumulated depreciation and impairments as at 31 December 2014	193.4	679.3	49.8	-	0.3	922.8

The expected useful life and associated depreciation period is 10 to 40 years for the buildings, 10 to 20 years for the machinery and equipment and four years on average for the other tangible fixed assets. The insured value of the buildings, machinery, equipment and inventories is EUR 3.1 billion (2013: EUR 2.5 billion).

(3) FINANCIAL FIXED ASSETS

Movements in financial fixed assets were as follows:

	PARTICIPATING INTERESTS	RECEIVABLES FROM PARTICIPATING INTERESTS	RECEIVABLES FROM MEMBERS	DEFERRED TAX ASSETS	OTHER RECEIVABLES	TOTAL
Balance as at 1 January 2014	4.7	0.8	6.3	10.0	6.6	28.4
Movements:						
- Additions and issuances	-	0.1	1.1	0.5	1.7	3.4
- Repayments and releases	-	-	-/- 0.2	-/- 1.4	-	-/- 1.6
- Movements in favour of/charged to the result	-	-	0.2	0.5	-/- 0.3	0.4
- Share in results of participating interests and dividend received	0.2	-	-	-	-	0.2
- Reclassified as short-term receivables	-	-	-/- 2.6	-	-	-/- 2.6
BALANCE AS AT 31 DECEMBER 2014	4.9	0.9	4.8	9.6	8.0	28.2

PARTICIPATING INTERESTS

The participating interests relate, among other, to the non-consolidated interest in Eemshaven Sugar Terminal C.V., in Aviko Kloosterboer Verpakkingen B.V. and in the Spanish potato specialities company Eurofrits, S.A. As significant control can be exercised on these interests, they are stated based on net asset value.

RECEIVABLES FROM MEMBERS

The non-interest-bearing receivables from members (EUR 4.8 million) relate to the long-term portion of amounts still to be deposited for issued shares (2013: EUR 6.3 million).

DEFERRED TAX ASSETS

The deferred tax assets item relates to the recognised available tax losses and temporary differences in the fiscal and commercial valuations. It is expected that EUR 2.2 million (2013: EUR 2.4 million) of this receivable will be recovered within one year.

The tax loss carry-forwards, insofar as they are not included in the balance sheet under deferred tax assets, amounts to EUR 2.4 million gross (2013: EUR 1.4 million).

OTHER RECEIVABLES

Other receivables consist of long-term deposits with a duration from 1 up to 3 years and capitalised costs incurred for the conclusion of a new financing agreement with a term of 1 to 4 years.

(4) INVENTORIES

	31-12-2014	31-12-2013
Land	8.8	6.0
Raw materials and consumables	56.7	64.7
Finished products and goods for resale	540.3	514.7
	605.8	585.4

Of the inventories, EUR 13.9 million (2013: EUR 0.8 million) is stated at lower market value. The provision for obsolete inventories amounts to EUR 6.1 million (2013: EUR 4.8 million). The land included in inventory relates to grounds being developed for business park AFC Nieuw Prinsenland near Dinteloord.

(5) TRADE AND OTHER RECEIVABLES

	31-12-2014	31-12-2013
Trade accounts receivable	220.9	224.2
Receivables from members	2.6	2.6
Income tax receivable	6.7	7.2
Other tax receivables	26.0	29.4
Other receivables, prepayments and accrued income	24.2	91.9
	280.4	355.3

The decline in other receivables, prepayments and accrued income is attributable largely to the receipt of a receivable from the municipality of Bergen op Zoom relating to the sale of a former site of Nedalco and the receipt of excessive prior-year production levies paid.

(6) CASH AND CASH EQUIVALENTS

An amount of EUR 10.0 million (2013: EUR 10.6 million) is not available on demand. This mainly relates to the blocked deposits at a Slovenian bank regarding the received restructuring aid at Tovarna Sladkorja Ormoz d.d. in liquidation.

(7) CAPITAL AND RESERVES

For a breakdown of capital and reserves, please refer to the notes to the cooperative annual accounts.

The consolidated statement of total recognised gains and losses is as follows:

	2014	2013
Net result	79.1	139.3
Translation differences on foreign participating interests	2.8	- / 2.3
Total result recognised by Cosun	81.9	137.0

(8) MINORITY INTERESTS

	2014	2013
Balance as at 1 January	17.8	17.9
Movements:		
- Share in results	0.3	1.4
- Capital movements and change in consolidation	9.0	0.2
- Dividend paid to minority interests and liquidation distributions	- / 1.4	- / 1.6
- Exchange differences and other movements	0.6	- / 0.1
BALANCE AS AT 31 DECEMBER	26.3	17.8

The minority interests consist largely of third-party shares in the Slovenian sugar factory Tovarna Sladkorja Ormoz d.d. in liquidation, the potato-processing factory Gansu Aviko Potato Processing Co. Ltd, Rain Biomasse Wärme GmbH, the trading company Limako B.V., Beuker Slovakia s.r.o., Agri Bio Source Europe B.V. and Martin Amberger Kartoffelverarbeitung Dolli-Werk GmbH & Co. KG.

