

ANNUAL REPORT 2014/15

LUCAS BOLS

1575





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Lucas Bols is a leading global cocktail and spirits player with a strong position in the bartending community and a unique heritage dating back to 1575 in Amsterdam. Our portfolio includes Bols, the world's oldest distilled spirits brand. Building on this heritage, we have mastered the art of distilling, mixing and blending, creating new flavours and adapting old recipes in line with today's cocktail trends. We offer a portfolio of premium and super-premium global brands, together with strong regional brands in over 110 countries around the world.

440 YEARS OF CRAFTSMANSHIP & COCKTAIL HISTORY





CEO INTRODUCTION



It is with great pleasure that we present you with our first annual report as a listed company. Last year was anything but an ordinary one for Lucas Bols. While the most significant event of the year was obviously the Lucas Bols IPO on the Amsterdam stock exchange, also the opening of the Lucas Bols distillery in Amsterdam and the 440th anniversary of Lucas Bols contributed towards making the past year a memorable one in our company's history.

Since the buy-out of Lucas Bols from Rémy Cointreau in 2006 we have focused on rebuilding our global brands and developing innovative marketing strategies to create strong market positions around the world. In mid-2014 we decided together with our main shareholder AAC Capital that Lucas Bols was now ready for a stand alone future, and from the summer we worked hard towards the actual listing on 4 February 2015. The IPO met with an overwhelmingly positive response from all our stakeholders: the investor community, the media, our employees and also our distributors, with whom we hold long-standing relationships. The IPO enabled us to create a diversified shareholder base and has significantly raised our public profile. The listing provides us with greater financial flexibility and a stronger financial position given that we were able to repay a significant part of our debt. The inclusion in the ASX index four months after our IPO will further contribute to our profile among the investor community.

Whilst we look back on an exciting 2014/15 it was also a challenging year, one in which we successfully completed the transition of the distribution of our Bols Liqueurs to our wholly-owned subsidiary Lucas Bols USA. We had to deal with unavoidable foreign currency exchange effects. In addition government regulations and excise duty increases in the Netherlands impacted the results, especially in the first half of the financial year. Revenue in the US improved significantly in the second half of the year following the successful transition, offset by the adverse effect on revenue of political instability in Russia and challenging retail market conditions in the UK and

Belgium. At the same time we managed to expand the Bols Genever brand to Shanghai and Tokyo on the back of an upward trend in the on-trade cocktail business in China and Japan. Our regional brands portfolio further stabilised in the Netherlands.

All in all this resulted in a satisfying development of the results, with revenue in line with last year and 7.7% organic growth in operating profit excluding IPO costs. Looking ahead, we see a mix of positive market developments and still challenging circumstances in some markets. Overall we are positive about the future developments of our brands.

I would like to welcome our new shareholders and look forward to a long-lasting relationship. I would also like to thank AAC Capital for their commitment as a significant shareholder for the last nine years.

Ultimately it is our people behind the brands who make the difference at Lucas Bols. I want to express my gratitude to all Lucas Bols employees in the Netherlands and anywhere else in the world. We need them, now and in the future, to further strengthen our position in the global cocktail community and to realise our ambition to become the undisputed global cocktail authority.

Huub van Doorne

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LUCAS BOLS AT A GLANCE



The company at a glance

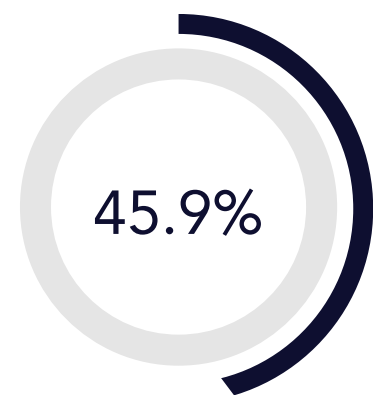
Lucas Bols is a leading global cocktail and spirits player with a strong position in the bartending community and a unique heritage dating back to 1575 in Amsterdam. Our product portfolio includes Bols, the world's oldest distilled spirits brand. Building on this heritage, we have mastered the art of distilling, mixing and blending, creating a portfolio of premium and super-premium global brands, together with strong regional brands. Lucas Bols is active in over 110 countries worldwide with the Bols brand as the number one liqueur range globally (excluding the US) and Bols Genever as the world's leading genever.

We conduct our business by investing in strong production and distribution partnerships. Our flexible and asset-light business model enables us to focus fully on innovation and strategic marketing to build the Lucas Bols brands. Key aspects of our business model are the House of Bols Cocktail & Genever Experience, the Bols Bartending Academy, Europe's largest bartending school and the Lucas Bols distillery where we create new flavours and adapt old recipes, in line with the cocktail trends of today.

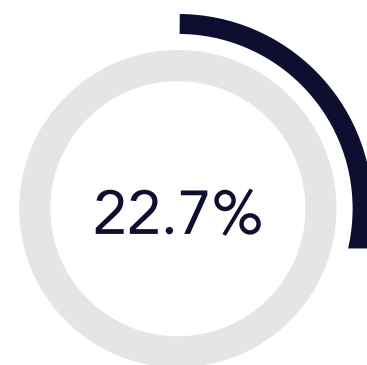
Lucas Bols has been listed on the Euronext Amsterdam stock exchange since 4 February 2015, and is included in the AScX index since 22 June 2015.

LUCAS BOLS BRANDS

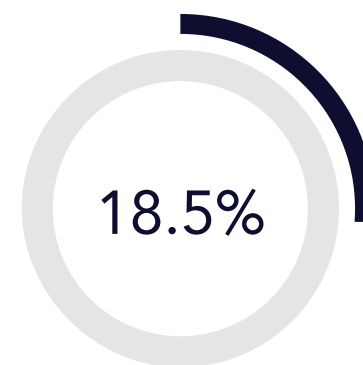
GLOBAL PRESENCE



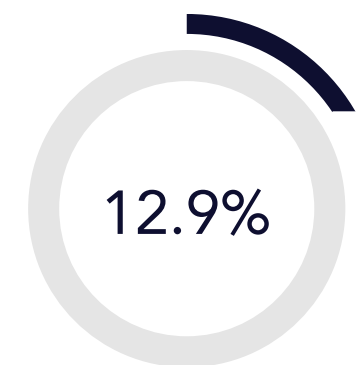
Western Europe



Asia-Pacific



North America



Emerging Markets

% of total 2014/15 revenue



THE COMPANY HIGHLIGHTS

1575

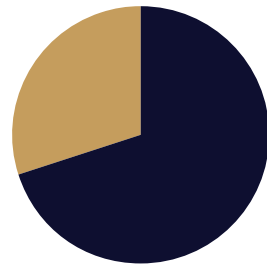
OLDEST DISTILLED
BRAND IN THE WORLD
SINCE 1575



440

440 YEARS OF
CRAFTMANSHIP &
COCKTAIL HISTORY

30%
REGIONAL BRANDS



70%
GLOBAL BRANDS

> 20

More than 20 brands



> 110

More than 110 countries



#1

LIQUEUR RANGE

The world's No.1 liqueur range*



#1

GENEVER

The world's No.1 genever



> 3,000

3,000 bartenders trained at the
Bols Bartending Academy per year



> 50,000

Over 50,000 visitors House of Bols
Cocktail & Genever Experience per year



* outside the USA

KEY FIGURES

(in € million unless otherwise stated, for the years ended)

	31 March 2015	31 March 2014	Reported Change	Organic Change*
Results				
Revenue	77.7	78.7	-1.3%	-0.5%
Gross profit	46.9	47.6	-1.4%	+0.5%
Operating profit	19.9	21.5	-7.5%	-2.5%
Operating profit, excluding IPO costs	22.1	21.5	+2.7%	+7.7%
Operating margin (EBITA)	28.5%	28.0%	50 bps	170 bps
EBITA	20.0	22.0	-9.3%	-4.4%
EBITA, excluding IPO costs	22.2	22.0	0.7%	5.6%
Net result	0.2	0.2	-1.2%	
Net result, excluding IPO costs	3.8	0.2		

Cash flow

Free cash flow, excluding IPO costs	22.3	22.5	-1.0%	+3.7%
Cash conversion ratio ¹	74.7%	77.6%		

Balance sheet

Working capital ²	12.5	12.5		
Total equity	153.2	31.8		
Net debt	61.2	184.2		
Net debt/EBITDA ratio	2.6	5.3		

Shares

# of shares issued at 31 March	12,477,298	8,400,000		
Weighted average # of shares	9,025,558	8,400,000		
Net earnings per share	0.02	0.03		
Net earnings per share, excluding IPO costs	0.42	0.03		
Free cash flow per share	2.47	2.68		

Employees

Number of employees NL	43	43		
Number of employees USA	23	24		

* at constant currency

¹ Cash conversion ratio defined as FCF / (operating profit + D&A); FCF defined as operating profit x (1 - statutory tax rate) + D&A - Δ operating working capital (inventories + trade receivables - trade payables) - Capex

² Working capital defined as 'inventories + accounts receivable trade - accounts payable trade'

OUR BRANDS



Lucas Bols's revenue derives predominantly (70%) from its global brands with global growth potential, with the remainder (30%) coming from its portfolio of stable, cash generating regional brands with healthy operating margins.

The global brand portfolio consists of Bols Liqueurs, Bols Genever, Bols Vodka, Damrak Gin, Galliano and Vaccari. Comprising of 39 unique flavours, Bols Liqueurs holds a number one position in range liqueurs globally (outside the US). We are also the number 1 genever player in the world with our Bols Genever, the original Dutch spirit, which was first created in 1664.

Next to its global brand portfolio Lucas Bols offers a wide range of more than 15 regional brands of liqueurs (such as Pisang Ambon, Coebergh, Regnier and La Fleurette), Dutch genevers (Bols Corenwyn, Hartevelt, Hoppe, Henkes, Bokma) and value brands (Bols Brandy, Bootz, Silvertop Gin). These brands have strong positions in regional and local markets, and are generally sold in Western Europe and the Emerging Markets, for example Bols Brandy in India and South Africa.

GLOBAL BRANDS



REGIONAL BRANDS



MISSION & STRATEGY



**WE AIM TO
CREATE GREAT
COCKTAIL
EXPERIENCES
AROUND THE
WORLD**



MISSION & STRATEGY

Mission

We aim to create great cocktail experiences around the world by taking our 440 years of history as inspiration for developing our brands, maintaining our innovation leadership and becoming the undisputed bartending authority.

Strategy

It is our objective to strengthen and grow our global brands in the international cocktail market while maintaining the competitiveness of our regional brands in regional and local markets. To accomplish this, we focus on the key strategic initiatives set out below.

① BUILD THE BRAND EQUITY

Enhance the market position of our global brands and maintain the competitiveness of regional brands.

We plan to build our brands both in the countries where we are already active and by introducing them to new countries. We will do this for example by positioning Bols Liqueurs as the leading brand for the international cocktail market, targeting the global bartending community through a variety of marketing initiatives and through our extensive network of brand ambassadors. Moreover, we continuously optimise our liqueurs range, introducing new products and flavours to create new trends in the cocktail market.

Our established regional brands with their strong positions in regional and local markets, for example Pisang Ambon and Bokma, support growth of our global brands through their strong and stable cash generation and market position. We continuously reshape and enhance our portfolio by selectively introducing new brands, introducing existing brands to new markets and withdrawing brands from the market.

② LEAD THE DEVELOPMENT OF THE COCKTAIL MARKET

Use marketing techniques and strategic innovation to optimise the product offering and positioning.

Lucas Bols is actively involved in new product development and product innovation, which contributes to our leading brands and strong market position. Via strategic innovation initiatives (for example Bols Natural Yoghurt and Bols Foam) we work tirelessly to optimise our brand portfolios by expanding our range of Bols Liqueur flavours.

Our company employs various business-to-business (B2B) and business-to-customer (B2C) initiatives. B2B initiatives – such as the Bols Bartending Academy, Bols Around The World and our cocktail recipe database – are used to capture the interest of the bartending community and create an ambassador network, while B2C initiatives – like the House of Bols Cocktail & Genever Experience and the continuous improvements in bottle shapes and colour use – raise awareness of Lucas Bols’s high-quality products among consumers. Our strong social media network on various platforms enables direct communications with our community.

③ ACCELERATE GLOBAL BRAND GROWTH

Tailor growth strategies for the brands to the markets within four geographic segments.

We intend to grow in the geographic markets of North America, Asia-Pacific and the Emerging Markets using our broad portfolio of products. North America, and in particular the US, is regarded as a global trendsetter in the spirits and cocktail business. It is therefore a key market and we aim to increase our market share here through our wholly-owned subsidiary Lucas Bols USA. In the Emerging Markets segment we intend to expand to countries where we are not yet present as well as aiming for continued growth of our global brands and pursuing selective growth opportunities for the regional brands. In Asia-Pacific, where Japan and China are considered most relevant for future growth, we will focus on building the super-premium brands Bols Genever and Galliano as well as accelerating growth of the Bols Liqueurs range. In Western Europe we focus on a select number of other countries outside our key markets of the Benelux, France, Germany and Scandinavia. In the Netherlands we aim to continue to grow our global brands through the Maxxium Netherlands joint venture with its leading position in the spirits distribution market. The pursuit of this strategic focus to accelerate global brand growth, may eventually lead to selective acquisitions, joint ventures and/or partnerships relating to new spirits brands.

④ LEVERAGE OPERATIONAL EXCELLENCE

Maintain and optimise the current business model with a mix of in-house and outsourced activities.

We plan to maintain our current business model with a mix of in-house and outsourced activities to provide optimum flexibility and generate maximum operating leverage. For production and distribution we continue to select the best possible business partners and build long-term strategic relationships. Our Avandis bottling and blending joint venture operates at competitive cost but still has spare capacity. It can increase its leverage by further growing the bottling and blending activities for its owners as well as by winning bottling contracts from third parties.

We believe that both our central organisation and our organisation in the US are adequately scaled and operating leverage can be achieved through further growth of our revenues.



THE LUCAS BOLS BUSINESS MODEL

Lucas Bols is characterised by its flexible and asset-light business model, in which substantial parts of the production process are outsourced to strategic partners. The focus at our company is on product development, creating the heart and flavour of our products and on marketing our brands globally.

Product development

At Lucas Bols we work in close collaboration with professional bartenders from all over the world to develop new products, create new flavours and adapt old recipes in line with today's cocktail trends. This has resulted in product innovations such as Bols Natural Yoghurt (awarded the IWSR Gold Award in 2011), Bols Foam (awarded the 2012 Innovation Award at Horecava, the largest Dutch on-trade fair) and the relaunch of Bols Genever original 1820 recipe (awarded Best Cocktail Initiative 2008 by Drinks International Magazine).

Distillation and maceration

The Lucas Bols master distiller and his team are masters in the art of selecting the right ingredients, and our expertise and curiosity have led to the creation of hundreds of recipes suited to modern-day consumers and bartenders. 2014 saw the reopening in the centre of Amsterdam of the Lucas Bols distillery, which produces the essential flavour distillates for the various Bols genevers, Bols liqueurs, Damrak Gin and other brands. The Lucas Bols distillery is a modern yet authentic distillery, where the craftsmanship of extracting flavours from natural ingredients through distillation, percolation and maceration is still practised as it has been for the last four centuries.

Blending & bottling

Blending and bottling for the majority of the countries where we sell our products is outsourced to our joint venture Avandis in Zoetermeer, the Netherlands. In some countries we outsource to third parties; for example Bols liqueurs for the US market have been produced in the US by Brown-Forman Corporation since 1956.



Sales, marketing & distribution

Our flexible and asset-light business model enables us to focus on our core activities such as product development and strategic marketing. Marketing efforts are concentrated on growing the global brands and maintaining the established position of the regional brands. Lucas Bols operates in 110 countries in four geographic markets: Western Europe, Asia-Pacific, North America and the Emerging Markets. The global brands are sold in all of our four geographic markets. Regional brands are generally sold in Western Europe and the Emerging Markets, with a small portion of sales in Asia-Pacific. We hold long-standing relationships with our distribution partners. In the Netherlands, our products are distributed by our joint venture Maxxium. In the US market we distribute our products through our own subsidiary, Lucas Bols USA.





440 YEARS OF CRAFTSMANSHIP & COCKTAIL HISTORY



Lucas Bols stood at the basis of the cocktail revolution of the 19th century and played an important role in the emergence of the cocktail culture. Building on our heritage dating back to 1575 Lucas Bols has mastered the art of distilling, mixing and blending natural ingredients into a wide range of exciting flavours.

What we call the ‘art of distilling, mixing and blending’ is based on three pillars:

- The expertise and knowledge of the Lucas Bols master distiller and his team;
- Authentic recipes that have been closely guarded down the centuries, as well as innovative recipes created by our team today;
- High-quality natural ingredients that have been carefully selected by the Lucas Bols master distiller and his team.

History as an inspiration for the future: old recipes and new flavours

The Lucas Bols distillery is modern yet authentic, with craftsmanship still being practiced as it was more than four centuries ago. It is here that we produce the heart of our Bols liqueurs and genevers. The original recipes are passed on from master distiller to master distiller and updated to suit contemporary tastes. Throughout the years, product innovation has been key to the success of Lucas Bols. We have a strong culture of, and are skilled at, product innovation. The Lucas Bols master distiller uses our rich heritage and history as an inspiration for the future. At the same time we often develop and innovate together with our distributors and bartenders, who are closest to the needs and trends of the market.



LUCAS BOLS TIMELINE



1575 The Bols family establish their distillery 't Lootsje on the Rozengracht in Amsterdam and start distilling liqueurs.



1652 - 1719 Lifetime of Lucas Bols, the founder's grandson who was responsible for expanding the distillery into an international company during Amsterdam's Golden Age.



1820 - 1862 Bols creates a revolutionary new genever recipe: Bols Genever. First shipped to the US in 1823, this genever played an important role in the emergence of the cocktail culture in the US in the mid-19th century. The world's first cocktail recipe book was published in 1862, including many genever based cocktail recipes.