(9) PROVISIONS

	31-12-2014	31-12-2013
Deferred tax liabilities	41.2	45.3
Restructuring and reorganization	0.5	1.4
Pensions and other deferred employee benefits	21.7	12.0
Other provisions	20.7	25.3
	84.1	84.0

Of the provisions EUR 62.0 million (2013: EUR 75.6 million) is long term in nature.

Movements in provisions were as follows:

	DEFERRED TAX LIABILITIES	RESTRUCTURING AND REORGANISATION	PENSIONS AND OTHER DEFERRED EMPLOYEE BENEFITS	OTHER PROVISIONS	TOTAL
Balance as at 1 January 2014	45.3	1.4	12.0	25.3	84.0
Movements:					
- Additions	2.1	-	11.0	8.8	21.9
- Withdrawals	-/- 6.1	-/- 0.9	-/- 1.3	-/- 8.3	-/- 16.6
- Release to profit and loss account	-/- 0.1	-	-	-/- 5.1	-/- 5.2
BALANCE AS AT 31 DECEMBER 2014	41.2	0.5	21.7	20.7	84.1

DEFERRED TAX LIABILITIES

The provision for deferred tax liabilities arises from the timing differences between fiscal and commercial profit determination.

RESTRUCTURING AND REORGANISATION

The provision for restructuring and reorganisation relates mainly to distributions and other expenses as a result of long-term reorganisation plans at Suiker Unie.

PENSIONS AND OTHER DEFERRED EMPLOYEE BENEFITS

Several pension plans and other deferred employee benefits apply within Cosun. The life-long pension plans for the employees of Cosun Holding and for the employees of the business groups Suiker Unie, Sensus and Aviko are administered separately by the business groups' own pension funds.

COMPANY PENSION FUND	ESTIMATED COVERAGE AS AT 31-12-2014	BASIS FEATURES PENSION SYSTEM 31-12-2014
Pension fund Cosun	118.0	Average pay pension plan
Pension fund Aviko	105.9	Average pay pension plan

The company pension funds have conditional indexation for inactive employees.

The pension scheme for both company pension funds is based on a fixed contribution and average salary with conditional indexation. The employer has guaranteed the accrual and indexation of the assets for the members of the Cosun Pension Fund to the end of 2023 in so far as they cannot be funded from the contribution. The guarantee relates to indexation of up to 2% to the end of 2016 and then lowered in steps.

The additional commitment for the guaranteed indexation as at 1 January 2015 is recognised as a provision.

Several other pension schemes, including the transitional arrangement plans at Cosun Holding, Suiker Unie and Sensus are administered by insurance companies. A number of schemes have also been implemented within an industrial-sector pension fund or own management (long service award and mortality schemes) by the company concerned. In the implementation of these various schemes, local legal frameworks are taken into account and the regulations are carried out as described in the terms and conditions of employment.

The main actuarial assumptions were:

	2014	2013
Discount rate	2.0 %	3.5 %
Future salary increases	2.0 %	2.0 %

The mortality table used was the forecast for 2012-2062 of the Actuariel Genootschap [Actuarial Association], corrected for income class High-Middle.

On account of the indexation guarantee and the lower discount rate for the other schemes, the obligation increased in 2014.

OTHER PROVISIONS

The other provisions have been recorded for risks with respect to environment, obligations for demolition of assets, liabilities for the disposal of soil tare and other risks amounting to EUR 20.4 million (2013: EUR 25.0 million). In addition, a provision of EUR 0.3 million (2013: EUR 0.3 million) has been recorded for contractual risks, claims and fines.

The discount rate to discounting the future cash flows applied for is 2% for all terms (2013: 2% to 3.5%).

(10) NON-CURRENT LIABILITIES

	31-12-2014	EFFECTIVE INTEREST RATE	31-12-2013	EFFECTIVE INTEREST RATE
Debts to credit institutions	4.9	3.7 %	2.8	5.1 %
Debts to institutional investors	31.0	5.1 %	71.0	5.1 %
Long-term derivatives	-	-	8.7	-
Negative goodwill	9.0	-	12.4	-
Lease obligation	14.6	-	5.0	-
	59.5		99.9	

DEBTS TO CREDIT INSTITUTIONS

The non-current debts to credit institutions have a residual term of between one and five years. None of these debts carries variable interest.

DEBTS TO INSTITUTIONAL INVESTORS

Amounts owed to institutional investors consist entirely of loans placed with Dutch, UK and US financial parties with a lump-sum repayment in the years 2015 and 2018. The loans are denominated partly in euros (EUR 31.0 million) and partly in US dollars (USD 55.0 million). The current portion of the debt payable in 2015 is included under current liabilities. Loans with a residual term of two to five years amount to EUR 31.0 million (2013: EUR 71.0 million). Financing is provided based on certain financial conditions agreed by the parties. All of these conditions are met.

NEGATIVE GOODWILL

The negative goodwill, relating to acquisitions is released to the result based on the weighted average remaining life of the acquired depreciable assets.

(11) CURRENT LIABILITIES

	31-12-2014	31-12-2013
Debts to credit institutions	11.8	14.2
Debts to institutional investors	45.3	-
Liabilities of a financing nature	0.5	0.4
Short-term derivatives	3.4	-
Total debts to credit institutions and liabilities of a financing nature	61.0	14.6
Payables to members	166.7	230.3
Payables to suppliers and trade creditors	166.6	184.5
Income tax payable	48.1	32.0
Other taxes and social security contributions payable	7.8	8.9
Other current liabilities and accruals	148.6	138.5
Total other current liabilities, accruals and deferrals	537.8	594.2

SHORT-TERM DERIVATIVES

Short-term derivatives include a currency swap to hedge exchange rate risk arising from liabilities to institutional investors.

An interest rate swap has also been concluded to cover the interest risk on debts to institutional investors. Under cost price hedge accounting, the book value of the interest rate swap is nil. The fair value of the interest rate swap at year-end 2014 was EUR 0.3 million negative.

OTHER LIABILITIES ACCRUALS AND DEFERRALS

Income tax payable at year-end 2014 excludes approximately EUR 35 million (2013: nil) of income tax recoverable in 2015 and 2016 in respect of the sugar beet delivery/business termination (UB/BBU) regulations. This deduction is expected to be made on the payment date and the UB/BBU payment will be charged net to other reserves.

The other current liabilities and accruals relate to production levies, interest, holiday entitlements, bonuses and other expenses still to be paid.

(12) DERIVATIVE FINANCIAL INSTRUMENTS**GENERAL**

Cosun's treasury policy is aimed at hedging exchange and interest rate risks as much as possible. The exchange rate risk on financing contracts regarding group companies denominated in foreign currency is hedged by currency swaps. In accordance with its treasury policy, Cosun neither holds nor issues derivatives for trading purposes. Margin calls are not applicable to derivative financial instruments.

EXCHANGE RATE RISK

The following table shows the contract volumes and fair market value of the contracts outstanding at 31 December all of which have been concluded with financial institutions with a short term credit rating of A2 or higher.

	CONTRACT VOLUME 31-12-2014		BOOK-VALUE 31-12-2014		FAIR MARKET VALUE 31-12-2014		CONTRACT VOLUME 31-12-2013		BOOK-VALUE 31-12-2013		FAIR MARKET VALUE 31-12-2013	
Forward exchange contracts and currency swaps:												
US dollar	122.8	-/-	1.4	-/-	4.7	61.6	0.5					1.6
Pound sterling	53.8	-/-	0.4	-/-	1.3	81.2	-/-	0.2	-/-			1.5
Polish zloty	0.2		-		-	7.8	-/-	0.1				0.1
Australian dollar	11.8		-		0.2	6.5		0.2				0.5
Swedish crown	2.7		-		-	2.8	-/-	0.1	-/-			0.1
Canadian dollar	-/-	0.1	-	-	-	-/-	0.7	-	-			-
Czech Koruna	1.4		-		-	-		-				-
Russian ruble	2.2		-		-	-		-				-
TOTAL	194.8	-/-	1.8	-/-	5.8	159.2	0.3					0.6

The contract volume is the product of the contracted amount and applicable exchange rate as at the balance sheet date. The book value is the part of the contract volume for which the hedged position has resulted in a financial active or financial liability, and is carried as the difference between the exchange rate as at balance sheet date and the hedged exchange rate. The fair value pertains to the total contract volume.

As in 2013, the forward exchange contracts and currency swaps have mainly a term shorter than one year. The contract volume with a term longer than one year amounts to EUR 17.3 million (2013: EUR 4.9 million).

PRICE RISK

	BOOK VALUE 31-12-2014		FAIR MARKET VALUE 31-12-2014		BOOK VALUE 31-12-2013		FAIR MARKET VALUE 31-12-2013	
Commodity futures contracts		-	-/-	1.7		-	-/-	0.1

As in 2013, the commodity future contracts have mainly a term shorter than one year.

CREDIT RISK

Credit risks differ by country and individual counterparty and are managed by means of credit limits for each country and counterparty. The credit risk relating to derivatives and other financial instruments is managed by only concluding contracts with financial institutions with a credit rating of A or higher for long-term or a credit rating of A2 or higher for short-term.

INTEREST RATE RISK

To manage interest rate risks the interest on the permanent financing needs is covered by the derivate financial instruments below:

	CONTRACT VOLUME 31-12-2014	BOOK VALUE 31-12-2014	FAIR MARKET- VALUE 31-12-2014	CONTRACT VOLUME 31-12-2013	BOOK VALUE 31-12-2013	FAIR MARKET VALUE 31-12-2013
Currency and interest rate swaps concerning liabilities to institutional investors	48.7	-/ 3.7	-/ 3.7	48.7	-/ 9.6	-/ 8.5
Other interest rate derivatives	6.0	-/ 0.2	-/ 0.2	16.9	-/ 0.3	-/ 0.3

For the currency and interest rate swaps concerning liabilities to institutional investors the fair value with maturity shorter than one year amounts to -/ EUR 3.7 million (2013: nil).