2008 International relaunch of Bols Genever, based on the original Bols Genever recipe from 1820 which stood at the basis of the cocktail revolution in the 19th century.

1575

1664

1652

1816

1820

1883

2006

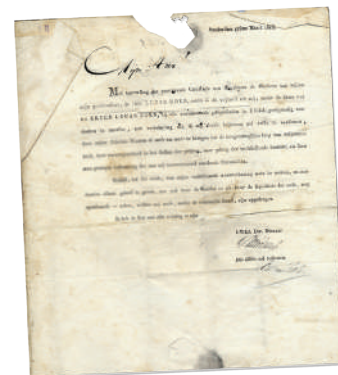
2008

2010

2015



1664 The Bols family start producing genever.



1816 The widow of the last male Bols heir sells the company on condition that the Bols name be used in perpetuity on all its products, thereby ensuring its status as the world's oldest distilled spirits brand.

1883 - 2006 Bols rapidly expands to a large international spirits player. Several changes of ownership follow, including a public listing in 1954 and a take-over by a French multinational in 2000.



2006 - 2007 Lucas Bols returns to Amsterdam under Dutch ownership following a buyout in 2006. In 2007 the Bols Bartending Academy opens in Amsterdam, Europe's largest bartending school, training 3,000 professionals a year. The same year sees the opening of the House of Bols Cocktail & Genever Experience.

2010 Establishment of Lucas Bols USA.



2015 Celebration of 440 years of Lucas Bols history and listing on the Amsterdam Stock Exchange.



LUCAS BOLS

GLOBAL BRANDS



Lucas Bols has a portfolio of more than 20 brands across a range of spirits products, including liqueurs, genever, gin and vodka. Lucas Bols distinguishes between global and regional brands. The global brands represent approximately 70% of total revenue and include Bols Liqueurs, Bols Genever, Bols Vodka, Damrak Gin, Galliano and Vaccari Sambuca.





B O L S

LIQUEURS



Bols Liqueurs is the world's number one liqueur range (outside the US) and comprises 39 unique flavours, divided into six different groups; citrus, orchard, berries, tropical, indulgent and herbs & botanicals. These premium liqueurs that Bols has been making since 1575 are widely used by bartenders to create cocktails and are also consumed at home. They are made from high-quality natural ingredients such as herbs, spices and fruits. Bols Liqueurs are inspired by 400-year-old recipes and techniques, perfected and adapted to today's tastes. We extract flavour from the natural ingredients using ancient techniques such as distillation, percolation and maceration. Key markets are the US, Canada, Argentina, Japan, China, Germany, the UK, Russia and Scandinavia.



B O L S

GENEVERS



The Bols family first produced genever, the original Dutch spirit, in 1664. Genever played a part in the rise of the cocktail in the 19th century in America, when one in four cocktails was made with genever. It is the high content of a unique grain distillate called malt wine that gives Bols Genever its characteristic smooth malty taste, making it perfect for mixing and making cocktails, such as the original Collins. Nowadays Lucas Bols is the number 1 genever player in the world with Bols Genever, Bols Genever Barrel-Aged, Bols Genever 21 and a portfolio of local Dutch traditional genevers. The US, the Netherlands, Argentina, Russia, the UK, Japan and Australia are the most important markets for Bols Genevers.

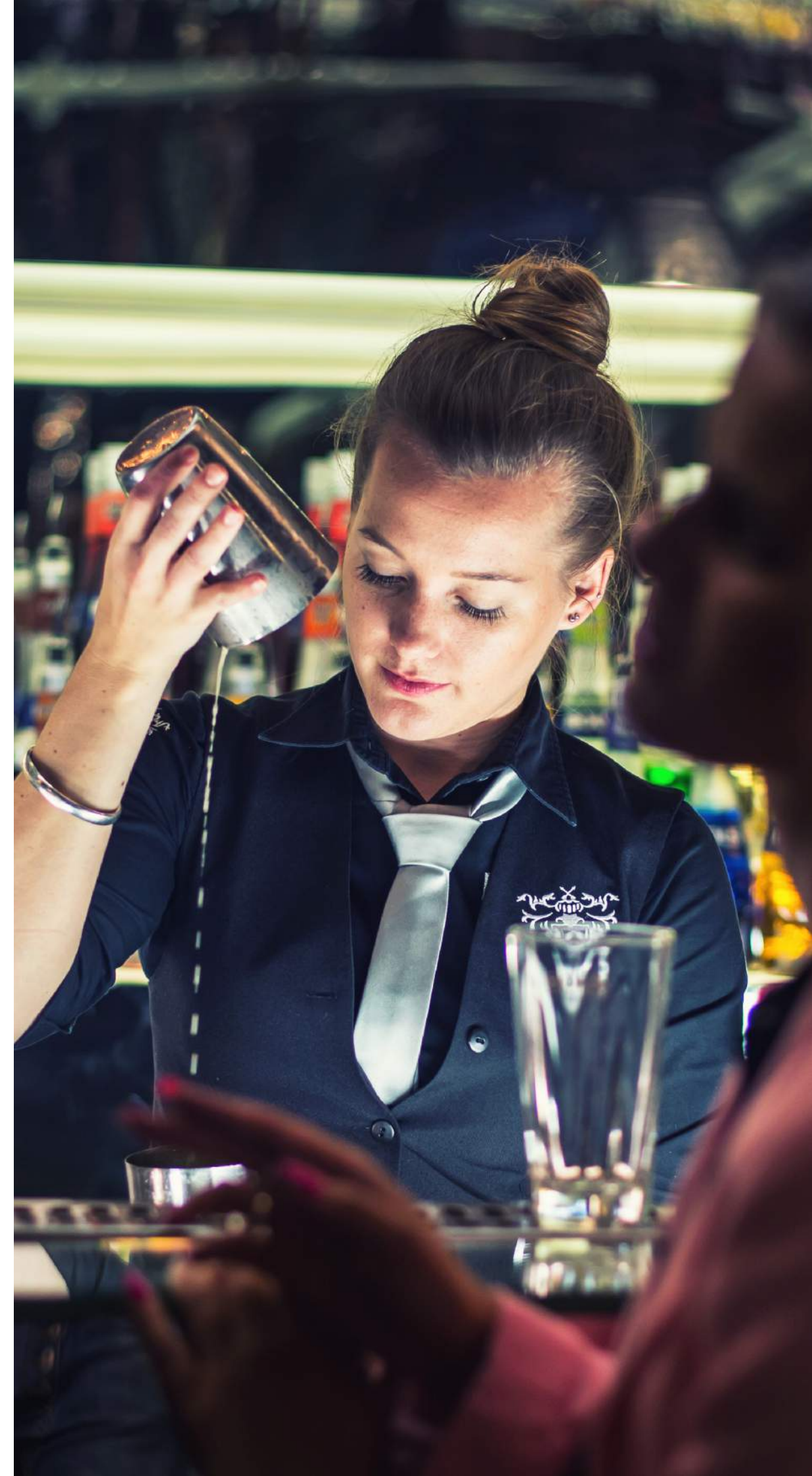


B O L S

V O D K A



Bols Vodka is made from rye and goes through a four-step distillation and filtration process to ensure an exceptionally smooth high-quality and well-balanced vodka with a slight accent at the end. Bols Vodka is filtered twice, through both copper and charcoal filters, resulting in a high level of purity. Bols Vodka was awarded the Superior Taste Award (3 stars) by the International Taste & Quality Institute (iTQi) in 2010. Key markets for Bols Vodka are Sweden, Argentina, Canada and the Netherlands.





DAMRAK GIN



Damrak Gin combines no less than 17 botanicals and is distilled five times to obtain ultimate purity and an exquisite taste. Botanicals used include juniper berry, coriander and lemon peel, as well as a few of the Lucas Bols master distiller's secret botanicals. Damrak Gin is exceptionally smooth and has a twist of orange, making it a widely appreciated and easy-mixing gin. The US and the Netherlands are the most important markets for Damrak Gin.



GALLIANO



Galliano traces its roots back to 1896, when Arturo Vaccari first made the iconic liqueur in Tuscany. The liqueur gained international fame in the 1970s as a key ingredient in the Harvey Wallbanger cocktail. Galliano owes its outstanding taste to a complex and unique process involving seven infusions and distillations from 30 meticulously selected herbs and spices. These infusions and distillates have been produced in Italy since 1896. Blending and bottling takes place at our joint venture Avandis. Galliano's key markets are the US, Australia, Scandinavia, Canada, Germany and the UK, where Galliano is used in cocktails and as a singly serve. Galliano is one of the 'must-have' stock brands in any bar around the world.



VACCARI SAMBUCA



Vaccari Sambuca was launched in 1990 and named after the creator of Galliano, the distiller Arturo Vaccari. Distilled in Italy, the spirit owes its soft and pure anise flavour to a unique distilling process using a very rare Chinese star anise. Vaccari Sambuca has distinctive packaging reflecting its product and brand quality. Mexico, the Netherlands and Ireland are Vaccari's key markets, where it is traditionally consumed neat with three coffee beans for good luck.





LUCAS BOLS

REGIONAL BRANDS



In addition to the global brands, Lucas Bols offers a wide range of more than 15 regional brands of which Pisang Ambon, Bokma, Hartevelt and Coebergh are the largest. The regional portfolio, which can be divided into the Dutch genever portfolio, regional liqueurs and value brands, has shown itself to be a resilient business with strong and stable cash generation. Lucas Bols believes some of the regional brands with their strong heritage have the key attributes for developing internationally, particularly in the Emerging Markets. Other regional brands and products include the exclusive KLM Delft Blue miniature houses given to business class passengers travelling with KLM Royal Dutch Airlines and the spirits concentrates that are being sold in the African continent.





DUTCH GENEVER P O R T F O L I O



The Dutch genever portfolio is market leader in the Netherlands. It consists of a domestic Dutch portfolio comprising a wide range of genever and vieux brands, including Hartevelt, Corenwyn, Parade, Hoppe and Bokma, with the last two being known for their rich taste and high quality. The Dutch genever portfolio also includes trading brands such as Henkes, which plays an important role in West Africa (Togo, Ghana, Benin).



REGIONAL L I Q U E U R S



The regional portfolio also comprises the regional liqueurs, including Coebergh, Zwarte Kip and Pisang Ambon, a green banana-based liqueur predominantly sold in the Benelux, France, Scandinavia and Portugal. Coebergh and Pisang Ambon have strong positions in regional and local markets, mainly in the off-premise segment. Other regional liqueurs are Regnier and La Fleurette, which are popular brands of crème de cassis in Japan.



VALUE B R A N D S



Value brands are sold in specific regions around the world. They include Bols Brandy, which is growing in South Africa and India due to premiumisation. Bootz Rum has recently being launched in India.





LUCAS BOLS EXPERIENCES



Lucas Bols has created the Lucas Bols Experiences, including the Bols Bartending Academy and the Bols Around the World (BATW) competition, which are aimed at creating brand ambassadors, particularly in the bartending community. The House of Bols Cocktail & Genever Experience in Amsterdam aims to create brand awareness among end consumers and also welcomes our distributors, clients and bartenders from around the world. This targeted marketing approach fosters an exchange of information, cultures and experiences between our visitors, distributors and bartenders.



HOUSE OF BOLS COCKTAIL & GENEVER EXPERIENCE



The House of Bols Cocktail & Genever Experience, located in the heart of Amsterdam, welcomes more than 50,000 visitors a year from all over the world.

The House of Bols tour takes visitors on an interactive journey into the world of cocktails and the bartending culture, as well as providing a glimpse into the history of the world's oldest distilled spirit brand: Bols. A visit to the House of Bols is a journey for all the senses during which visitors can sample a cocktail of their choice, prepared by highly trained Bols bartenders.

www.houseofbols.com



BOLS AROUND THE WORLD BARTENDING COMPETITION



The annual BATW competition, is aimed at creating Bols ambassadors in the global bartending community.

The competition provides a platform for bartenders to demonstrate their bartending skills and earn a place in the ultimate Bols Amsterdam Experience. Over 3,000 bartenders from around 80 countries in 16 regions take part in this innovative programme each year.

www.bolsaroundtheworld.com



BOLS BARTENDING ACADEMY



The Bols Bartending Academy is Europe's largest bartending school and provides a unique learning environment with 12 professionally equipped bars and a dedicated team of experienced trainers.

We train our students in all aspects of the bartending profession including industry-wide knowledge of drinks and spirits, speed and efficiency techniques, responsible drinking, hygiene and of course cocktail mixology. At the Bols Bartending Academy we work in close collaboration with professional bartenders from around the world to develop new products that are in line with today's cocktail trends.

www.bolsbartendingacademy.com



WYNAND FOCKINK TASTING TAVERN



The Wynand Fockink tasting tavern is located in Pijlsteeg, an alley off Dam Square in Amsterdam. Wynand Fockink started distilling liqueurs here in 1679.

He later added a tasting tavern and a shop where his products could be sampled and bought. Today you can still experience Wynand Fockink's artisanal genevers and more than 70 liqueurs in the authentic tasting room at exactly the same location in the heart of Amsterdam.

www.wynand-fockink.nl



COMPOSITION OF THE SUPERVISORY BOARD



**MR. D.C. (DERK)
DOIJER**



1949, Dutch nationality

Chairman

Current term commenced on first day of listing and expires in 2019. Re-election will be scheduled at the AGM in 2018.

Other positions

Member of the Supervisory Board of Royal Ahold N.V.
Member of the advisory board of Stihl Groep B.V.



**MR. A. (BERT)
MEERSTADT**



1961, Dutch nationality

Vice Chairman

Current term commenced on first day of listing and expires in 2019. Re-election will be scheduled at the AGM in 2018.

Other positions

Chief Executive Officer of Baarsma Wine Group Holding B.V.
Member of the Supervisory Board of ABN AMRO N.V.
Non-executive director at Talgo S.A.



**MR. M.W. (MARC)
STAAL**



1959, Dutch nationality

Member

Current term commenced on first day of listing. Mr. Staal will step down ultimately 4 February 2018 in accordance with the relationship agreement.

Other positions

Managing Partner of AAC Capital Partners Holding B.V.
Chairman and Managing Partner of AAC Benelux Holding B.V.
Member of the Supervisory Board of OFT Finco B.V.



**MRS. M.M. (MARINA)
WYATT**



1964, British nationality

Member

Current term commenced on 6 February 2015 and expires in 2019. Re-election will be scheduled at the AGM in 2018.

Other positions

Chief Financial Officer of TomTom N.V.
Chief Financial Officer UBM plc as from 2 September 2015
Non-executive director of Shanks Group plc.



REPORT OF THE SUPERVISORY BOARD

It was an exciting year for Lucas Bols, with a successful Initial Public Offering (IPO). The listing will give Lucas Bols greater financial flexibility and a stronger balance sheet, which will support the company in achieving its strategy. The Supervisory Board was closely involved in the IPO process, both from a strategic point of view and to prepare for the appropriate governance. In addition to putting a new corporate governance structure in place we revised the composition of the board at the time of the IPO. This report provides an overview of the approach and activities undertaken by the Supervisory Board in 2014/15.

Activities of the Supervisory Board in 2014/15

The Supervisory Board held seven ordinary meetings and ten extraordinary meetings (physical meetings/conference calls) during the year under review. With the exception of one meeting the entire Supervisory Board was present at all meetings, and all meetings were held in the presence of the Management Board. Prior to our IPO, regular consultation took place between the chairman, the Supervisory Board members and the Management Board on the intended listing, the refinancing and other ongoing issues. Most of the meetings took place at the company's offices in Amsterdam.

Topics discussed at the various meetings included the financial performance of the company, developments in the markets in which Lucas Bols operates, brand development and performance, and finalisation of the transition of the distribution of Bols Liqueurs in the United States. The IPO and the refinancing were frequently discussed, as were topics relating to corporate governance and compliance with the Dutch Corporate Governance Code. The Management Board reported to the Supervisory Board on the company's strategy and the risk management and internal control systems. Investor relations and corporate social responsibility activities were also discussed. Detailed attention was paid to the company's budget for 2015/16 and the process for the rotation of the company's external auditor.

The Supervisory Board met the external auditor on two occasions. The auditor, KPMG, was present at the meeting in June 2014 to discuss the 2013/14 financial statements as well as the external auditor's report and the findings. KPMG was also present at the Supervisory Board meeting in November to discuss the 2014/15 first-half figures. On both occasions the company's accounting policies and reporting and financing structures were discussed. Based on the evaluation of both the Management Board and KPMG (within the scope of its audit) of Lucas Bols's internal control system, it is the opinion of the Supervisory Board that internal control elements are effectively integrated within the company's operations. Furthermore and in accordance with best practice provision V.3.3 of the Code, based on these observations it is the opinion of the Supervisory Board that there is currently no reason to recommend the installation of a dedicated internal audit function. The Supervisory Board will review this decision annually.

New corporate and governance structure

In order to put a corporate and governance structure in place to comply with all regulations applicable to a listed company we drafted and approved board governance documents, including Management Board regulations, Supervisory Board regulations, a new code of conduct and a whistleblower policy. Principles and policies can be found on our corporate website (www.lucasbols.com).

Composition of the Supervisory Board and Management Board

The composition of the Supervisory Board has changed following the IPO. We are happy to welcome Marina Wyatt. Her financial background and international profile signify a further strengthening of the board. As Mrs. Wyatt was appointed Paul Hugenholtz stepped down from the Supervisory Board in order to bring the representation of our largest shareholder, AAC Capital, into line with the shareholder structure following the IPO. We wish to express our gratitude to Mr. Hugenholtz for his important contribution to the development of Lucas Bols over the past nine years. Supervisory Board member Marc Staal is considered a non-independent member of the board in the sense of best practice provision III.2.1 of the Code, as he is associated with AAC Capital, a shareholder of the company.