The fair value of other interest rate derivatives maturing within 1 year amounts to nil (2013: nil).

(13) OFF BALANCE SHEET COMMITMENTS**SECURITIES PROVIDED**

Financing agreements include negative pledges with pari passu clauses. A number of group companies have given security to credit institutions and tax authorities in the form of non-possessory pledges on inventories, machinery and business equipment, silent pledges on receivables and mortgages on a number of properties.

CLAIMS

Cosun and/or its group companies are involved in a number of legal cases in connection with the group's ordinary activities.

Although the outcome of these disputes cannot be predicted with any certainty, it is assumed – partly on the basis of legal advice – that the total obligations arising from these will not have any significant effect on the consolidated financial position. Provisions have been formed for all third party claims likely to be awarded for which the size of the potential settlement can be reasonably estimated.

GUARANTEES

Cosun has given guarantees to third parties to an amount of EUR 29.6 million (2013: EUR 42.1 million).

LONG-TERM FINANCIAL COMMITMENTS

Long-term unconditional commitments have been entered into in respect of rent and operating lease. The obligations ensuing from this amount to EUR 12.6 million (2013: EUR 12.4 million). The rental and lease instalments payable within one year amount to EUR 3.8 million (2013: EUR 3.5 million). Instalments payable after five years amount to nil (2013: EUR 0.3 million). Contingent investment liabilities amount to EUR 12.8 million (2013: EUR 13.7 million).

(14) NET TURNOVER

The break-down of net turnover per product group is as follows:

	2014	%	2013	%
Sugar activities	904.2	42.8	1,003.0	46.3
Potato activities	730.6	34.5	707.1	32.6
Other activities	479.7	22.7	456.2	21.1
TOTAL	2,114.5	100.0	2,166.3	100.0

Net turnover per geographical region can be broken down as follows:

	2014	%	2013	%
The Netherlands	714.8	33.8	867.0	40.0
Rest of the EU	1,119.4	52.9	1,035.5	47.8
Rest of Europe	38.4	1.8	40.3	1.9
North and South-America	112.7	5.4	109.2	5.0
Rest of the world	129.2	6.1	114.3	5.3
TOTAL	2,114.5	100.0	2,166.3	100.0

(15) OTHER OPERATING INCOME

The book profit on sold assets, insurance payments received, grants, reimbursements received for services to third parties and rental income are included under these revenues.

(16) EU LEVIES

Production levies are imposed by the EU to finance the sugar market regime. An amount of EUR 13.0 million was recognised in 2013 for production levies recoverable for the period 2001-2005.

(17) COST OF RAW MATERIALS AND CONSUMABLES

This item includes the cost of raw materials and consumables, purchased finished goods and production-related energy costs. Sugar beet purchases from members amounted to EUR 282.9 million (2013: EUR 360.2 million). This amount includes EUR 107.7 million payable as members' bonus (2013: EUR 187.2 million).

(18) COST OF OUTSOURCED WORK AND OTHER EXTERNAL COSTS

This expense item includes, among other things, rental costs, research costs, repair and maintenance costs, indirect energy costs, transport costs, office expenses, selling expenses, insurance costs and IT costs, insofar as such expenses are charged by third parties.

The total Research & Development costs, including staff costs, amounted to EUR 14.1 million (2013: EUR 12.5 million).

(19) STAFF COSTS

	2014	2013
Wages and salaries	182.3	160.9
Social security contributions	32.7	27.9
Pension costs	35.9	28.4
	250.9	217.2

NUMBER OF EMPLOYEES

Expressed in full-time equivalents, the average number of employees at Cosun during the 2014 financial year was 3,799 (2013: 3,477). The employees were engaged in the following product groups (average number of employees):

	2014	2013
Sugar activities	845	842
Potato activities	1,943	1,695
Other activities	1,011	940
TOTAL	3,799	3,477
Of whom employed outside the Netherlands	1,758	1,474

(20) OTHER CHANGES IN THE VALUE OF INTANGIBLE AND TANGIBLE FIXED ASSETS

In 2014 the impairment on tangible fixed assets amounts to EUR 2.4 million. The change in value in 2013 amounted to EUR 2.5 million and related to goodwill.

(21) FINANCIAL INCOME AND EXPENSE

Financial income and expenses include interest on interest bearing receivables and debts.