The Supervisory Board currently comprises four members. The various members bring experience to the board across a broad range of industries, geographic regions and listed companies. This is in line with our Supervisory Board profile, which is available on the website. The Supervisory Board will continue to evaluate the competences, gender, race, background and orientation of (new) Supervisory Board members, bearing in mind the added value of diversity in the Supervisory Board.

If appropriate all Supervisory Board members will be scheduled for re-election at the general meeting in 2018, except Mr. Staal as he will step down ultimately 4 February 2018 in accordance with the relationship agreement.

There were no changes in the composition of the Management Board during 2014/15.

Supervisory Board committees

Since the Supervisory Board consists of four members it has decided not to appoint any committees from among its members in the interest of efficiency. However, audit-related meetings are chaired by Mrs. Wyatt and meetings on remuneration are chaired by Mr. Meerstadt.

Remuneration

The remuneration for 2015/16 of the members of the Management Board was determined by the Supervisory Board, with due observance of the remuneration policy adopted by the general meeting on 3 February 2015. The policy is aimed at attracting, motivating and retaining highly qualified executives and offering members of the Management Board a balanced and competitive remuneration package that is focused on sustainable results and is consistent with the strategy of the company. The fixed and variable remuneration package of the Management Board is set around the median of Dutch listed comparable companies and international companies operating in our industry. The remuneration package consists of both fixed and variable components.

New service agreements and remuneration levels for the individual members of the Management Board, effective as of 4 February 2015, were determined by the Supervisory Board and approved by the shareholders. The main features of the remuneration policy and remuneration are described in the corporate governance section and are set out in detail in the Supervisory Board's remuneration report, which is included on page 66 of this report and published on the Lucas Bols corporate website. Information on the costs of the remuneration of the Management Board and Supervisory Board in 2014/15 is contained in note 8 to the company's financial statements. On 3 February 2015 the general meeting approved a proposal of the Supervisory Board for annual fixed fee levels for the individual Supervisory Board members, which are in line with Supervisory Board remuneration levels payable within comparable companies.

Self-assessment of the Supervisory Board

A self-assessment will be carried out in 2015.



2014/15 financial statements and dividend

The Supervisory Board reviewed and discussed the 2014/15 annual report and financial statements. The financial statements for 2014/15, as prepared by the Management Board, have been audited by KPMG Accountants N.V., whose auditor's report is included in this report, and were extensively discussed and approved in June 2015 by the Supervisory Board and the external auditor in the presence of the Management Board. Lucas Bols proposes to pay no dividend for 2014/15. As disclosed in the prospectus issued at the time of our IPO, it is anticipated that the first dividend following the IPO will be payable following publication of the company's half year results 2015/16, on 18 November 2015.

The Supervisory Board recommends the annual general meeting to adopt the 2014/15 financial statements and to discharge the Management Board and the Supervisory Board from liability for their management in the year under review and the supervision thereof, respectively.

External auditor

In accordance with the Dutch rules regarding mandatory audit firm rotation the company is required to engage a new independent auditor after the financial year ending 31 March 2015. Mrs. M. Wyatt represented the Supervisory Board in the audit tender process by chairing the steering committee. The committee was further made up of Mr. Van Doorne and Mr. de Vries. Two audit firms were approached to tender for the audit and the steering committee recommended to the Supervisory Board that Ernst&Young accountants LLP (EY) be proposed for appointment. In line with our tender, in the interest of efficiency, the proposal is for a three-year term. As a result of the tender, KPMG's appointment will expire on completion of the 2015 general meeting, following which EY will become Lucas Bols's statutory auditor for three years subject to approval by the shareholders at the same meeting.

Last year was an exceptional year with the IPO as a major milestone, but also a year during which the company further strengthened its global position in the 440th year of its existence. The Supervisory Board wishes to thank the Management Board and all the employees of Lucas Bols for their great efforts and dedication towards making this such a marked success.

Amsterdam, 23 June 2015 | On behalf of the Supervisory Board, **Derk Doijer, chairman**



COMPOSITION OF THE MANAGEMENT BOARD



HUUB VAN DOORNE
CHIEF EXECUTIVE OFFICER



MR. H.L.M.P. (HUUB) VAN DOORNE – CEO (current term expires in 2019, re-election will be scheduled at the AGM in 2018). Huub van Doorne (1958) initiated a buyout of Lucas Bols in 2006, as a result of which Lucas Bols became independent and returned to Amsterdam in Dutch hands.

In addition Huub is vice-chairman of Spirits NL, the Dutch spirits industry organisation, and a board member of STIVA, the Dutch foundation for responsible alcohol consumption. Huub also holds board positions within the Lucas Bols joint ventures: he is a member of the supervisory board of Avandis, chairman of the supervisory board of Maxxium and a member of the board of Bols Kyndal. Furthermore, Huub is chairman of the supervisory board of Het Aambeeld N.V., a company based in the Netherlands Antilles.



JOOST DE VRIES
CHIEF FINANCIAL OFFICER



MR. J.K. (JOOST) DE VRIES – CFO (current term expires in 2019, re-election will be scheduled at the AGM in 2018). Joost de Vries (1963) teamed up with Van Doorne in 2005 to prepare the buyout of Lucas Bols, which was effected in 2006.

In addition, Joost holds board positions within the Lucas Bols joint ventures: he is chairman of the supervisory board of Avandis, a member of the supervisory board of Maxxium and a member of the board of Bols Kyndal.



REPORT OF THE MANAGEMENT BOARD

Introduction

The year under review was an extraordinary one for Lucas Bols in many ways. The IPO of 4 February 2015 was obviously the most significant event of the year, along with the 440th anniversary of Lucas Bols, which we celebrated in the Westerkerk church in Amsterdam together with all employees and the Supervisory Board. Another major milestone was completing the transfer of the US distribution of our Bols Liqueurs to our wholly-owned subsidiary Lucas Bols USA, enabling us to engage in direct contact with state distributors. The year 2014/15 will be remembered as a year with many highs and some challenges. The latter included the difficult circumstances we faced in Russia, which resulted in a strong decline in regional sales. Despite this, the overall development of the results was satisfactory, and we were able to strengthen our global position amid a slow recovery of the economy and an upward trend in the cocktail business. Together with our dedicated team and our new shareholder base we can therefore look forward to the year ahead with confidence.



Operational developments

One of Lucas Bols's strengths is its flexible and asset-light business model, under which substantial parts of the production process are outsourced to strategic partners. Last year steps were taken in optimising the various processes, especially in the US, including our product development, production locations, sales and marketing efforts and overall logistics. We created and introduced several new flavours in our Bols Liqueurs range. Furthermore we signed a new long-term agreement with our global logistics partner who handles our shipments and warehousing activities, and maintained strong relations with our joint ventures Avandis and Maxxium. We believe that our organisation is adequately staffed and prepared for further growth, we do not expect any major investments in or significant expansion of our workforce.

Another strength of our company is our network of global brand ambassadors, which was significantly expanded in the past year through local bartender training sessions, inspirational programmes and effective social media campaigns. We also formed new distribution partnerships, laying a foundation for further expansion in established and new markets.

1. Western Europe

In the more developed, mature markets such as Western Europe we are seeing a slow recovery in the economy with consumers looking for a quality on-trade experience, resulting in a higher demand for cocktails and spirits such as vodka and gin. Our global brands are therefore strongly focused on three categories: the Bols Liqueurs range, Italian liqueurs and white spirits. Looking at the cocktail culture in Western Europe, we see growth potential, especially in the larger cities.



The Netherlands

In the Netherlands we are working to expand the cocktail and mix drinking culture through brand activation in bars and restaurants and by training the bartender community at our Bols Bartending Academy. Another step we took in the past year was to open the Lucas Bols distillery in Amsterdam in the first quarter of the financial year. This is where the heart of our Bols liqueurs and genevers is made. In light of the greater demand for high-quality spirits we successfully introduced Bols Vodka and Damrak Gin to the Dutch market. As a result our global brands achieved double-digit growth in the Netherlands.

On 1 January 2014 the minimum legal drinking age in the Netherlands was raised from 16 to 18, which resulted in a decrease in sales for some of our regional brands, including Pisang Ambon and Coebergh. On the other hand, the traditional Dutch genevers and vieux portfolio gained significant market share. Our regional portfolio boasts the world-famous Delft Blue miniature houses, which have been presented to business class passengers travelling with KLM Royal Dutch Airlines since the 1950s. The Bols/KLM agreement for the miniature houses was recently renewed to coincide with the introduction of Damrak Gin, Galliano Ristretto and Bols Corenwyn in KLM business class.

Other European countries

In France, which is a potential growth market for us, we started working with a new distribution partner for Bols Liqueurs, Galliano, Damrak Gin, Bols Vodka and Goldstrike. Bols Genever was introduced to the on-trade business in Spain, and in Portugal we launched two new Bols Liqueur flavours: Bols Honey and Bols Watermelon. In the UK, where we faced challenging retail market conditions, we focused on launching the cheesecake cocktail with Bols Yoghurt and also organised Bols Genever masterclasses during London Cocktail Week.

In Italy, where the Bols Liqueurs range is the unquestioned market leader, we posted strong growth on the back of the economic recovery. In Scandinavia both Bols Liqueurs and Galliano performed very well. The latter benefited from the revival of the Galliano Hot Shot, a coffee and cream drink popular in the larger cities of

Scandinavia and recently the subject of renewed attention thanks to a celebrity endorsement programme. Following its introduction in Denmark and Finland Bols Genever is now distributed in all Scandinavian countries.

2. Asia-Pacific

In Asia-Pacific, and China and Japan particularly, we benefited from increased on-trade spirits consumption on the back of an increase in disposable income. In both China and Japan we saw an increase in consumption by women, combined with an expanding cocktail and mixed drinks culture.

China

The above led to a strong development of our business in China. In the past year we introduced Bols Elderflower to the Chinese market, and in the second half we brought Bols Genever to China with a spectacular launch event in Shanghai, organised in conjunction with our distributor Edrington. Over 150 people attended the event, including the top bartenders from key cities in China, many journalists and our own master distiller Piet van Leijenhorst.

Japan

Bols Genever was also launched in Japan, another country where we mainly focus on the on-trade cocktail business. As well as introducing Bols Genever, we brought a new product to the Japanese market called Bols Mojito, a ready-to-serve drink that is very popular among Japanese women. Our Bols Liqueurs posted steady growth on the back of the developing cocktail trend in Japan and as a result Bols Liqueurs strengthened its number two position in the overall liqueur category.

Southeast Asia and Pacific

In Thailand we formed a new partnership with a local distributor for the whole Lucas Bols portfolio. In Indonesia we faced difficulties due to complex and challenging local government measures. These resulted in a significant drawdown of stocks by wholesalers, leading to a drop in shipments. Vietnam, on the other hand, saw positive developments. In Australia, where building the brand equity of Bols Liqueurs and Bols Genever is still in the early stages, the first Bols Genever house was launched at a barber shop in Sydney. Australia, along with New Zealand, is one of the most important markets for Galliano and Vaccari Sambuca.

3. North America

North America and especially the US is regarded as a global trendsetter in the spirits and cocktail industry. With the economic situation in the US showing improvement and consumer confidence picking up, an overall feeling of optimism is positively affecting on-trade consumption and premiumisation.

United States

In the past year we successfully completed the transition of the distribution of the Bols Liqueurs range to our wholly-owned subsidiary Lucas Bols USA, with 23 employees currently working in the US. The insourcing of the distribution allows us to maintain direct contact with state distributors; this has reduced costs previously paid to a third-party distributor but has also required investments in our organisation in the US. While in the first half the focus was on optimising the price structure, the supply chain and our processes, in the second half it shifted more towards the execution of our strategy and building the brand equity by strengthening our sales and marketing efforts.

We invigorated our focus on national/regional accounts, such as the Disney resorts, which play an important role in gaining volume in this market in particular. The result of these efforts became visible in the second half of the year. On the back of the classic cocktail ‘retro’ trend and the revival of the Harvey Wallbanger cocktail, we noticed a slight volume growth of our super-premium brand Galliano, while Damrak Gin posted significant growth in the largest gin markets (Florida and California). Bols Maraschino was introduced nationwide in the US, and 10 new Bols flavours were launched in various control states (states within the US where alcoholic beverages may only be sold by licensed vendors or distributors that have been approved by the relevant state’s liquor board) around the country.

Canada

Damrak Gin made its debut in Canada in the second half of the year, together with three flavours from the Bols Liqueurs range: Bols Mango, Bols Pomegranate and Bols Pineapple Chipotle. Furthermore the first Bols Around The World local competition in Montreal was held, with over 300 members of the local bartending community attending.





4. Emerging Markets

A vibrant cocktail culture is developing in the Emerging Markets (Central & South America, Eastern Europe and Africa, Middle East & India) and we have the opportunity to grow and capitalise on this and various other underlying market trends. In the past year we focused on further growing our global brands and creating selective growth opportunities for some of our regional brands.

Eastern Europe

Eastern Europe, excluding Russia, showed a positive development in the past year. In the first half we reported a sharp decline in sales in Russia due to decreased spending and high inflation as a result of political and regional instability. Although the situation in Russia remained unstable in the second half we noticed a slight recovery, albeit not to pre-crisis levels. Although volumes remain under pressure, we were able to maintain our market-leading position in the liqueurs range in Russia. We continued to build our brand equity among bartenders and in bars and restaurants through strong involvement of local ambassadors in bartender training sessions, motivational programmes and through social media channels. In Poland growth in Bols Liqueurs approached double digits and we introduced Bols Genever and three new flavours (Bols Mango, Bols Maracuja and Bols Elderflower) to the Polish market. By strengthening our local marketing efforts we managed to train 1,300 Polish bartenders in collaboration with one of our local brand ambassadors. We laid a strong foundation for future growth in the Balkans by forming a partnership with a regional distributor as from the first half of 2015.

Africa & the Middle East

In Africa we benefited from a consumption pattern characterised by a switch from domestically produced spirits to premium spirits brands, driven by uptrading by emerging middle-class consumers. In line with this premiumisation trend last year we took an important step towards eliminating copycats by developing a highly sophisticated label for our regional Henkes brand. The new Henkes packaging allows local authorities to identify and act against copycats, and as a result we saw strong growth of Henkes in Togo, Ghana and Benin in the past year. In South Africa Bols Brandy posted strong growth on the back of the premiumisation

trend, as a result of enhanced brand activation by the local distributor. As part of our international growth strategy we are constantly looking for opportunities to expand into new markets and increase involvements by local brand ambassadors. Last year saw the first Bols Bartending Academy training sessions for local bartenders held in Angola and we also introduced Bols Liqueurs and Henkes in Nigeria. In the Middle East, where we are market leader with our Bols Liqueurs range, the Bols Around The World local finals were held in the desert of Dubai, attended by over 100 local on-trade bartenders and bar owners.

India

In India we have a focus on our regional brands Bols Brandy and Bootz, which we distribute through our 50/50 joint venture Bols Kyndal. As rum is one of the most popular spirits in India, in March 2015 we launched a new product called Bootz rum, which is produced locally. With the vivacious cocktail culture emerging in India's larger cities on the one hand and the complexity caused by different rules and regulations in the various states of India on the other, we are aiming for long-term gradual growth of our global brands Bols Liqueurs, Galliano and Vaccari in the country, building our presence one step at a time. In the year under review our business development was hampered by changing regulations in our key state Tamil Nadu. However, we will continue to focus on expanding our business in order to spread our dependency.



Central & South America

In the past year we expanded our geographic presence in the Caribbean to almost 100%, with distribution to all islands in the area, covering domestic markets as well as duty free areas. We achieved a market-leading position with our Bols Liqueurs range in the Caribbean, and in Colombia we are market leader in the category of imported liqueur ranges. In Argentina, where Bols Liqueurs, Bols Vodka and Bols Genever are produced locally and have significant market share, we took an important step in the development of the global brand equity by adopting the international Bols Liqueurs bottle.

Financial review

Revenue

Lucas Bols's revenue for 2014/15 amounted to € 77.7 million, a slight decrease compared to € 78.7 million in the prior financial year. Currencies, especially the Japanese yen and Russian rouble, partly mitigated by the stronger US dollar, had a negative effect on revenue of € 0.6 million.

Organically, i.e at constant currencies, revenue was approximately in line with last year, despite the significant decline in revenues in the Russian market and a deliberate change of the pricing structure to distributors in the US market following the transition of the distribution of Bols Liqueurs to Lucas Bols USA.

We achieved good performance in Asia-Pacific, especially Japan and China, and saw improving market conditions for global brands in Western Europe and for our entire portfolio in Emerging Markets, particularly in the Caribbean and Africa. The USA showed a small decline for the financial year; the second half, however, showed a significant improvement over the first half, with organic revenue growth of approximately 6% compared to the same period of last year. Although the situation in Russia remained unstable, we saw a slight recovery of sales here in the last quarter.

Gross profit

Gross profit for 2014/15 amounted to € 46.9 million, a € 0.7 million decrease compared to last year, fully attributable to currency

movements. Excluding the effect of currencies gross profit showed growth of 0.5%. Particularly in Western Europe we realised better margins as the global brands accounted for a larger part of turnover in that region.

Operating profit

Operating profit, excluding IPO costs, for 2014/15 increased to € 22.1 million (2013/14: € 21.5 million) an increase of 2.7%. The weaker Japanese yen and Russian rouble were partly mitigated by the positive effect of the strong US dollar. On balance currency effects had a negative impact of € 1.1 million. The positive effect of the strong US Dollar on operating profit was largely offset as the costs of blending and bottling Bols Liqueurs for the US market and those of the Lucas Bols USA organisation are also denominated in dollars. At constant currencies a 7.7% increase of operating profit was realised.

While advertising & promotion spending in most of our markets was broadly stable at last year's level, we reduced spending in Russia, given the political and economic instability. Along with the price-structure adjustments in the USA this resulted in lower advertising & promotion expenses for the year, contributing to the operating profit growth.





Developments by global brands and regional brands

Global brands

Our portfolio of global brands consists of Bols Liqueurs, Bols Genever, Bols Vodka, Damrak Gin and our Italian liqueurs Galliano and Vaccari Sambuca.

(in € million unless otherwise stated, for the year ended)	31 March 2015	31 March 2014	% Change reported	% Change organic*
Revenue	53.9	54.5	-1.1%	-0.3%
Gross profit	34.9	35.4	-1.5%	+0.5%
% of total revenue	64.8%	65.1%	-30 bps	+50 bps
Operating profit	22.8	21.7	5.1%	8.2%
% of total revenue	42.4%	39.9%	+250 bps	+340 bps

* at constant currency

Revenue of the global brands amounted to € 53.9 million, organically in line with last year. The situation in Russia and the price-structure adjustment in the US negatively impacted revenue. Adjusted for these developments, revenue increased by 1.6%, as a result of strong growth achieved in Japan, China, Latin America, Italy and Scandinavia. This was offset by weak market performance and one-off stock reductions in Southeast Asia and challenging retail market conditions in the UK and Belgium. The Netherlands showed double-digit revenue growth as a result of the successful introductions of Bols Vodka and Damrak Gin. Gross profit slightly decreased by € 0.5 million as a result of the adverse currency developments. At constant currency, gross profit showed a growth of 0.5%, maintaining gross margins at around 65%, driven by better margins in Western Europe and Asia Pacific (mainly Japan and Australia).

The political and economic situation in the Russian market led to a deliberate choice to reduce our marketing spending. Together with the price-structure adjustment in the US and our new – more favourable – multi-year logistics agreement, this was the main driver for the decline (11.9%) in our Distribution and Administrative expenses. The lower Distribution and Administrative expenses resulted in an increase of operating profit in the global brands segment to € 22.8 million (2013/14: € 21.7), a growth of 8.2% excluding currency effects and 5.1% reported.

Regional brands

Our regional brand portfolio contains the portfolio of Dutch Genevers and Vieux, which enjoy market leadership in the Dutch market, the Pisang Ambon and Coebergh brands as well as a broader range of products that are sold on one continent or in a specific country such as Henkes Star Schnapps in West-Africa or Regnier Crème de Cassis in Japan.

(in € million unless otherwise stated, for the year ended)	31 March 2015	31 March 2014	% Change reported	% Change organic*
Revenue	23.8	24.2	-1.7%	-0.8%
Gross profit	12.0	12.1	-1.2%	+0.5%
% of total revenue	50.3%	50.1%	+20 bps	+70 bps
Operating profit	10.0	9.9	+0.4%	+2.3%
% of total revenue	41.9%	41.0%	+90 bps	+130 bps

* at constant currency



In 2014/15 important steps were taken in stabilising revenues of the regional brands following two years of decline. The company realised revenue of € 23.8 million, a minimal decline of 0.8% organically compared to last year. Gross margin increased by 70 bps on an organic basis. As a result of lower Distribution & Administrative expenses, a slight increase in operating profit to € 10.0 million was achieved at a higher operating margin of 41.9% (+90 bps).

Our strategy to stabilise results in the regional brands segment has paid off and led to this positive development, driven by successful market strategies in the Dutch market.

Share of profit of joint ventures

The share of profit of the joint ventures represents our share in the results of our 50/50 joint ventures Maxxium Nederland BV and Bols Kyndal India Pvt Ltd. Maxxium Nederland BV, our distribution organisation, is market leader in the spirits market in the Netherlands. Bols Kyndal, our joint venture in India, exploits the brands Bols and Bootz aiming to create a long-term position in this important emerging market.

The share of profit of joint ventures declined by € 0.4 million, to € 0.1 million. This decline was caused by one-off lower costs in 2013/14 related to a release of an employee benefits liability in Maxxium Nederland last year, as well as the lower results in India following challenging market circumstances.

IPO costs

Lucas Bols was successfully listed on Euronext Amsterdam on 4 February 2015, raising € 126 million through the issue of new shares. The new capital was used to reduce debt- both mezzanine and part of the senior debt - and to repay cumulative preference shares. The costs directly related to the listing were mainly charged against our equity (share premium). The costs included in the profit and loss account mainly related to the costs of the extraordinary share award¹ as well as the new financing agreement. These costs amounted to € 3.5 million (net of tax).

Finance costs

Finance costs (excluding IPO related costs) decreased by € 3.7 million to € 15.7 million (2013/14: € 19.4 million) as a result of the reduction of the interest rate by 2.25% as of 1 April 2014, following the expiration of a long-term interest rate swap. Furthermore, finance costs were reduced through the reduction of debt at the IPO.

Taxes

The effective tax rate (excluding IPO costs) of 42.3% for the year deviates from the nominal tax rate (25%) mainly as a result of non-tax deductible dividends on cumulative preference shares. These preference shares were repaid at the time of the IPO.

Profit for the period

As a result of the higher operating profit and reduced finance costs, the net result for the year (excluding IPO costs) increased to € 3.8 million in 2014/15 from € 0.2 million in 2013/14. The net result per share amounted to € 0.42. Including IPO costs, net result amounted to a profit of € 0.2 million.

Cash Flow

Free cash flow², (excluding IPO expenses) was € 22.3 million in line with last year (2013/14: € 22.5 million). On an organic basis, i.e. at constant currencies, free cash flow increased by 3.7%.

¹ All eligible employees of the company were awarded shares at the time of the IPO for their contribution to the development of the company.

² Free cash flow is defined as operating profit net of investing activities, taxes paid and change in Operating Working Capital (Inventories +Trade Receivables net of Trade Payables)



Financial position

(in € million unless otherwise stated)	31 March 2015
Total equity	153.2
Net debt	61.2
Net debt /ebitda ratio	2.6

Equity

Equity increased significantly as a direct result of the € 126 million raised during the IPO. The equity raised was used to repay debt to strengthen our financial position.

Net debt

Total debt amounted to € 61.2 million at 31 March 2015 (31 March 2014: € 184.2 million). The net debt to ebitda ratio at 31 March 2015 was 2.6, well within the financial ratios agreed with the banks (net debt/ebitda of 4.0).

Dividend

Lucas Bols proposes to pay no dividend for 2014/15. As disclosed in the prospectus issued at the time of our IPO, it is anticipated that the first dividend following the IPO will be payable following publication of the company's half-year results 2015/16 on 18 November 2015.

Outlook

Looking ahead, we foresee continued stabilisation of the regional brands and growth of the global brands. Overall the improvement in the global economies is contributing to a more positive on-premise environment, and a growing cocktail culture, both driving the further development of our global brands.

We will continue to focus on the expansion of our brands in the US with our organisation Lucas Bols USA. While some markets will remain challenging, overall we are positive about the future developments of our brands.

Management Board declaration

The Management Board of Lucas Bols N.V. declares that to the best of their knowledge the financial statements give a true and fair view of the assets, liabilities, financial position and the result of Lucas Bols and its subsidiaries and that the annual report provides a true and fair view of the situation as at 31 March 2015, and of the company's state of affairs for 2014/15, as well as the principal risks faced by Lucas Bols N.V. For a detailed description of the risk factors, we refer to the 'risk management' chapter in this report.



HUMAN RESOURCES MANAGEMENT

At Lucas Bols we recognise that strong brands require strong people, which means that our top priority is to provide a vital and dynamic work environment. We constantly seek to create a positive work environment where all employees have equal rights and opportunities, regardless of their gender, age, sexual orientation or background.

We encourage and support employees who wish to further develop their career by learning new skills and we challenge them to grow towards new positions. For example, some of our bartenders have joined the corporate brand team after finishing university. Working with a relatively small but dedicated team of professionals enables us to focus fully on the personal growth and individual development of our employees. We manage talent and ambitions and resolve HR issues directly with line managers in order to optimise the use of talent within the company. Work enjoyment is also high on our agenda. Various staff events are held throughout the year to increase solidarity and optimise team spirit within the group.

People in numbers

At the end of 2014/15 Lucas Bols had 43 FTEs in the Netherlands (2013/14: 43 FTEs). In the US, the number of FTEs was 23, compared to 24 FTEs at the end of 2013/14.

Employee benefits

Extraordinary Share Award

At the time of the IPO the shareholders decided that our employees should be rewarded for their contribution to the company's success since the buyout in 2006. To this end a net amount of approximately EUR 1 million was made available and converted into shares, which were divided amongst the eligible employees. The company recognised the taxes payable on this share award.

All employees on a permanent contract on 1 January 2015 and all employees on a temporary contract of longer than six months were eligible for the Extraordinary Share Award. These shares are subject to a three-year lock-up period during which the employee is entitled to receive dividends.

Employee Share Participation Plan

As of 24 June 2015 all Lucas Bols employees on a permanent contract are eligible to invest in Lucas Bols shares via an Employee Share Participation Plan (ESPP). Shares can be purchased at a 13.5 per cent discount to the share price twice a year, with the exact timeframe being communicated at the start of the financial year (commencing 1 April). These shares are subject to a three-year lock-up period during which the employee is entitled to receive dividends.

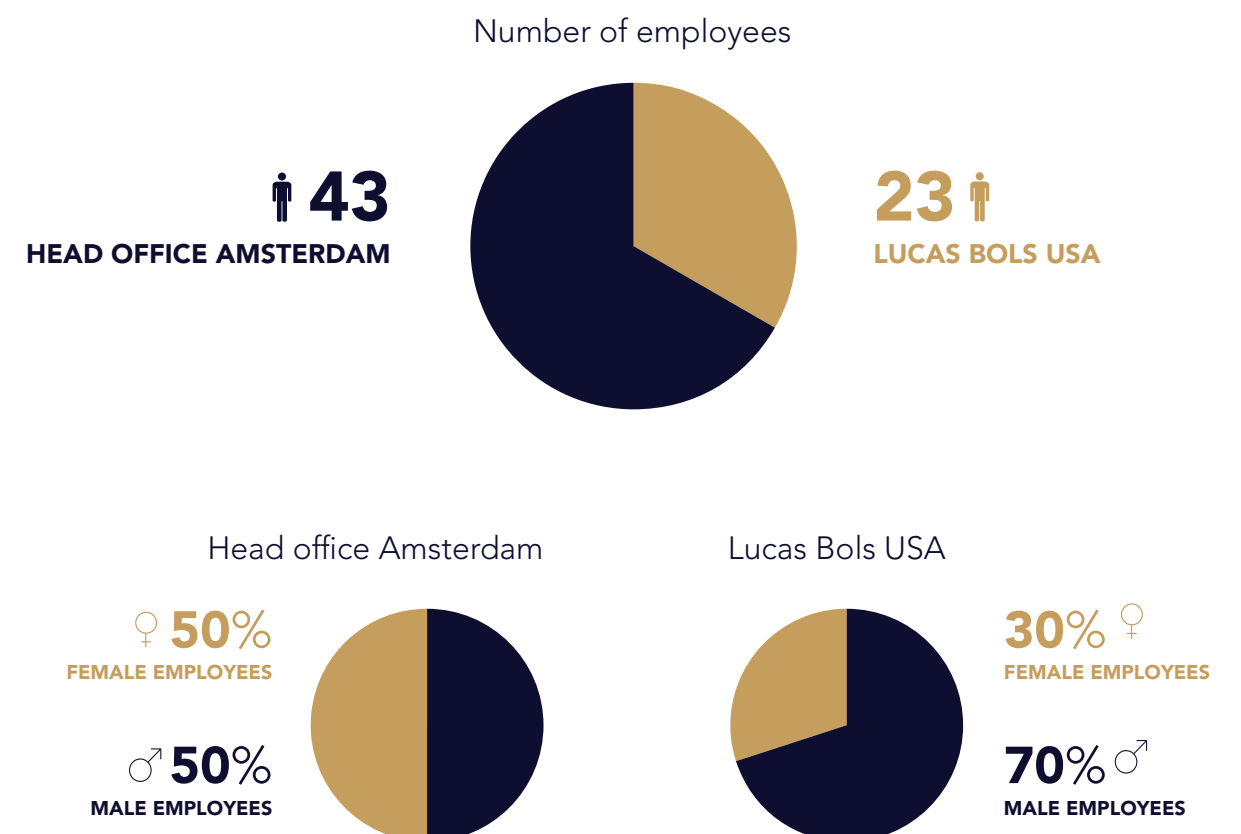


Brand ambassadors

Lucas Bols maintains longstanding relationships within the bartending community. These relationships have to date resulted in 55 dedicated Lucas Bols brand ambassadors who are active in Europe, the US, South America, Asia, Australia and Africa. The brand ambassadors market the Bols brands on a country-by-country basis and play an important role in our strategy

to become the all-time favourite cocktail brand. Our brand ambassadors are therefore of great value for our company, and we consider them to be 'one of us'. They receive regular training from our Bols Bartending Academy trainers and are included in all academy and bartender-related programmes.

TOTAL EMPLOYEES 2014 - 2015





VALUES & WORKING PRINCIPLES

Make a difference by being creative, innovative and inspiring in all aspects of our business to create accelerated growth for Lucas Bols and personal development for our employees.



**LEADERSHIP
& ENERGY**



**THINKING IN
POSSIBILITIES**



**LIVE SPEED
& ACTION**



**EXCELLENCE IN
EXECUTION**

Day to day, this means

- Business as usual is not good enough
- Everyone participates and supports
- It's a day to day commitment
- Talk to the person who can make the difference
- Projects will be well defined and team members appointed with a clear leadership role
- Let's celebrate success and learn from mistakes
- We all win together as a team

LUCAS BOLS PEOPLE MAKE A DIFFERENCE



**INFORMAL, FUN
& CONFIDENT**



**SET STRETCH
GOALS**



**QUALITY IS
OUR JOB**



**CLIENT &
CONSUMER DRIVEN**



CORPORATE SOCIAL RESPONSIBILITY



Lucas Bols recognises that corporate social responsibility (CSR) is a key aspect for the spirits industry. We participate in responsible drinking programmes and sustainability is high on our agenda. We work continuously to optimise our products and processes, both within the organisation and with our suppliers. We take our role in society seriously as an employer but also as a supportive member of local communities.



CORPORATE SOCIAL RESPONSIBILITY

Responsible drinking

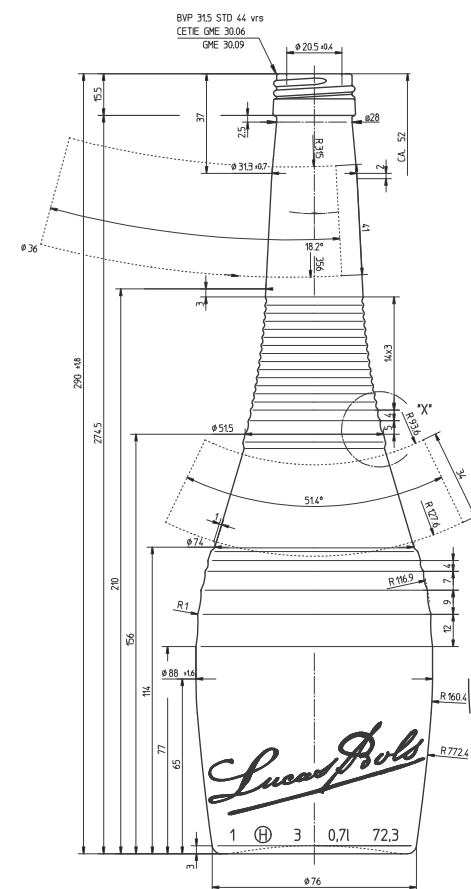
Promoting responsible consumption of alcohol is a cornerstone of our business. We advocate responsible consumption and encourage socially responsible communication as part of our CSR strategy. This is done with and through our local partners, who share our vision to ensure responsible consumption everywhere around the world. In the Netherlands Lucas Bols holds a key position in STIVA (Stichting Verantwoorde Alcoholconsumptie), the Dutch industry board responsible for setting guidelines for socially responsible communication and marketing of alcoholic beverages. Our CEO Huub van Doorne has been a member of the STIVA board since 2006. Responsible consumption of alcohol is also an important topic at the Bols Bartending Academy, our bartending school where we train over 3,000 bartenders a year and educate them about the principles of responsible drinking and how to contribute to this.

Sustainable supply chain

A sustainable approach should cover all elements of the supply chain, from product development to consumption. We strive to improve sustainability throughout the chain and we take our role as driving force seriously. Steps taken by Lucas Bols and its partners include:

Sourcing

- Our joint venture production site Avandis is BRC 6 certified, an important compliance certificate for production organisations.
- Our new Bols Liqueur bottle uses 30% less glass.
- We produce dark bottles for Galliano and Vaccari instead of using dark screening to darken the bottles, thus reducing our usage of chemicals to zero.
- Our production partner Avandis has optimised its recycling process and now recycles almost all packaging materials and has cut the use of rinsing fluid by 40 per cent.
- We constantly challenge our main suppliers of glass, sugar and alcohol to reduce their carbon footprint. They have intensive programmes in place to limit waste through cradle-to-cradle management of their chains.



Logistics

- Our logistics have been optimised in the Netherlands and Canada in order to minimise the distance between bottling and customer.
- Our shipping is done on a multimodal basis (i.e. rail and short-sea shipping) to utilise the most energy-efficient routes.
- Our Bols Liqueur bottle production has been moved from Holzminden in Germany to Schiedam in the Netherlands, which cuts transportation.
- Our Bols Liqueurs for the US are bottled locally.
- Our Bols Vodka for Canada is bottled locally.
- We have reduced the number of pallets used in transportation by increasing the number of cases per pallet as well as combining shipments when possible.
- We deliver more full pallets to end customers by shipping less frequently.
- Our transportation of raw materials is done in full truckloads and using larger trucks.
- Our sourcing takes place closer to our production sites, which reduces transportation.