(22) TAXATION ON RESULTS FROM ORDINARY ACTIVITIES

The corporate income tax disclosed in the profit and loss account amounts to EUR 27.4 million (2013: EUR 32.6 million) on a result of EUR 106.3 million (2013: EUR 172.7 million). The effective tax rate was 25.8% (2013: 18.9%). The difference from the nominal tax rate can be specified as follows:

	2014	%	2013	%
Profit before taxation	106.3		172.4	
Income tax based on Dutch tax rates	26.6	25.0	43.1	25.0
Effect of foreign tax rates	1.5	1.4	0.3	0.2
Non-deductible charges / permanent differences	-/- 0.2	-/- 0.1	1.1	0.7
Effect of change in valuation of tax losses, assets or temporarily differences	0.2	0.2	-/- 4.4	-/- 2.6
Adjustment for prior periods	-/- 0.8	-/- 0.8	-/- 7.2	-/- 4.2
Other	0.1	0.1	-/- 0.3	-/- 0.2
Total tax burden	27.4	25.8	32.6	18.9

The adjustment to prior years in 2013 relates mainly to the outcome of the discussion between the Dutch and the U.S. tax authorities on transfer pricing methodology to be used for one of the activities.

(23) FEES OF THE AUDITOR

The following fees have been charged by Ernst & Young Accountants to the company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a (1 and 2) of the Netherlands Civil Code.

In the year 2014 the following fees were charged to the company:

	ERNST & YOUNG ACCOUNTANTS LLP	OTHER ERNST & YOUNG NETWORK	TOTAL ERNST & YOUNG
Audit of the financial statements	0.2	0.3	0.5
Tax advisory services	0.1	0.2	0.3
TOTAL	0.3	0.5	0.8

In the year 2013 the following fees were charged to the company:

	ERNST & YOUNG ACCOUNTANTS LLP	OTHER ERNST & YOUNG NETWORK	TOTAL ERNST & YOUNG
Audit of the financial statements	0.3	0.2	0.5
Tax advisory services	-	0.3	0.3
TOTAL	0.3	0.5	0.8

(24) CASH FLOW STATEMENT

Movements in the cash flow statement can be derived largely from the movements in the relevant balance sheet items. The balance sheet movement and the cash flow statement movement of certain items are reconciled below:

	WORKING CAPITAL	PROVISIONS	NON-CURRENT LIABILITIES
Balance as at 1 January 2014	346.5	-/ 84.0	-/ 99.9
Balance as at 31 December 2014	348.4	-/ 84.1	-/ 59.5
Balance sheet movements	-/ 1.9	0.1	-/ 40.4
Adjustments for:			
- Changes in consolidation	-/ 0.5	-/ 0.3	-/ 2.8
- Changes in income tax	-/ 16.6	4.1	-
- Release negative goodwill	-	-	3.6
- Reclassification	0.9	-	39.1
CASH FLOW	-/ 18.1	3.9	-/ 0.5

The reclassification of long-term liabilities relates to the repayment obligation to institutional investors in 2015 and has been recognised in current liabilities after deduction of the increase in long-term lease obligations.

COOPERATIVE BALANCE SHEET

(after profit appropriation; in EUR million)

	Notes	31-12-2014	31-12-2013
ASSETS			
Fixed assets			
Intangible fixed assets	(25)	85.0	92.6
Tangible fixed assets	(26)	253.0	229.1
Financial fixed assets	(27)	548.6	578.5
		886.6	900.2
Current assets			
Inventories	(28)	323.0	312.9
Trade and other receivables	(29)	286.8	262.7
Cash and cash equivalents		329.2	298.8
		939.0	874.4
Total assets		1,825.6	1,774.6
EQUITY AND LIABILITIES			
Shareholders' equity (30)			
Share capital		7.1	7.1
Share premium		53.5	53.6
Reserve for participating interests		5.3	4.3
Reserve for exchange differences		0.7	-/ 2.1
Other reserves		1,165.1	1,096.8
		1,231.7	1,159.7
Provisions	(31)	48.8	52.3
Non-current liabilities	(32)	40.9	79.7
Current liabilities	(33)		
Current liabilities to credit institutions and liabilities of a financing nature		49.4	0.2
Other current liabilities, accruals and deferrals		454.8	482.7
		504.2	482.9
Total equity and liabilities		1,825.6	1,774.6

COOPERATIVE PROFIT AND LOSS ACCOUNT

(after profit appropriation; in EUR million)

FOR THE FINANCIAL YEAR	Notes	2014	2013
Cooperative result after taxation		39.9	86.6
Profit of participating interests after taxation		39.2	52.7
NET RESULT		79.1	139.3
APPROPRIATION OF PROFIT IN ACCORDANCE WITH ARTICLE 1 OF THE SUGAR BEET DELIVERY PAYMENT REGULATIONS			
Result of participating interests less dividends received		10.9	36.2
Cooperative result including dividends from participating interests		68.2	103.1

NOTES TO THE COOPERATIVE ANNUAL ACCOUNTS

(in EUR million)

GENERAL

Insofar as notes on items in the cooperative balance sheet and profit and loss account are not provided below, reference is made to the notes to the consolidated balance sheet and profit and loss account.

ACCOUNTING POLICIES

The cooperative balance sheet and profit and loss account are prepared using the same accounting policies as applied for the consolidated balance sheet and profit and loss account.

(25) INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets were as follows:

	GOODWILL	OTHER INTANGIBLE FIXED ASSETS	TOTAL
At cost as at 1 January 2014	174.6	5.6	180.2
Accumulated amortisation and other changes in value as at 1 January 2014	85.4	2.2	87.6
BOOK VALUE AS AT 1 JANUARY 2014	89.2	3.4	92.6
Movements:			
- Amortisation	-/ 7.6	-/ 0.3	-/ 7.9
- Investments	-	0.3	0.3
BOOK VALUE AS AT 31 DECEMBER 2014	81.6	3.4	85.0
At cost as at 31 December 2014	174.6	6.0	180.6
Accumulated amortisation and other changes in value as at 31 December 2014	93.0	2.6	95.6

(26) TANGIBLE FIXED ASSETS

Movements in tangible fixed were as follows:

	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	PREPAYMENTS AND IN PRODUCTION	NOT USED FOR OPERATIONS	TOTAL
At cost as at 1 January 2014	125.7	341.2	10.1	9.6	5.2	491.8
Accumulated depreciation and other changes in value as at 1 January 2014	60.3	193.9	8.5	-	-	262.7
BOOK VALUE AS AT 1 JANUARY 2014	65.4	147.3	1.6	9.6	5.2	229.1
Movements:						
- Investments	13.3	50.4	1.3	-	-	65.0
- Depreciation	-/ 3.5	-/ 32.4	-/ 0.8	-	-	-/ 36.7
- Other changes in value	-/ 0.1	-/ 2.3	-	-	-	-/ 2.4
- Transfer	-	0.4	-/ 0.4	-/ 2.0	-	-/ 2.0
BOOK VALUE AS AT 31 DECEMBER 2014	75.1	163.4	1.7	7.6	5.2	253.0
At cost as at 31 December 2014	138.8	392.9	7.6	7.6	5.2	552.1
Accumulated depreciation and other changes in value as at 31 December 2014	63.7	229.5	5.9	-	-	299.1

(27) FINANCIAL FIXED ASSETS

	31-12-2014	31-12-2013
Participating interests in group companies	245.1	486.9
Receivables from group companies	290.6	78.6
Receivables from members	4.8	6.3
Deferred tax assets	0.1	0.2
Other receivables	8.0	6.5
	548.6	578.5

Movements in financial fixed assets were as follows:

	PARTICIPATING INTERESTS IN GROUP COMPANIES	RECEIVABLES FROM GROUP COMPANIES	RECEIVABLES FROM MEMBERS	DEFERRED TAX ASSETS	OTHER RECEIVABLES	TOTAL
Balance as at 1 January 2014	486.9	78.6	6.3	0.2	6.5	578.5
Movements:						
- Share in result of participating interests	40.1	-	-	-	-	40.1
- Additions and issuances	19.6	214.3	1.1	-	1.8	236.8
- Repayments and releases	-/- 275.0	-/- 2.3	-	-/- 0.1	-	-/- 277.4
- Dividend	-/- 29.3	-	-	-	-	-/- 29.3
- Exchange results	2.8	-	-	-	-	2.8
- Movements in favour of/charged to the profit and loss account	-	-	0.2	-	-/- 0.2	-
- Reclassification to current	-	-	-/- 2.8	-	-/- 0.1	-/- 2.9
BALANCE AS AT 31 DECEMBER 2014	245.1	290.6	4.8	0.1	8.0	548.6

PARTICIPATING INTERESTS IN GROUP COMPANIES

Nedalco Alcohol GmbH & Co. KG in liquidation and Suiker Unie GmbH & Co. KG are subsidiaries and included in the consolidated financial statements of Royal Cosun as of 31 December 2014. Nedalco Alcohol GmbH & Co. KG and Suiker Unie GmbH & Co. KG in liquidation uses the exemption to prepare, audit and disclose the financial statement in accordance with section 264b German Commercial Law.

RECEIVABLES FROM GROUP COMPANIES

Receivables from group companies are mainly long-term loans granted to Cosun Holding B.V. (EUR 175 million), Aviko B.V. (EUR 60 million), SVZ International B.V. (EUR 30 million) and Novidon B.V. (EUR 13 million).

RECEIVABLES FROM MEMBERS

The non-interest bearing receivables from members (EUR 4.8 million) relates to the market value of the long-term portion of amounts still to be deposited for issued shares (2013: EUR 6.3 million).

OTHER RECEIVABLES

This concerns long-term deposits with a maturity of 1 to 3 years and costs related to the closure of a new financing agreement with a term of 1 to 4 years.

(28) INVENTORIES

	31-12-2014	31-12-2013
Land	8.8	6.0
Raw materials and consumables	7.9	9.9
Finished products and goods for resale	306.3	297.0
	323.0	312.9

The provision for obsolete inventories amounts to EUR 2.1 million (2013: EUR 1.5 million). The land included in inventory relates to grounds being developed for business park AFC Nieuw Prinsenland near Dinteloord.