Lucas Bols in society

Lucas Bols supports various social initiatives in the Netherlands and other countries where our products are distributed, with and through our local partners. These programmes range from providing support for senior citizens and children's healthcare and education initiatives to sustainability programmes such as the KLM CO2 compensation service. Two significant projects are dance4life and Friends of the Westerkerk:

Dance4life

Lucas Bols is proud to be involved with dance4life, an international initiative aimed at involving and empowering young people all around the world to push back the spread of HIV and AIDS and tackle unplanned pregnancies and sexual violence. As part of the organisation's exclusive friends4life network, Lucas Bols donates each year in support of the organisation and its activities. The donation for 2015 will be used for a campaign in India aimed at putting a stop to child marriages. Furthermore we organise employee participation projects together with

dance4life so that everyone at Lucas Bols can make a difference. For instance, a team of 20 sponsored Lucas Bols employees will join the Dam-to-Dam run for dance4life in Amsterdam in September. Lucas Bols matches the funds raised by its staff members.



Friends of the Westerkerk

As a 'Friend of the Westerkerk' Lucas Bols contributes to the conservation of this famous church. The Westerkerk is a monument of Amsterdam's Golden Age, the era in which Lucas Bols was born (1652) and Bols became an international brand. For centuries Bols liqueurs and genevers were distilled within a stone's throw from the Westerkerk, where Lucas Bols was buried in 1719. His grave has recently been restored by Lucas Bols.





CORPORATE GOVERNANCE

Lucas Bols is a responsible corporate citizen, committed to meeting the needs of all its stakeholders and as such acknowledges the importance of good corporate governance. Our corporate governance is based on principles of integrity, transparency, and clear and timely communication.

The Management Board and the Supervisory Board are jointly responsible for the corporate governance structure at Lucas Bols, thereby adhering to the Dutch Corporate Governance Code (the Code).

Lucas Bols is a public limited company (NV) incorporated and based in the Netherlands and is therefore subject to Dutch legislation as well as its own articles of association, internal policies and procedures. Responsibility for the management of Lucas Bols lies with the Management Board, under supervision of the Supervisory Board.

Corporate governance declaration

Lucas Bols acknowledges the importance of good corporate governance and agrees with the principles of the Code. Lucas Bols complies with the principles and best-practice provisions of the Code. There are a small number of practices where Lucas Bols is not in compliance with the Code, which are explained in this report.

Shares - voting rights

The authorised share capital of Lucas Bols comprises a single class of registered shares. Shares that are traded via the giro-based securities transfer system are registered under the name and address of Euroclear Nederland. All issued shares are fully paid up and each share confers the right to cast a single vote at the general meeting. As at the end of 2014/15 Lucas Bols held no shares in the company.

General meeting

Important matters that require the approval of the (annual) general meeting include:

- Adoption of the annual accounts;
- Declaration of dividends;
- Remuneration policy;
- Discharge from liability of the members of the Management Board in respect of their management activities for Lucas Bols;
- Discharge from liability of the members of the Supervisory Board in respect of their supervision of the management of Lucas Bols;
- Appointment of the external auditor;
- Appointment, suspension or dismissal of members of the Management Board and the Supervisory Board;
- Remuneration of the Supervisory Board;
- Any Management Board resolution regarding a significant change in the identity or nature of Lucas Bols or its enterprise;
- Issuance of shares (whereby the Management Board is authorised, subject to prior approval by the Supervisory Board, to issue shares up to a maximum of 10% of the issued share capital as at the date of issue and an additional 10% as at that date in connection with or on occasion of mergers, acquisitions and strategic alliances and to restrict or exclude the pre-emptive rights in relation to any issuance referred to above. This authorisation is granted until 3 August 2016);
- Acquisition and redemption of shares (whereby the Management Board is authorised, subject to the

- approval by the Supervisory Board, to acquire up to a maximum of 10% of the shares in the capital of the company, at a price not higher than 10% above the average closing price of the shares on Euronext Amsterdam over the five days preceding the date on which the purchase is made. This authorisation is granted until 3 August 2016).
- Adoption of amendments to the articles of association.

Further details can be found in the articles of association, which are published on the corporate website (www.lucasbols.com).

This year the annual general meeting is scheduled to take place on 3 September. Each shareholder may attend the general meeting, address the general meeting and exercise voting rights pro rata to their shareholding, either in person or by proxy. Shareholders may exercise these rights provided they are holders of shares on the record date, which is 28 days before the date of the general meeting, and they or their proxy have notified Lucas Bols of their intention to attend the general meeting. Draft minutes of the meeting will be released within three months of the meeting and will be available for comments for three months thereafter. The final version of the minutes will be published on the corporate website.

In accordance with provision IV.3.1, Lucas Bols shall announce meetings with analysts, presentations to (institutional) investors and press conferences in advance on the corporate website and by means of a press release. The presentations will be made available on the corporate website after the meetings. Lucas Bols will regularly examine the desirability of extending these facilities to webcasting or other communication tools and may amend its policy in this respect.

Management Board

The Management Board is collectively responsible for the management of Lucas Bols. This includes the day-to-day management and general affairs of the company as well as formulating its strategies and policies, and setting and achieving the corporate objectives. The Management Board is also responsible for identifying and managing the risks associated with Lucas Bols's activities, and for the financial performance and corporate

social responsibility issues relevant to the business. The Management Board consists of two members, each having duties related to their specific responsibilities and area of expertise. The members of the Management Board are individually authorised to represent Lucas Bols.

The general meeting appoints the members of the Management Board, with the Supervisory Board permitted to make non-binding nominations for such appointments. Where the Supervisory Board has made a nomination, the resolution of the general meeting to appoint the nominee must be adopted by an absolute majority of the votes cast. Where the nomination has not been made by the Supervisory Board, the general meeting resolution to appoint a member of the Management Board must be passed by a two-thirds majority of the votes cast, representing over 50% of the issued share capital. This is stricter than what the Code in best practice provision IV.1.1 prescribes.

The Supervisory Board may at any time suspend a member of the Management Board. The general meeting may at any time suspend or dismiss a member of the Management Board. The general meeting may only adopt a resolution to dismiss such a member by an absolute majority of the votes cast and at the proposal of the Supervisory Board. Without such proposal, the resolution to suspend or dismiss a member of the Management Board must be passed by a two-thirds majority of the votes cast, representing over 50% of the issued capital. This provision deviates from the Code (best practice provision IV.1.1). Lucas Bols believes this to be justified in the interest of the continuity of Lucas Bols and its group companies.

Remuneration

The remuneration policy was approved by the general meeting on 3 February 2015 at the proposal of the Supervisory Board. The remuneration policy is aimed at attracting, motivating and retaining highly qualified executives and rewarding members of the Management Board with a balanced and competitive remuneration package that is focused on sustainable results and is consistent with the strategy of Lucas Bols.



Pursuant to the remuneration policy the remuneration packages of the Management Board consist of fixed and variable components as were disclosed in the offer memorandum issued in connection with the IPO. The fixed annual salary of the Management Board members has been set at the current level for a period of four years from the date of the listing of the shares of Lucas Bols on Euronext Amsterdam, i.e. 4 February 2015.

In compliance with the Code the service agreements of the Management Board members contain a provision relating to severance arrangements to compensate for the loss of income resulting from a non-voluntary termination of the service agreement, up to a maximum equal to one time the fixed gross annual base salary of the Management Board member.

In line with good governance, the service agreements of the members of the Management Board include a claw back clause, allow for a test of reasonableness and do not include a ‘change of control’ clause.

Each year the Supervisory Board reports on the implementation of the remuneration policy in the past financial year and the intended implementation in the current year and subsequent years in its remuneration report. This report can be found on page 66 of this report and the corporate website.

Supervisory Board

The Supervisory Board supervises the policy of the Management Board and the general course of business of Lucas Bols. The Supervisory Board also issues advice to the Management Board. In performing their duties the members of the Supervisory Board must be guided by the interests of Lucas Bols and take into account the relevant interests of all of the company’s stakeholders (including its shareholders) as well as the corporate social responsibility issues that are relevant to the business of Lucas Bols. The Supervisory Board is responsible for the quality of its own performance. The Supervisory Board currently consists of four members. The Supervisory Board has adopted a profile for its size and composition, taking into account the nature of the Lucas Bols business and activities and defining the desired back-

ground and expertise of members. Members of the Supervisory Board are appointed for a term of four years and may be reappointed up to a maximum of two other periods of four years, starting as of the listing date. This means that, although certain members were appointed on earlier dates, the maximum term according to the Code commenced on the first day of listing for all Supervisory Board members.

In view of its size the Supervisory Board has decided not to appoint any committees in the interest of efficiency. However, audit-related meetings are chaired by Mrs. Wyatt and meetings on remuneration are chaired by Mr. Meerstadt.

The members of the Supervisory Board are appointed by the general meeting. The Supervisory Board is permitted to make a non-binding nomination for the appointment of a member of the Supervisory Board. The resolution of the general meeting to appoint the nominee must be adopted by an absolute majority of the votes cast. If the Supervisory Board has not made a nomination, a resolution of the general meeting for the appointment of a member of the Supervisory Board must be passed by a two-thirds majority of the votes cast, representing over 50% of the issued share capital.

The general meeting may suspend or dismiss a member of the Supervisory Board at any time. In the event the Supervisory Board proposes the dismissal of one of its members, the resolution of the general meeting to dismiss such a member must be adopted by an absolute majority of votes cast. In the absence of a proposal from the Supervisory Board to dismiss one of its members the general meeting resolution to make such a dismissal must be passed by a two-thirds majority of the votes cast, representing over 50% of the issued share capital.

Lucas Bols ensures that there are structured reporting lines to its Supervisory Board. The Supervisory Board meets regularly throughout the year, with a minimum of four meetings a year. The chairman of the Supervisory Board ensures the proper functioning of the Supervisory Board and acts as the main contact for the Management Board.

The Supervisory Board has adopted its own regulations with regard to objectives, composition, duties, responsibilities and working methods; it has also adopted a profile as well as a retirement and resignation schedule. The regulations and other documents are available on the corporate website. Self-assessments will be conducted in 2015/16.

Diversity

In order to achieve a desired balance the Supervisory Board aims for a diverse composition of both the Management Board and the Supervisory Board in terms of for example gender and age, but does not strictly follow best practice provision III.3.1 of the Code to formulate an explicit diversity target in these areas. The Supervisory Board’s overriding principle is for both boards to be composed of members who can make a valuable contribution in terms of experience and knowledge of the industry Lucas Bols operates in. In determining profiles for new board members Lucas Bols will pay close consideration to the aforementioned best practice provisions as well as the provisions of article 2:166 section 2 of the Dutch civil code which requires companies to pursue a policy of having at least 30% of the seats on the Management Board and Supervisory Board held by men and at least 30% of the seats on the Management Board and Supervisory Board held by women.

Conflict of interest

Any potential or actual conflict between Lucas Bols and a member of the board should be reported to the other board members and the chairman of the Supervisory Board. Any board member holding shares in Lucas Bols must do so for the purpose of long-term investment. Board members must at all times comply with the provisions set out in the insider trading rules of Lucas Bols.

Lucas Bols wishes to make note of the fact that it has entered into a relationship agreement with AAC NL BOF 2005 B.V. whose provisions include that AAC Capital has the right to nominate a member to the Lucas Bols Supervisory Board. As a result, Mr. Staal is a non-independent member of the Supervisory Board in the sense of best practice provision III.2.1 of the Code.

Auditor

The Management Board ensures that the external auditor is able to properly perform its audit work. The Management Board reported to the Supervisory Board on KPMG’s functioning as external auditor and its fee. For the purpose of inclusion in the offer memorandum issued in connection with the IPO, KPMG performed a review of the Lucas Bols interim financial statements for the period ending 30 September 2014 and issued an unqualified review report. In the course of the 2014/15 financial year KPMG’s lead audit partner was changed, pursuant to partner rotation requirements. KPMG confirmed its independence from Lucas Bols in accordance with the professional standards applicable to KPMG.

In accordance with the Dutch rules regarding mandatory audit firm rotation Lucas Bols will be required to engage a new independent auditor as of 2015/16. After a diligent selection process, the Supervisory Board proposes to appoint EY as external auditor.





REMUNERATION REPORT 2014/15

The remuneration and other terms of employment of the Management Board are determined by the Supervisory Board within the scope of the remuneration policy as adopted by the general meeting of Lucas Bols.

The current remuneration policy is in place with effect of the date of the IPO, proposed by the Supervisory Board and approved by the general meeting on 3 February 2015.

The remuneration policy is aimed at attracting, motivating and retaining highly qualified executives and rewarding members of the Management Board with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with the company's strategy.

Pursuant to the remuneration policy, the remuneration of the members of the Management Board consists of the following components:

- fixed annual base salary
- annual variable remuneration in cash; and
- allowance for pension and fringe benefits

The remuneration policy does not provide for incentives by way of remuneration in shares in the capital of Lucas Bols, since the members of the Management Board already hold a significant amount of shares in Lucas Bols for long term investment.

At the date of the IPO, Mr. de Vries participated in the one-off remuneration component in the form of an Extraordinary Share Award, which was awarded to all eligible employees of Lucas Bols.

Base salary

The base salary of the Management Board members is set around the median of remuneration levels payable within relevant markets and comparable Dutch listed and international companies in our industry, which the Supervisory Board analysed. This base salary is fixed for a period of four years following the date of the IPO.

Annual variable remuneration in cash

The objective of the annual variable remuneration in cash is to ensure that the Management Board members will be focused on realising their short-term operational objectives, leading to longer term value creation. The annual variable remuneration amount will be paid-out when predefined targets are realised, while the maximum variable remuneration amount may be paid out in case of

outperformance of the predefined targets. If realised performance is below a threshold level, no variable remuneration will be paid out. On an annual basis, performance criteria are set by the Supervisory Board, at the beginning of the relevant financial year.

These performance criteria include the company's financial performance and qualitative criteria related to the company's and/or individual performance. The variable remuneration, if any, will be no more than 50% of a Management Board member's annual base salary.

Allowance for pension and fringe benefits

Both Management Board members are entitled to a pension allowance. For Mr. Van Doorne this allowance is included in his general allowance. For Mr. de Vries the company shall contribute an amount equal to 10% of the base salary to his pension scheme. None of the members of the Management Board participate in a collective pension scheme. The members of the Management Board are entitled to customary fringe benefits, such as expense allowances and reimbursement of costs.

Test of reasonableness and claw back clause

In line with Dutch law and the Code, the variable remuneration may be reduced or (partly) recovered if certain circumstances apply. For any variable remuneration component conditionally awarded to a member of the Management Board in a previous financial year which would in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been achieved, the Supervisory Board will have the power to adjust the value downwards or upwards (test of reasonableness). In addition, the Supervisory Board will have the authority under the Code and Dutch law, to recover from a member of the Management Board any variable remuneration awarded on the basis of incorrect financial or other data (claw back). In case of a share price increase due to a public offer on the company's shares, Dutch law prescribes to reduce the remuneration of a Management Board member by an amount equal to the value increase of the shares. This provision only applies to shares received by means of remuneration (currently the ESA shares awarded to Mr. de Vries at the occasion of the IPO) and not to shares that the Management Board member has obtained other than by means of remuneration. Similar provisions apply in the situation of an intended legal merger of demerger, or in other significant transactions.

Severance payment

Finally, the service agreements with the Management Board contain severance provisions, which provide for a compensation for the loss of income resulting from a non-voluntary termination of employment equal to a maximum amount of the gross fixed annual base salary of the Management Board member.

Lucas Bols nor any of its group companies provided any loans, advances or guarantees for the benefit of the Management Board members.



Remuneration of the Management Board in 2014/15

In the period prior to Lucas Bols’s listing in February 2014, Mr. van Doorne served Lucas Bols Amsterdam B.V. via a service agreement with a management company controlled by Mr. van Doorne and Mr. de Vries was employed by Lucas Bols B.V., currently Lucas Bols Amsterdam B.V.

With effect of 4 February 2015, the date of the IPO, the service agreement with Mr. van Doorne (via his management company) was amended and the company entered into a new service contract with Mr. de Vries (via his management company). The terms of these new service agreements were determined by the Supervisory Board and approved by the general meeting on 3 February 2015, based on the remuneration policy as set out before. The costs for the remuneration of the Management Board members in 2014/15 are as follows:

Amounts in EUR '000 for the years ended	Mr. H.L.M.P. van Doorne		Mr. J.K. de Vries		Total Management Board	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Salary	470	467	264	231	734	698
Variable remuneration	202	160	110	86	312	246
Pension	-	-	32	32	32	32
Other	77	73	22	24	99	97
ESA	-	-	233	-	233	-
	749	700	661	373	1,410	1,073

Fixed base salary

The annual base salary for Mr. van Doorne for the period 1 April 2014 - 31 March 2015, is set at EUR 470,000. For Mr. de Vries the base salary is set at EUR 255,000 for the period 1 April 2014 until 4 February 2015 (on an annual basis) and EUR 320,000 (on an annual basis) for the remaining period of 2014/15.

Annual variable remuneration

The maximum annual variable remuneration in 2014/15 amounts to 50% of the annual base salary.

The performance targets and objectives for the variable remuneration were set by the Supervisory Board for each member of the Management Board, at the beginning of 2014/15.

These performance targets and objectives form a balanced mix of financial, qualitative and personal measures as follows:

- 50-70% - Revenue and financial targets. These targets are the same for both members of the Management Board;
- 30-50% - Qualitative and personal targets ranging from increasing depletions in a specific region to multiple year plans and from commercial programmes to back office optimisation.

The targets are measurable and realistic for the members of the Management Board. Based on the achievement of the shared and individual targets for 2014/15, the variable remuneration component with regard to the performance in 2014/15 amounted to 86% of the total achievable variable remuneration, i.e. 43% of the annual base salary for both Mr. van Doorne and Mr. de Vries.

ESA

In view of the successful IPO, Mr. de Vries has been offered a one-off remuneration component in the form of an ESA, consisting of 7,840 depositary receipts of shares in the capital of Lucas Bols. The shares issued under the ESA are held by a trust foundation. The ESA-plan subscribes that the (depositary receipts for) shares in the capital of Lucas Bols granted under the ESA will be subject to a retention period of three years during which the relevant securities cannot be disposed of. This retention period ends 5 February 2018. To comply with the Code, Mr. de Vries agreed to hold his (depositary receipts for) shares as awarded at the IPO under the ESA-plan for a minimum period of 5 years.

The value of the ESA shares at 31 March 2015 amounted to EUR 140,100.

Remuneration policy 2015/16

No changes to the implementation of the remuneration policy for 2015/16 are expected.

Remuneration of the Supervisory Board members

The general meeting determines the remuneration of the members of the Supervisory Board. The Supervisory Board periodically submits proposals to the general meeting in respect of the remuneration of the chairman, vice-chairman and the other members of the Supervisory Board. The remuneration of the Supervisory Board is not dependent on Lucas Bols’s results.

On 3 February 2015, the general meeting approved a proposal of the Supervisory Board for annual fixed fee levels for the individual Supervisory Board members that are in line with Supervisory Board remuneration levels payable within comparable companies. The annual fee for the Supervisory Board members is determined as follows:

Chairman of the Supervisory Board	EUR 40,000
Vice-chairman of the Supervisory Board	EUR 35,000
Other members of the Supervisory Board	EUR 30,000

Remuneration of the Supervisory Board in 2014/15

The remuneration for the Supervisory Board members in 2014/15 is as follows:

EUR 1,000	2014/15	2013/14
Mr. D.C. Doijer	40	40
Mr. A. Meerstadt	30	28
Mr. M.W. Staal	5	-
Mrs. M.M. Wyatt	5	-
Total	80	68



RISK MANAGEMENT AND CONTROL

There are inherent risks related to Lucas Bols’s business activities and organisation. We see sound risk management as an integral element of good business practice, which is why the Management Board promotes a transparent, company-wide approach to risk management and internal controls, allowing the company to operate effectively.

This approach is aimed at finding the right balance between maximising the business opportunities and managing the risks involved. The Management Board considers this to be one of its most important tasks. Below you will find an outline of Lucas Bols’s approach to risk management and control and an overview of the main risks facing the company.

Risk management approach

General

Our risk management policies are designed to identify and analyse the risks facing Lucas Bols, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes both in market conditions and in our activities. Our risk management framework has been developed to provide reasonable assurances that the risks facing us are properly evaluated and mitigated, and that management is provided with the information it needs to make informed and timely decisions. While the framework is designed to manage risks it cannot prevent with absolute certainty such things as human error, fraud or infringements of laws and regulations. Management has assessed whether the risk management and control systems provide reasonable assurance that the financial reporting does not contain any material misstatements. Based on the approach outlined above the Management Board is of the opinion that, to the best of its knowledge, the internal risk management and control systems are of sound design and functioned effectively in the year under review, and hence provide reasonable assurance that the financial statements are free of any material misstatement.

Risk management system

Product development and quality control

Bringing excellent products to the market at a consistently high level of quality and innovation forms the core of our activities and is key to maintaining our company’s single most important asset: our brands. This process is driven by our master distiller and his team, who develop our products, make our recipes and decide which ingredients and suppliers to use. Only once recipes have been finalised and thoroughly tested are they handed over to our bottlers, who bottle the product as stipulated. Our bottlers’ quality assurance procedures are subject to constant screening and product samples from bottling locations around the world are routinely tested for compliance with our recipes. The process includes numerous checkpoints to ensure that our products meet the highest standards.

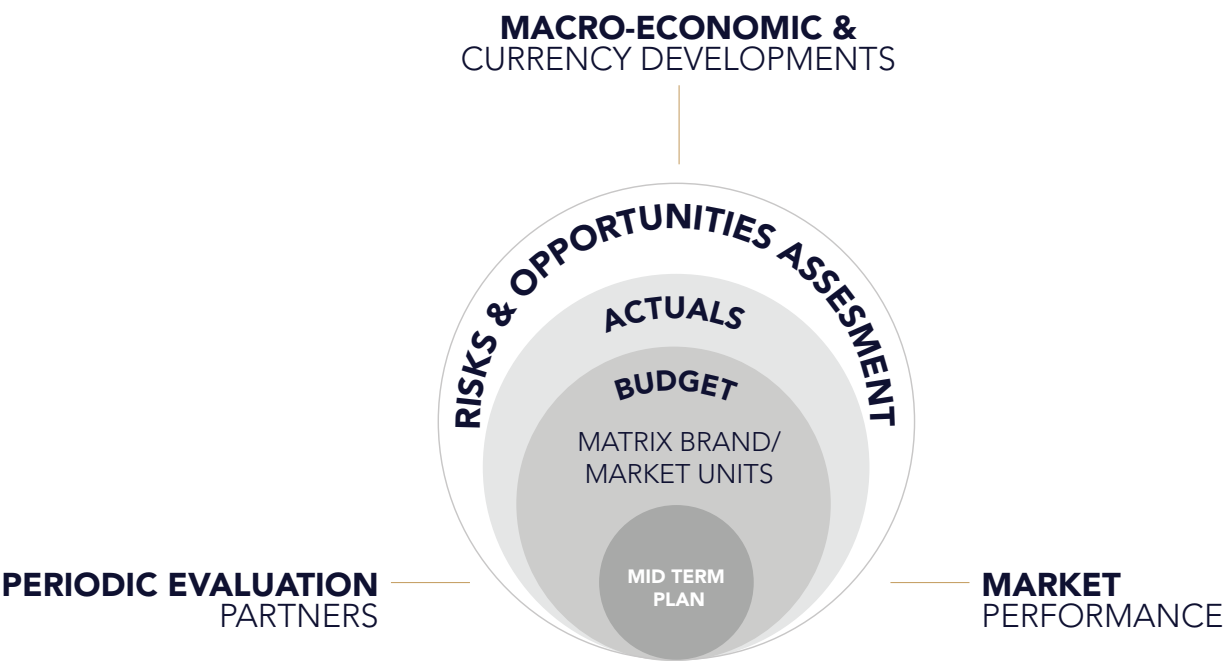
Code of conduct and brand protection

Both our own communication and business practices and those of our distributors across the globe are characterised by integrity and corporate social responsibility. In order to maintain these high standards we have established a code of conduct, and we monitor compliance with this code. We keep track of all marketing activities, including those of our (distribution) partners, as well as monitoring the social media activities of our company and partners in this respect. Protecting the value of our brands is furthermore driven by extensive brand registration across the globe, with potential infringements being constantly monitored and appropriate legal action taken where necessary.

Reporting cycle and management information systems

Our reporting cycle and management information systems are at the heart of our internal risk management and control system. As is illustrated in the figure below the control system is largely embedded in the company’s information systems. Our mediumterm plan forms the basis for our annual budget. Our budget is extremely detailed with a separate budget made for each brand in each country, resulting in a matrix of brand/market units. Largely based on forecasts by our distributors and suppliers, the annual budget is the result of a diligent process. The actual performance is closely monitored in detail and all risks and opportunities that arise are evaluated and acted upon. This cycle includes managing the currency effects, which arise from our worldwide operational activities.

To ensure that the system is accurate the input for the reports is drawn from various sources including our distributors, actual shipment data for Lucas Bols and market performance data based on publicly available information (such as market share developments). This is further substantiated with macro-economic and currency developments and our periodic evaluation of the performance of our distributors.





Risk management responsibilities

The Management Board is responsible for establishing and maintaining sound internal risk management and control systems. While implementation and monitoring of the risk management function is organised centrally, Lucas Bols has a culture of clear responsibilities, open communication and short communication lines that supports the effectiveness of the group's risk management.

External auditor

An annual audit plan is drawn up by the external auditor. The audit of the annual financial statements by the external auditor includes an assessment of the structure and presence of the most important internal controls on the financial processes. The outcome is reported in a formal letter and the findings are discussed with the plenary Management Board and with the Supervisory Board.

Policies

As mentioned earlier, Lucas Bols has a code of conduct drawn up by the Management Board and approved by the Supervisory Board. The code of conduct applies to all employees of Lucas Bols and is published on the corporate website. Lucas Bols also has a whistle-blower policy in place which ensures that any violations of existing policy and procedures can be reported without negative consequences for the person reporting the violation. The whistle-blower policy can also be found on the corporate website.

Lucas Bols's risk management systems are monitored constantly, enhanced where necessary and adapted to reflect changes in internal and external circumstances.

Key risk factors

The key risks as perceived by the Management Board are outlined below, along with an overview of how these risks are mitigated. The order in which the risks are presented is in no way a reflection of their importance, probability or materiality. The actual occurrence of any of the following risks could have a material adverse effect on the company's business, prospects, financial condition or results of operations.

Although management believes that the risks and uncertainties described below are the most material risks, they are not the only ones Lucas Bols may face. All of these risks are contingencies, which may or may not occur. Additional risks and uncertainties which are not presently known to management or which are currently deemed immaterial may also have a material adverse effect on Lucas Bols's results of operations or financial condition.

Risk	Mitigation
STRATEGIC	
Economic and political conditions in the global markets in which we operate The company's global business is subject to a number of commercial, political and financial risks. The company also operates in emerging markets where the risk of economic and regulatory uncertainty is greater. Lucas Bols's results are dependent on general economic conditions and can therefore be affected by deterioration of the economic conditions in its markets.	Lucas Bols's activities are well diversified, in terms of product categories as well as geographically. Lucas Bols sells over 20 brands in more than 110 countries in four regions. In addition Lucas Bols has a sound financial position which can act as a cushion against an economic downturn.



Risk	Mitigation
OPERATIONAL	
Business continuity and competition risk Lucas Bols operates in a highly competitive industry and competitive pressures could have a material adverse effect on its business, results of operations, financial condition and prospects.	We have policies in place which allow us to respond to competitive factors (including pricing and industry conditions) and to carefully select our partners. Managing these factors, as well as maintaining mutually beneficial relationships with our key customers, enables us to compete effectively.
Changes in consumer preferences Demand for the company's spirits products may be significantly adversely affected by changes in customer and consumer preferences.	Lucas Bols's close ties both with its distributors and with the bartender community mean that the company is alerted to changes in consumer preferences at an early stage. The innovative nature of the company enables Lucas Bols to respond to such changes with new flavours and products. Thanks to our focused organisation the time-to-market of new products is relatively short.
Dependency on key products A few key products contribute a significant portion of the company's revenue, and any reduction in revenue from these products could have a material adverse effect on the company's business, results of operations, financial condition and prospects.	Sales of these products are generally spread across multiple countries and continents.
Joint ventures Lucas Bols's involvement in joint ventures over which it does not have full control could prevent the company from achieving its objectives.	Managing and monitoring partnerships and joint ventures is at the heart of the company's business. JVs are monitored through direct board involvement, with a focus on achieving long-term objectives.
Quality controls Inconsistent quality or contamination of the company's products or similar products in the same categories as Lucas Bols products could harm the integrity of, or customer support for, the company's brands and adversely affect the sales of those brands.	The recipes in which the ingredients and procedures are defined are fully controlled by Lucas Bols. The company only partners with certified bottlers and in general our joint venture partners also work exclusively with certified suppliers. The company samples and tests all its products.
Reliance on distribution agreements Lucas Bols is reliant on the performance of its distributors and its operations may be adversely affected by poor performance of its distributors or by the company's inability to enter into or maintain distribution agreements on favourable terms or at all.	The company applies very strict criteria for selecting distribution partners. In addition each distributor and each agreement is subject to annual evaluation and if this evaluation shows that action is needed, that action will be taken, within the contractual terms agreed.
Human capital Lucas Bols's success depends on retaining key personnel and attracting highly skilled individuals, especially given its relatively small number of employees.	Lucas Bols is able to attract, motivate and retain knowledgeable and experienced employees thanks to our reputation and market position, our strategic partnerships and our strong entrepreneurial company culture.



Risk	Mitigation
FINANCIAL	
Currency fluctuations Exchange rate fluctuations could have a material adverse effect on the company's business, financial condition and results of operations.	Each year the company seeks to mitigate the impact of fluctuations in foreign currency exchange rates on its cash flow and earnings by entering into hedging agreements for approximately 60% to 80% of its total currency exposure at the start of the financial year. The company's strategy is to hedge the currency risk through the application of standard forward contracts.
Liquidity risk Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The company's approach to managing liquidity through its treasury process is aimed at ensuring, insofar as is possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.
Interest rate risk Changes in interest rates affect the company's results and cash flow.	Lucas Bols applies a policy which ensures that at least 80% of its medium-term interest rate risk is fixed-rate exposure. This involves entering into and designating interest rate swaps to hedge fluctuations in cash flows attributable to interest rate movements.
Credit risk Credit risk arises from liquid assets, derivative instruments and balances with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and agreed transactions.	The company has implemented a credit policy and monitors its exposure to credit risk on an ongoing basis.
COMPLIANCE	
Regulatory conditions in the markets in which the company operates Lucas Bols's business and production facilities are subject to significant governmental regulation and failure to comply with relevant regulations or any changes in such regulations could result in interruptions to supply and increased costs. In addition the company is subject to extensive regulations regarding advertising, promotions and access to its products, and these regulations or any changes to these regulations could limit its business activities, increase costs and decrease demand for its products.	Lucas Bols closely monitors the legal developments in the markets where it is active. In its home country the Netherlands the company is actively involved in the relevant industry bodies, for example through representation on the board of STIVA, the foundation that actively promotes and controls responsible marketing of alcoholic products.
Taxes Increases in taxes, particularly increases in excise tax rates, could adversely affect demand for the company's products.	Consequences of tax changes and resulting changes in buying behaviour are constantly monitored in close cooperation with our distributors and market positioning is adjusted where necessary.



SHAREHOLDER INFORMATION

Share listing

The shares of Lucas Bols N.V. have been listed on the Euronext Amsterdam stock exchange since 4 February 2015. Lucas Bols shares are traded under the symbol BOLS under ISIN code: NL0010998878.

The Lucas Bols share for the year ending 31 march 2015

Number of outstanding ordinary shares at 31 March 2015	12,477,298
Share price low	EUR 15.75
Share price high	EUR 18.00
Closing share price on 31 March 2015	EUR 17.87
Proposed dividend per share	N/A
Dividend yield	N/A
Market capitalisation at 31 March 2015	EUR 222,969,315

Share capital

All of the issued shares of Lucas Bols are ordinary shares with a nominal value of EUR 0.10 each. At 31 March 2015 the share capital of Lucas Bols consisted of 12,477,298 ordinary shares which have been fully paid-up.

Major shareholders

Pursuant to Dutch Financial markets Supervision Act (Wet op het financieel toezicht) the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) was notified of the following statement of interests of 3% and over in Lucas Bols up to 31 March 2015:

Shareholder	Shareholding
AAC Capital Partners Holding B.V.	16.55%
BlackRock Inc.	3.56%
Boron Investments N.V.	5.01%
Delta Lloyd Deelnemingen Fonds N.V.	5.01%
Dreamspirit B.V. (controlled by H.L.M.P. van Doorne)	6.06%
Invesco Limited	5.14%
Lazard Frères Gestion SAS	4.96%
Lucerne Capital Management LLC	5.49%
Nolet Holding B.V.	3.48%
Old Mutual plc	3.05%

Dividend policy

The Lucas Bols dividend policy takes account of both the interests of the shareholders and the expected further development of the company. We plan to pay dividends in two semi-annual instalments, with a target dividend of at least 50% of the company's net profit realised during the financial year. Starting as of 2015/16, we intend to distribute an interim dividend in the third quarter of each financial year after the publication of the first-half results, and following adoption of the annual accounts by the general meeting a final dividend in the second quarter of the following financial year will be declared. There can be no assurance that a dividend will be proposed or declared in any given year.