(29) TRADE AND OTHER RECEIVABLES

	31-12-2014	31-12-2013
Trade accounts receivable	58.2	66.3
Receivables from group companies	205.0	151.9
Short-term portion of amount still to be paid up for issued shares	2.6	2.6
Income tax	0.1	0.2
Other tax receivables	11.2	11.3
Other receivables and accrued income	9.7	30.4
	286.8	262.7

(30) CAPITAL AND RESERVES**ISSUED SHARE CAPITAL AND SHARE PREMIUM**

	SHARE CAPITAL	SHARE PREMIUM	TOTAAL 2014	TOTAL 2013
Balance as at 1 January	7.1	53.6	60.7	60.7
Movements:				
- Shares issued	0.3	0.8	1.1	1.3
- Shares redeemed and withdrawn	-/- 0.3	-/- 0.9	-/- 1.2	-/- 1.3
BALANCE AS AT 31 DECEMBER	7.1	53.5	60.6	60.7

The total number of issued shares is 155,578 (2013: 156,303), with the nominal value amounting to EUR 45.40 per share. In 2014, 5,796 shares were issued and 6,521 shares were redeemed and withdrawn. Based on RJ 620, EUR 1.2 million (2013: EUR 1.2 million) has been presented as liability in the consolidated annual accounts.

STATUTORY RESERVES, OTHER RESERVES AND RESULTS

	RESERVE FOR PARTICIPATING INTERESTS	RESERVE FOR EXCHANGE DIFFERENCES	OTHER RESERVES	TOTAL 2014	TOTAL 2013
Balance as at 1 January	4.3	-/- 2.1	1,096.8	1,099.0	972.3
Movements:					
- Profit appropriation	-	-	79.1	79.1	139.3
- Paid to members	-	-	-/- 9.8	-/- 9.8	-/- 10.3
- Exchange differences	-	2.8	-	2.8	-/- 2.3
- Transfer	1.0	-	-/- 1.0	-	-
BALANCE AS AT 31 DECEMBER	5.3	0.7	1,165.1	1,171.1	1,099.0

The net result 2014 of EUR 79.1 million has been added to the other reserves.

RESERVE FOR PARTICIPATING INTERESTS

The reserve for participating interests is that part of movements in equity that are not freely disposable as from the moment of consolidation.

OTHER RESERVES

On the basis of section 46 of the articles of association, payments take place to members and contracted parties. Effective from January 2000, these payments are in accordance with the Sugar Beet Delivery Payment Regulations; previously the Cessation of Business Regulations had been applicable. The payment amount depends on the average number of tonnes of sugar beets delivered, the average cooperative result including the dividend from participating interests per tonne of sugar beet for the three previous financial years, and a factor per campaign. Payments are deducted from the other reserves.

Until 2017 the payments will also be made based on the Cessation of Business Regulations, for which the amount depends on the number of shares possessed by the members, the number of financial years that the shares have been in the possession of the members, and the average cooperative result including dividend from participating interests per share for the three previous financial years. The payment takes place from the moment business operations ceased, or after a delivery period of at least 30 consecutive campaigns at the moment the member uses the Cessation of Business Regulations or 2017 at the latest.

Some of the members are entitled to payment under the Beet Delivery Regulations in 2015 because they will have delivered sugar in 15 successive campaigns. If every eligible member exercises this right, the gross payment in 2015 based on the cooperative's results including dividend received from participating interests for the period 2012-2014 would be approximately EUR 180 million (net: approximately EUR 135 million, charged to other reserves). This amount includes that the members concerned are also entitled to payment pursuant to the transitional rules.

The former CSM Suiker growers will be eligible to a payment under the Beet Delivery Regulations after delivering beet for a period of ten years in 2016. If the amount accrued for these members is less than the admission fee (2007 capital contribution), the members concerned will receive an additional payment for the difference between the beet delivery payment accrued up to that moment and the admission fee paid, subject to the conditions of the membership application and the Beet Delivery Regulations. If all eligible members exercise this right, the gross payment in 2016 based on the cooperative's results including dividends from participating interests for the period 2013-2014 will amount to approximately EUR 40 million (approximately EUR 30 million net charged to other reserves). No account is taken of the cooperative's results including dividends from participating interest for 2015.

If all members eligible to payment under the Cessation of Business Regulation and the Beet Delivery Regulation, the total payment as at 31 December 2014 would amount to EUR 298.0 million (2013: EUR 273.5 million).

DIFFERENCE BETWEEN CONSOLIDATED AND COOPERATIVE EQUITY

Pursuant to Guideline 620 of the Dutch Accounting Standards Board, the part (2%) of the paid-up capital that is payable on demand by the members is recognised as a liability in the consolidated annual accounts. As a result the consolidated equity differs from the equity in the cooperative annual accounts.

	31-12-2014	31-12-2013
Consolidated capital and reserves	1,230.5	1,158.5
Impact RJ 620	1.2	1.2
Cooperative capital and reserves	1,231.7	1,159.7

(31) PROVISIONS

	31-12-2014	31-12-2013
Deferred tax liabilities	26.6	30.4
Restructuring and reorganisation	0.4	1.2
Pensions and other deferred employee benefits	14.8	7.3
Other provisions	7.0	13.4
	48.8	52.3

EUR 34.1 million (2013: EUR 45.8 million) of the provisions is long term in nature.