Financial calendar 2015

September	
03	Annual general meeting
November	
18	Publication of first-half results

Prevention of insider trading

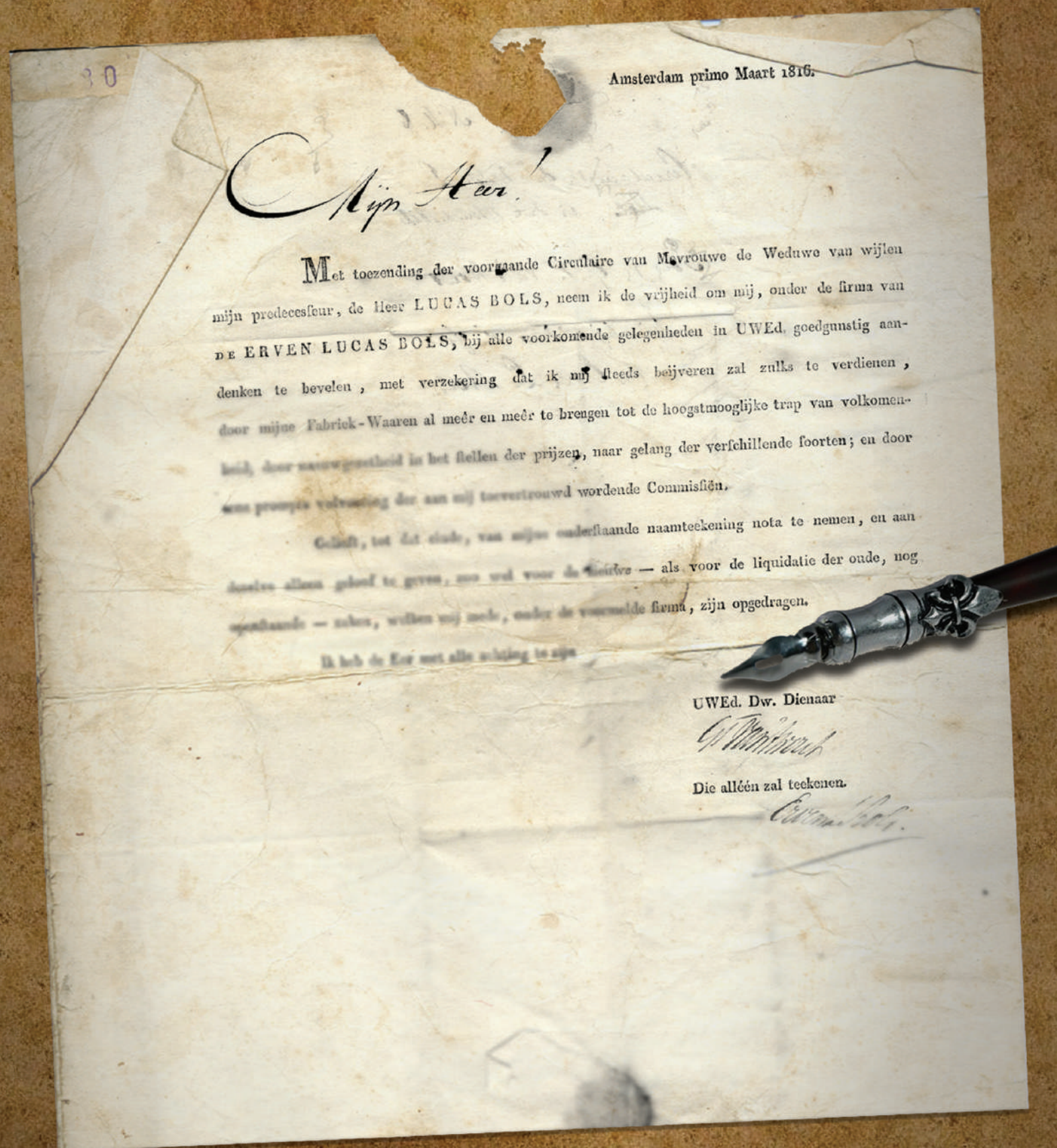
In consequence of its listing on Euronext Amsterdam Lucas Bols is obliged to have a regulation in place to prevent the use of insider knowledge by its managers, employees or other 'insiders'.

Lucas Bols has adapted its existing insider trading regulation to comply with the regulations for listed companies in the Netherlands. CFO Joost de Vries serves as the company's compliance officer and sees to it that the legislation relating to insider knowledge is adhered to and other compliance risks are observed. Lucas Bols has an employee share participation plan (see page 54).

Investors relations

Lucas Bols attaches great importance to maintaining an active dialogue with its shareholders. The aim is to provide relevant financial and other information in a timely manner and to the best of our ability, to give our (potential) shareholders, analysts and the financial press a broader insight into the company and the sector we operate in. To this end Lucas Bols ensures that relevant information is provided equally and simultaneously to all interested parties and that they can access it. From time to time Lucas Bols may engage in bilateral contacts with shareholders or potential shareholders. The purpose of these contacts is to explain the strategy and performance of Lucas Bols and thus ensure that correct and adequate information is disseminated about the company.





FINANCIAL STATEMENTS

2014/15

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CONSOLIDATED FINANCIAL STATEMENTS 2014/15

Consolidated statement of profit or loss for the years ended 31 March 2015 and 2014

Amounts in EUR '000 for the years ended	Note	31 March 2015	31 March 2014
Revenue	6	77,705	78,724
Cost of sales	6	(30,796)	(31,139)
Gross profit		46,909	47,585
Distribution and administrative expenses	7	(27,029)	(26,089)
Operating profit		19,880	21,496
Share of profit of joint ventures	18	82	513
Finance income		28	31
Finance costs		(17,569)	(19,465)
Net finance costs	9	(17,541)	(19,434)
Profit before tax		2,421	2,575
Income tax expense	12	(2,201)	(2,352)
Profit/(loss)		220	223
Result attributable to the owners of the Company		220	223
Weighted average number of shares	10	9,025,558	8,400,000

Earnings per share

Basic earnings per share (EUR)	0.02	0.03
Diluted earnings per share (EUR)	0.02	0.03

The notes on page 80 to 117 are an integral part of these consolidated financial statements.



Consolidated statement of other comprehensive income for the years ended 31 March 2015 and 2014

Amounts in EUR '000 for the years ended	31 March 2015	31 March 2014
Result for the year	220	223
Other comprehensive income - Items that will never be reclassified to profit or loss		
Re-measurement of defined benefit liability (asset)	(646)	296
Related tax	161	(30)
	(485)	266
Items that are or may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences	203	(106)
Net change in hedge reserves	(1,944)	2,221
Related tax	486	(767)
	(1,255)	1,348
Other comprehensive income, net of tax	(1,740)	1,614
Total comprehensive income	(1,520)	1,837
Total comprehensive income attributable to the owners of the Company	(1,520)	1,837

The notes on page 80 to 117 are an integral part of these consolidated financial statements.



Consolidated statement of changes in equity for the years ended 31 March 2015 and 2014

	Note	Share capital	Share premium	Currency translation reserve	Hedging reserve	Retained earnings	Result for the year	Total equity
Amounts in EUR '000								
Balance as at 1 April 2014		8,400	-	(171)	(78)	23,410	223	31,784
Transfer result prior period		-	-	-	-	223	(223)	-
Total comprehensive income								
Profit (loss) for the year		-	-	-	-	-	220	220
Other comprehensive income				203	(1,458)	(485)	-	(1,740)
Total comprehensive income		-	-	203	(1,458)	(485)	220	(1,520)
Adjust par value € 1,= into € 0.10	20	(7,560)	7,560					-
Reversed split	20	(420)	420					-
Issue of warrant shares	20	22	412					434
ESA (employee share award)	20	6	1,003					1,009
Issue of new shares	20	800	125,188	-	-	-	-	125,988
Cost related to the issuance of shares, net of taxes		-	(4,513)	-	-	-	-	(4,513)
Total contributions by and distributions to owners of the Company		(7,152)	130,070	-	-	-	-	122,918
Balance as at 31 March 2015		<u>1,248</u>	<u>130,070</u>	<u>32</u>	<u>(1,536)</u>	<u>23,148</u>	<u>220</u>	<u>153,182</u>

The notes on page 80 to 117 are an integral part of these consolidated financial statements.

	Share capital	Share premium	Currency translation reserve	Hedging reserve	Retained earnings	Result for the year	Total equity
Amounts in EUR '000							
Balance as at 1 April 2013	8,400	-	(65)	(1,576)	21,776	1,412	29,947
Transfer result prior period	-	-	-	-	1,412	(1,412)	-
Total comprehensive income							
Profit (loss) for the year	-	-	-	-	-	223	223
Other comprehensive income	-	-	(106)	1,498	222	-	1,614
Total comprehensive income	-	-	(106)	1,498	222	223	1,837
Balance as at 31 March 2014	<u>8,400</u>	<u>-</u>	<u>(171)</u>	<u>(78)</u>	<u>23,410</u>	<u>223</u>	<u>31,784</u>

Consolidated statement of financial position as at 31 March 2015 and 2014

(before profit appropriation)

	Note	31 March 2015	31 March 2014
Amounts in EUR '000			
Assets			
Property, plant and equipment	16	1,398	1,664
Intangible assets	17	214,943	214,943
Investments in joint-ventures	18	5,116	5,926
Other investments, including derivatives	19	600	599
Non-current assets		222,057	223,132
Inventories	13	7,564	7,605
Trade and other receivables	14	18,328	15,205
Derivative financial instruments	26	-	109
Cash and cash equivalents	15	630	3,120
Current assets		26,522	26,039
Total assets		<u>248,579</u>	<u>249,171</u>

Equity

Share capital		1,248	8,400
Share premium		130,070	-
Hedging reserve		(1,536)	(78)
Translation reserve		32	(171)
Retained earnings		23,148	23,410
Result for the year		220	223
Total equity	20	153,182	31,784

Liabilities

Subordinated loans	22	-	35,075
Other loans and borrowings	22	52,705	76,044
Other non-current financial liabilities – cumulative preference shares	22	-	64,794
Other non-current financial liabilities – other	23	940	780
Employee benefits	11	738	465
Deferred tax liabilities	12	20,044	19,564
Total non-current liabilities		74,427	196,722
Loans and borrowings	22	8,400	9,611
Trade and other payables	24	11,343	9,752
Derivative financial instruments	25	1,227	1,302
Total current liabilities		20,970	20,665
Total liabilities		95,397	217,387
Total equity and liabilities		<u>248,579</u>	<u>249,171</u>

The notes on page 80 to 117 are an integral part of these consolidated financial statements.



Consolidated statement of cash flows for the years ended 31 March 2015 and 2014

Amounts in EUR `000 for the years ended	31 March 2015	31 March 2014
Cash flows from operating activities		
Profit	220	223
Adjustments for:		
• Depreciation of property, plant and equipment	15	586
• Net finance costs	9	19,434
• Release net-realized hedging reserve		(1,948)
• Share of profit of joint ventures, net of tax		(513)
• Income tax expense	12	2,352
• Provision for employee benefits		67
	18,922	20,201
Change in:		
• Inventories	41	(2,281)
• Trade and other receivables	(3,123)	(376)
• Trade and other payables	1,591	3,246
Net changes in working capital	(1,491)	589
Income tax paid	(109)	-
Income tax received	-	-
Proceeds from settlement of derivatives	-	939
Dividends from joint ventures	29	625
Net cash from operating activities	18,172	22,354
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	-	(298)
Acquisition of property, plant and equipment	(248)	(543)
Net cash from (used in) investing activities	(248)	(841)
Cash flows from financing activities		
Proceeds from issue of share capital, net of related cost	121,414	-
Charges settlement IRS-surplus in post-IPO situation	(806)	-
Proceeds from new loans	63,300	-
Payment of transaction cost related to loans and borrowings	(719)	(682)
Repayment of borrowings	(124,070)	(11,702)
Repayment of cumulative preference shares	(64,794)	-
Interest received	28	31
Interest paid	(14,810)	(9,862)
Net cash from (used in) financing activities	(20,457)	(22,215)
Net increase/decrease in cash and cash equivalents	(2,533)	(702)
Cash and cash equivalents at 1 April	3,120	3,822
Effect of exchange rate fluctuations	43	-
Cash and cash equivalents at 31 March	14	3,120

The notes on page 80 to 117 are an integral part of these consolidated financial statements.



Notes to the consolidated financial statements for the years ended 31 March 2015 and 2014

1. Reporting entity

Lucas Bols N.V. (the ‘Company’) is a company domiciled in the Netherlands. The address of the Company’s registered office is Paulus Potterstraat 14, Amsterdam. The consolidated financial statements of the Company for the year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as ‘the ‘Group’) and the Group’s interest in jointly controlled entities.

A summary of the main subsidiaries and jointly controlled entities is included in note 27.

The Company is primarily involved in managing the product development, bottling, distribution, sales and marketing of the brands Bols, Galliano, Vaccari, Pisang Ambon, Bokma, Hartevelt, Coebergh and a large group of Dutch jenevers and liqueurs. The Company (formerly known as Lucas Bols Holding B.V.) was incorporated at 27 February 2006. On 11 April 2006 the Company acquired, through its subsidiary Lucas Bols Amsterdam B.V., 100% of the economic rights of the global brand Bols as well as the shares of Galliano B.V., Pisang Ambon B.V., and Bokma Distillateurs B.V. Through its subsidiary Lucas Bols Amsterdam B.V. (formerly known as Lucas Bols B.V.), the Company acquired respectively 100% of the shares of Lucas Bols USA Inc. on 21 May 2008 and on 3 September 2013 100% of the shares of Pijlsteeg B.V.

As per 4 February 2015 the shares of the Company are listed on Euronext Amsterdam.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Part 9 of Book 2 of the Netherlands Civil Code.

With reference to the income statement of the Company, use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements were authorised for issue by all members of the Management Board and the Supervisory Board on 23 June 2015.

(b) Basis of measurement

The consolidated financial statements have been prepared on each reporting date on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value;
- interests in the joint venture are accounted for using the equity method;
- non-derivative financial instruments at fair value through profit or loss are measured at fair value; and
- the defined benefit asset is recognised as the fair value of plan assets, less the present value of the defined benefit obligation and is limited as explained in note 3(e).

(c) Functional and presentation currency

These consolidated financial statements are presented in euros, which is the Company’s functional currency. All financial information presented in euros has been rounded to the nearest thousand, except when otherwise indicated.

(d) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(l) Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 18 – classification of joint arrangements;
- Note 28 – lease classification.



(II) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

- Note 11 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 12 – recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used; and
- Note 17 – impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs.

(III) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has a control framework with respect to the measurement of fair values. This mainly consists of third party information that is used to measure fair values. Management subsequently assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of EU-IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the

same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included note 26 – financial instruments.

(e) Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies set out in note 3 to all periods presented in these consolidated financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2014.

- IFRS 10 Consolidated Financial Statements (2011)
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities

The nature and effect of the changes are explained below.

(I) Subsidiaries

As a result of IFRS 10, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

In accordance with the transitional provisions of IFRS 10, the Group reassessed the control conclusion for its investees at 1 April 2014. The outcome of this reassessment is that the Group does not need to change its control conclusion in respect of its subsidiaries or investments.

(II) Joint arrangements

As a result of IFRS 11, the Group needs to classify its accounting policy for its interests in joint arrangements. Under IFRS 11, the Group has classified its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets

of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group has re-evaluated its involvement in its joint arrangements and concluded that all its joint arrangements qualify as a joint venture. Therefore, these investments continue to be recognised by applying the equity method and there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

(III) Disclosure of interests in other entities

As a result of IFRS 12, the Group has expanded its disclosures about its interests in equity-accounted investees (see note 18).

3. Significant accounting policies

Except for the changes explained in note 2(e), the Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements. Certain comparative amounts have been reclassified to align with current year presentation.

(a) Basis of consolidation

(I) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment or when a trigger is identified. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified

as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

(II) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(III) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in the joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.



(IV) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Revenue

Revenue comprises predominantly of sale of goods. In addition, a non-significant amount of revenue relates to royalty income and services rendered.

(I) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

(II) Royalties and services rendered

Royalties are proceeds from royalty agreements, net of sales tax. Royalties are recognized in the income statement on an accrual basis in accordance with the substance of the relevant agreement. Services rendered by the Company are proceeds from ticket sales, training courses and special events.

(c) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income
- interest expense, including amortization of deferred finance fees
- dividends on cumulative preference shares issued classified as financial liabilities
- the net gain or loss and early settlement of interest hedging instruments that are recognized in profit or loss.

(d) Foreign currency

(I) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

(II) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Euros at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in the translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that

foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(e) Employee benefits

(I) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(II) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(III) Defined benefit plans

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(IV) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

(f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(I) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

(II) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.



Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Property, plant and equipment

(I) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(II) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(III) Depreciation

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

- | | |
|---------------------------------------|----------|
| • Fixtures and leasehold improvements | 10 years |
| • Furniture | 10 years |
| • Equipment | 5 years |
| • Computers | 3 years |

The depreciation methods, residual value as well as the useful lives are reviewed annually and adjusted if appropriate.

(i) Intangible assets

(I) Brands

Brands acquired are capitalised as part of a brand portfolio in case the portfolio meets the definition of an intangible asset and the recognition criteria are satisfied. The brands and brand portfolios have an indefinite useful life because it is expected that the brands contribute to net cash inflows indefinitely. Therefore, the brands are not amortised and are annually tested for impairment and whenever there is an indication that the brands may be impaired. The brands are valued at cost less accumulated impairment losses.

(II) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(j) Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

(I) Non-derivative financial assets and financial liabilities – recognition and de-recognition

The Group initially recognises loans and receivables and debt securities issued on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(II) Non-derivative financial assets – measurement

Held-to-maturity financial assets

Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents are repayable on demand.

(III) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(IV) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Cumulative Preference shares

The Group's redeemable cumulative preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

(V) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.



If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

(k) Impairment

(l) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and other non-financial assets with an indefinite life are tested annually for impairment or when a triggering event is identified.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(ll) Non-derivative financial assets

Non-derivative financial instruments comprise trade and other receivables and cash and cash equivalents. Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- indications that a debtor or issuer will enter bankruptcy;
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and at a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(l) Leases

(l) Leased assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(ll) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

4. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to early adopt these standards.

• IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Company will be assessing the potential impact on its consolidated financial statements resulting from the impact of the application of IFRS 9, but currently expects that the impact will not be significant.

• IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The IASB recently has proposed to defer the effective date by one year to 1 January 2018.

The Company will be assessing the potential impact on its consolidated financial statements resulting from the impact of the application of IFRS 15, but currently expects that the impact will not be significant.



5. Non-recurring income and expenses

During the financial year the Company reported non-recurring income and expenses fully related to the initial public offering of shares and the subsequent refinancing. These non-recurring income and expenses were recognised in profit or loss or directly in equity and are summarised below:

Amounts in EUR '000 for the year ended 31 March 2015	Note	Profit of Loss
Personnel expenses (shares awarded to employees as a result of listing)	8	(1,887)
Other administrative expenses	7	(319)
Impact result from operating activities		(2,206)
Cost related to unwinding former finance structure	9	(1,872)
Impact result before income tax		(4,078)
Recognition of deferred tax assets		548
Impact result for the year		(3,530)

Amounts in EUR '000 for the year ended 31 March 2015	Note	Share premium
Transaction cost issuance of shares, net of recognised deferred tax asset	20	4,513
Impact share premium		4,513

6. Operating segments

The products that the Group sells can be divided in two reportable segments. This segmentation is also the structure in which the brands are managed within the Group, as they require different marketing and sales strategies. Within the Group separate financial information is available internally and which is used by the main operational decision-makers, based on which resources are allocated.

Brand information

The Group identifies global and regional brands:

(I) Global brands

The global brands represent the Group's brands which are in general sold on more than one continent, on which the Group makes a relatively high margin and have an on-premise characteristic.