Movements in provisions were as follows:

	DEFERRED TAX LIABILITIES	RESTRUCTURING AND REORGANISATION	PENSIONS AND OTHER DEFERRED EMPLOYEE BENEFITS	PROVISION FOR PARTICIPATING INTERESTS	TOTAL
Balance as at 1 January 2014	30.4	1.2	7.3	13.4	52.3
Movements:					
- Additions from profit and loss account	-	-	8.3	7.3	15.6
- Release to profit and loss account	-	-	-	-/- 5.6	-/- 5.6
- Withdrawals	-/- 3.8	-/- 0.8	-/- 0.8	-/- 8.1	-/- 13.5
BALANCE AS AT 31 DECEMBER 2014	26.6	0.4	14.8	7.0	48.8

(32) NON-CURRENT LIABILITIES

	31-12-2014	EFFECTIVE INTEREST RATE	31-12-2013	EFFECTIVE INTEREST RATE
Debts to institutional investors	31.0	5.1 %	71.0	5.1 %
Long-term derivatives	-	-	8.7	-
Lease obligation	9.9	-	-	-
TOTAL NON-CURRENT LIABILITIES	40.9		79.7	

(33) CURRENT LIABILITIES

	31-12-2014	31-12-2013
Liabilities of a financing nature	49.4	0.2
Payables to group companies	129.1	115.3
Payables to members	166.7	230.3
Payables to suppliers and trade creditors	36.5	54.4
Income tax payable	46.8	24.9
Other taxes and social security contributions payable	2.0	1.9
Other current liabilities and accruals	73.7	55.9
TOTAL OTHER CURRENT LIABILITIES AND ACCRUALS	454.8	482.7

SHORT-TERM DERIVATIVES

Short-term derivatives include currency and interest rate swaps to hedge interest and exchange rate risk arising from liabilities to institutional investors to an amount of EUR 3.4 million (2013: nil).

(34) OFF BALANCE SHEET COMMITMENTS**Several liability and guarantees**

Cosun has given guarantees to third parties to an amount of EUR 31.0 million (2013: EUR 26.1 million).

Long-term financial commitments

Long-term unconditional commitments have been entered into in respect of rent and operating lease. The obligations ensuing from this amount to EUR 4.6 million (2013: EUR 4.4 million). The rental and lease instalments payable within one year amount to EUR 1.2 million (2013: EUR 1.2 million). Instalments payable after five years amount to nil (2013: EUR 0.3 million). Contingent investment liabilities amount to EUR 11.4 million (2013: EUR 12.4 million).

(35) OTHER INFORMATION

The remuneration, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, of members of the Board amounted to EUR 0.8 million (2013: EUR 0.6 million) and that members of the Supervisory Board to EUR 0.1 million (2013: EUR 0.1 million). The remuneration was charged to the result.

Board

D.H. de Lugt
G.M. van Tilburg
J.M.M. Megens
A.J.B.P. Bossers
B.R. van Doesburgh
J.M. Klompe
Ms. G. Prins
J.A. Smid
J.H.D. Voncken

Supervisory Board

J. Bartelds
J.L. van Driel
W.A. Blijdorp
E.H.W.J.E. Michiels
Ms. J.P. Rijdsdijk
B.T. Visser

Breda, 12 March 2015

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Coöperatie Koninklijke Cosun U.A.

Report on the financial statements

We have audited the accompanying financial statements 2014 of Coöperatie Koninklijke Cosun U.A., Breda, which comprise the company and consolidated balance sheet as at 31 December 2014, the company and consolidated profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION WITH RESPECT TO THE FINANCIAL STATEMENTS

In our opinion, the financial statements give a true and fair view of the financial position of Coöperatie Koninklijke Cosun U.A. as at December 31, 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Eindhoven, 12 March 2015

Ernst & Young Accountants LLP
Signed by drs. S.G.C. Seijkens RA

PROVISIONS IN THE ARTICLES OF ASSOCIATION GOVERNING THE APPROPRIATION OF PROFIT

The appropriation of the profit for the year is laid down in the Articles of Association (Article 42, paragraphs 1 and 2) as follows: the Board shall determine what proportion of the cooperative's profit for the year shall be added to reserves. Unless the Members' Council resolves otherwise on the Boards' recommendation, the amount remaining after the above addition shall be distributed among those members who were A members or B members at the end of the financial year in question, or who had ceased to be A members or B members during or at the end of that financial year; with regard to B members, the distribution shall be made with due regard for the Membership Agreement and at the direction of the relevant C members in accordance with the quantity of produce supplied to the cooperative in that financial year and in accordance with the method of payment stipulated in the Sugar Beet Regulation.

PROPOSED PROFIT APPROPRIATION

The net result for the 2013 financial year (EUR 139.3 million) is added to the other reserves, in accordance with the decision of the Board on 12 March 2014.

The Board intends to decide that EUR 79.1 million be added to the other reserves.

The above has already been included in the cooperative's 2014 annual accounts.