The main global brands consist of the Bols Liqueur range, Italian Liqueurs (Galliano and Vaccari) and its white spirits portfolio (Bols Vodka , Bols Genever and Damrak Gin).

(II) Regional brands

The regional brands represent the Group's brands, which are in general sold on one continent and predominantly have an off-premise character.

The main regional brands are the Group's 'jenever/vieux portfolio', Pisang Ambon, Coebergh, the Strike brands, Regnier and La Fleurette. The Group's management reviews internal management reports of each segment. Information regarding the results of each reportable segment is set out below.



Amounts in EUR '000 for the years ended	Global brands		Regional brands		Unallocated		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Revenue	53,875	54,488	23,830	24,236	-	-	77,705	78,724
Cost of goods sold	(18,961)	(19,039)	(11,835)	(12,100)	-	-	(30,796)	(31,139)
Gross profit	34,914	35,449	11,995	12,136	-	-	46,909	47,585
A&P and distribution expenses	(12,091)	(13,731)	(2,021)	(2,200)	-	-	(14,112)	(15,931)
Personnel and other expenses	-	-	-	-	(10,711)	(10,158)	(10,711)	(10,158)
Personnel and other expenses related to the IPO	-	-	-	-	(2,206)	-	(2,206)	-
Total result from operating activities	22,823	21,718	9,974	9,936	(12,917)	(10,158)	19,880	21,496
Share of profit of joint ventures and associates	126	38	(44)	475	-	-	82	513
	22,949	21,756	9,930	10,411	(12,917)	(10,158)	19,962	22,009
Intangible assets *)	124,031	124,031	90,912	90,912	-	-	214,943	214,943
Inventories	6,286	6,208	1,278	1,397	-	-	7,564	7,605
Other assets **)	-	-	-	-	26,072	26,623	26,072	26,623
Total segment assets	130,317	130,239	92,190	92,309	26,072	26,623	248,579	249,171
Total segment liabilities **)	-	-	-	-	(95,397)	(217,387)	(95,397)	(217,387)

*) The economic title to all intangible assets is held by the Dutch companies within the Group.

**) The deferred tax asset amounts have been reclassified as netted with deferred tax liability amounts.

Geographical information

From a geographical perspective, management has identified the following regions on which they manage their business:

Amounts in EUR '000 for the years ended	Revenue by region of destination		Gross profit	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Western Europe *)	35,716	36,403	19,441	19,274
Asia Pacific **)	17,619	18,271	12,772	13,396
North America ***)	14,365	14,243	8,128	8,211
Emerging markets	10,005	9,807	6,568	6,704
Other	-	-	-	-
Consolidated totals	77,705	78,724	46,909	47,585

*) of which revenue attributed to the Netherlands: 16,921 (2014/15) and 17,396 (2013/14).

**) of which revenue attributed to Japan: 8,786 (2014/15) and 9,412 (2013/14).

***) of which revenue attributed to the USA: 11,315 (2014/15) and 10,915 (2013/14).



7. Distribution and administrative expenses

Amounts in EUR '000 for the years ended	Note	31 March 2015	31 March 2014
Advertising and promotional expenses		(10,955)	(12,566)
Distribution expenses		(3,157)	(3,365)
Personnel expenses *)	8	(9,390)	(7,103)
Other administrative expenses **)		(3,012)	(2,469)
Depreciation and amortisation		(515)	(586)
		(27,029)	(26,089)

*) The increase in personnel expenses is for 1.89 million caused by shares awarded to employees as a result of the IPO.
 **) The increase in other administrative expenses is for an amount of 0.32 million caused by expenses related with the IPO.

8. Personnel expenses

Amounts in EUR '000 for the years ended	31 March 2015	31 March 2014
Wages and salaries *)	(8,158)	(5,784)
Social security contributions	(765)	(602)
Contributions to defined contribution plans	(75)	(74)
Expenses related to post-employment defined benefit plans	56	(262)
Temporary staff	(448)	(381)
	(9,390)	(7,103)

*) The increase in wages and salaries is caused by shares awarded to employees as a result of the IPO. At the time of the IPO the shareholders decided that the employees of the Group should be rewarded for their contribution to the Group's success since the buyout in 2006. To this end a net amount of approximately 1 million was made available and converted into shares. The Group recognised the taxes payable on these shares awarded, making the total cost for these awarded shares 1.89 million.

As per 31 March 2015 the Group had in the Netherlands 43 FTE (31 March 2014: 43 FTE) and in the USA 23 FTE (31 March 2014: 24 FTE).

9. Net finance costs

Amounts in EUR '000 for the years ended	31 March 2015	31 March 2014
Total interest income arising from financial assets not measured at fair value through profit or loss (loans receivable)	28	31
Finance income	28	31
Financial liabilities measured at amortised cost – interest expense	(9,072)	(12,492)
Cost related to the unwinding former finance structure at IPO	(1,872)	-
Interest on cumulative preference shares	(6,625)	(6,973)
Finance costs	(17,569)	(19,465)
Net finance costs recognised in profit or loss	(17,541)	(19,434)

10. Earnings per share

Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, being warrants.

Weighted-average number of ordinary shares (basic)

In thousands of shares	Note	2015	2014
Issued ordinary shares at 1 April	20	8,400	8,400
Effect of reversed share split and 8,277,298 shares issued in February 2015	20	626	—
Weighted average number of ordinary shares at 31 March		9,026	8,400

Weighted-average number of ordinary shares (diluted)

In thousands of shares	Note	2015	2014
Weighted-average number of ordinary shares (basic)		9,026	8,400
Potential effect of conversion of warrants	20	367	434
Weighted-average number of ordinary shares (diluted) at 31 March		9,393	8,834

11. Employee benefits

For its staff-members, the Group has 3 pension-schemes in place. Two of them qualify as a defined benefit plan.

Movement in net defined benefit (asset) liability

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability (asset)	
Amounts in EUR '000	2015	2014	2015	2014	2015	2014
Balance at 1 April	1,534	1,773	(1,069)	(1,255)	465	518
Included in profit or loss						
Current service cost	153	195	21	20	174	215
Past service cost	(244)	-	-	-	(244)	-
Interest cost (income)	63	70	(49)	(48)	14	22
	1,506	2,038	(1,097)	(1,283)	409	755
Included in OCI						
Re-measurement loss (gain):						
Actuarial loss (gain)	1,089	(527)	59	31	1,148	(496)
Return on plan assets	-	-	(672)	376	(672)	376
	2,595	1,511	(1,710)	(876)	885	635
Other						
Contributions paid by employee	32	31	(32)	(31)	-	-
Contributions paid by the employer	-	-	(147)	(170)	(147)	(170)
Benefits paid	(8)	(8)	8	8	-	-
Balance at 31 March	2,619	1,534	(1,881)	(1,069)	738	465



Plan assets

Plan assets comprise of qualifying insurance policies.

Defined benefit obligation

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2015	31 March 2014
Discount rate	2.10%	4.10%
Expected return on plan assets	2.10%	4.10%
Future salary growth	1.50%	1.50%
Future pension growth	0.00%	0.00%
Price inflation	1.80%	1.80%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The following tables have been used:

- Prognosetafel AG 2014

The Group expects 150 (31 March 2014: 172) in contributions to be paid to its defined benefit plan in the financial year 2015/16.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Note: an opposite movement would lead to the equal, but opposite effect on the amount shown below:

Defined benefit obligation 31 March 2015

Amounts in EUR '000	Increase	Decrease
Discount rate (+1%)	-	824
Future salary growth (+1%)	88	-
Future pension growth (+1%)	692	-
Future mortality (+1 yr)	-	82

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

12. Income taxes

Income tax recognised in profit or loss

Amounts in EUR '000 for the years ended	31 March 2015	31 March 2014
Current tax expense	(109)	-
Deferred tax expense		
Tax loss carried forward	310	874
Origination and reversal of temporary differences	(2,402)	(3,226)
Tax expense	(2,201)	(2,352)

Tax expense on operations excluded the Group's share of tax expense of the Group's equity-accounted investees of 218 (2014/15: 183), which has been included in 'share of profit of equity accounted investees, net of tax'.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Reconciliation of effective tax rate

For the years ended	31 March 2015		31 March 2014	
	%	EUR 1,000	%	EUR 1,000
Profit before tax		2,421		2,575
Tax using the Company's domestic tax rate	25.0	(605)	25.0	(644)
Effect of tax rates in foreign jurisdictions	2.3	(55)	1.8	(47)
Non-deductible cumulative preference interest	68.4	(1,656)	67.7	(1,743)
Non-deductible expenses *)	20.0	(484)	0.5	(13)
Effect of share of profits of equity-accounted investees	(0.8)	20	(5.0)	128
Changes in recognised temporary differences	(33.7)	816	-	-
Changes in estimates related to prior years	8.9	(216)	-	-
Other	0.8	(21)	1.3	(33)
	90.9	(2,201)	91.3	(2,352)

*) In 2014/15 the non-deductible expenses are mainly related to the non-deductible expenses for the shares awarded to employees as a result of the IPO (see: note 8) .





Movement in deferred tax balances

2014/15	Net balance at 1 April 2014	Recognised in profit or loss	Recognised in OCI/Equity	Acquired in business combinations	Net balance at 31 March 2015	Deferred tax assets	Deferred tax liabilities
Amounts in EUR '000							
Intangible assets	(26,958)	(2,402)	-	-	(29,360)		(29,360)
Derivatives-I	(27)	-	27	-	-	-	-
Derivatives-II	457	-	55	-	512	512	-
Employee benefits	36	-	119	-	155	155	-
Tax loss carry forward	6,928	310	1,411	-	8,649	8,649	-
Tax assets (liabilities)	(19,564)	(2,092)	1, 612	-	(20,044)	9,316	(29,360)

2013/14	Net balance at 1 April 2013	Recognised in profit or loss	Recognised in OCI/Equity	Acquired in business combinations	Net balance at 31 March 2014	Deferred tax assets	Deferred tax liabilities
Amounts in EUR '000							
Intangible assets	(23,732)	(3,226)	-	-	(26,958)	-	(26,958)
Derivatives- I	(27)	-	-	-	(27)	-	(27)
Derivatives- II	1,224	-	(767)	-	457	457	-
Employee benefits	66	-	(30)	-	36	36	-
Tax loss carry forward	5,986	874	-	68	6,928	6,928	-
Tax assets (liabilities)	(16,483)	(2,352)	(797)	68	(19,564)	7,421	(26,985)

13. Inventories

Amounts in EUR '000	31 March 2015	31 March 2014
Finished goods	7,564	7,605

During 2014/15 inventories of 118 were written down to net realisable value (2013/14: 132).

The write-down is included in 'cost of sales'.

14. Trade and other receivables

Amounts in EUR '000	31 March 2015	31 March 2014
Trade receivables due from related parties	12,924	12,142
Other trade receivables	1,416	1,328
Accrued income due from joint ventures	609	(55)
Prepaid expenses and accrued income	3,379	1,790
	18,328	15,205

The entire balance of trade and other receivables is classified as current. As per 31 March 2015 and 2014 there is no allowance for doubtful debt.

Receivables denominated in currencies other than the functional currency comprise per 31 March 2015 a total of 8,376 of trade receivables (2014: 8,429).

Information about the Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, is included in note 26.

15. Cash and cash equivalents

Amounts in EUR '000	31 March 2015	31 March 2014
Bank balances	597	3,106
Cash balances	33	14
Cash and cash equivalents in the statement of financial position and statement of cash flows	630	3,120

All cash and cash equivalents are available on demand.

16. Property, plant and equipment

Amounts in EUR '000	Equipment	Fixtures and fittings	Furniture	Total
Cost				
Balance at 1 April 2014	650	2,919	242	3,811
Additions	-	-	-	-
Transfer from other investments	-	-	-	-
Investments	113	116	19	248
Balance at 31 March 2015	763	3,035	261	4,059

Accumulated depreciation

Balance at 1 April 2014	(336)	(1,633)	(178)	(2,147)
Acquisitions	-	-	-	-
Depreciation for the year	(181)	(318)	(15)	(515)
Balance at 31 March 2015	(517)	(1,951)	(193)	(2,662)

Carrying amounts

At 1 April 2014	314	1,286	64	1,664
At 31 March 2015	246	1,085	67	1,398



Amounts in EUR '000	Equipment	Fixtures and fittings	Furniture	Total
Cost				
Balance at 1 April 2013	496	2,302	221	3,019
Acquisitions	23	147	20	190
Transfer from other investments	-	59	-	59
Investments	131	411	1	543
Balance at 31 March 2014	650	2,919	242	3,811

Accumulated depreciation

Balance at 1 April 2013	(156)	(1,200)	(137)	(1,493)
Acquisitions	(11)	(45)	(12)	(68)
Depreciation charge for the year	(169)	(388)	(29)	(586)
Balance at 31 March 2014	(336)	(1,633)	(178)	(2,147)

Carrying amounts

At 1 April 2013	340	1,102	84	1,526
At 31 March 2014	314	1,286	64	1,664

Security

At 31 March 2015, properties with a carrying amount of 1,398 (31 March 2014: 1,664) were subject to a registered debenture that forms security for bank loans (see note 22).

17. Intangible assets

Amounts in EUR '000	Brands	Goodwill	Total
Balance at 1 April 2013	214,743	-	214,743
Acquisitions through business combinations	-	200	200
Balance at 31 March 2014	214,743	200	214,943
Acquisitions through business combinations	-	-	-
Balance at 31 March 2015	214,743	200	214,943

Brands with a book value of 99.4 million have been obtained under a multiple year hire-purchase agreement that ends in March 2016. The legal title of these brands, which is fully prepaid by the Company, lies with a third party and will be obtained unconditionally in March 2016. The economic title lies with the Company and therefore the brands have been capitalized as brands on the statement of financial position. The brands form security to bank loans (see note 22).

Goodwill

Goodwill was recognized as a result of the acquisition of Pijlsteeg B.V. in September 2013. The difference between the purchase price and the fair value is recognized as goodwill, which is subject to an annual impairment test.

Amounts in EUR '000	Total
Balance at 1 April 2014	200
Additions/Amortization/Impairment/Other movements	-
Balance at 31 March 2015	200

Impairment testing for cash-generating units containing brand value

For the purpose of impairment testing, the total brand value has been allocated to the Group's CGUs as follows:

Amounts in EUR '000	31 March 2015	31 March 2014
Bols	99,184	99,184
Galliano	39,076	39,076
Dutch brands	51,496	51,496
Others	24,987	24,987
	214,743	214,743

Brands are regarded as having indefinite useful economic lives and are therefore not amortized. These brands are protected by trademarks, which are renewable indefinitely in all of our major markets where they are sold. There are not believed to be any legal, regular or contractual provisions that limit the useful lives of these brands. The nature of the premium drinks industry is that obsolescence is not a common issue, with indefinite brand lives being commonplace.

The recoverable amount of the CGUs was determined based on a value in use analysis and estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see note 2(d)).

The key assumptions used for the impairment test are as follows:

- Cash flows were projected based on the budget for the next financial years and the next two years based on the mid-term business plan on net contribution margin level. Forecasted cash flows include expected revenue growth based on actual experience, analysis of volume growth and the expected market share development, as well as expected margin developments.
- Cash flows after the first four-year period are extrapolated using a terminal value growth rate which has been assumed between zero and two percent, depending per CGU.
- Discount rate has been determined based on external sources (see below):

Percentage	31 March 2015	31 March 2014
Discount rate	8.50	9.10
Pre tax WACC	10.80 - 11.49	11.52 - 12.14
Terminal value growth rate	0.00 – 2.00	0.00 – 2.00

Management has performed sensitivity analysis on (i) a revenue decrease of 5%, (ii) a discount rate increase of 1% and (iii) a terminal growth rate of 0% for each CGU. The outcome of these individual sensitivity analysis is that for each CGU no impairment was necessary (the other assumptions remaining unchanged).



18. Joint ventures

Amounts in EUR '000	31 March 2015	31 March 2014
Opening balance	5,926	5,995
Share in profit	82	513
Dividend received	(850)	(625)
Actuarial result through OCI	(127)	131
Adjustments from currency translation through OCI	108	(88)
Other adjustments	(23)	-
Balance at 31 March	5,116	5,926
Avandis C.V. & Avandis B.V. (33.3%)	3,630	3,630
Maxxium Nederland B.V. (50.0%)	1,134	1,819
Bols Kyndal India Pvt Ltd. (50.0%)	352	477
Balance at 31 March	5,116	5,926

Avandis C.V. is structured as a separate entity and the Group has a 33.33 percent interest in the net assets of Avandis C.V. Accordingly, the Group has classified its interest in Avandis C.V. as a joint venture. The joint venture Avandis C.V. has been contracted for blending and bottling services. Avandis C.V. is a cost joint venture, consequently the C.V. operates on a zero-base result.

Maxxium Nederland B.V. is structured as a separate entity and the Group has a 50.0 percent interest in the net assets of Maxxium Nederland B.V. Accordingly, the Group has classified its interest in Maxxium Nederland B.V. as a joint venture. The principal activity of Maxxium Nederland B.V. is the distribution of distilled products.

Bols Kyndal India Pvt. Ltd. is structured as a separate entity and the Group has a 50.0 percent interest in the net assets of Bols Kyndal India Pvt. Ltd. Accordingly, the Group has classified its interest in Bols Kyndal India Pvt. Ltd. as a joint venture. The principal activity of Bols Kyndal India Pvt. Ltd. is the blending, bottling and distribution of distilled products.

As both Avandis C.V. and Maxxium Nederland B.V. are joint ventures which are of significant importance to the Group, their respective summarised financial information is set out below:

Avandis C.V.

The following is summarised financial information for Avandis C.V., based on its financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the Group’s accounting policies.

Amounts in EUR '000	31 March 2015	31 March 2014
Revenue	36,343	39,792
Profit from continuing operations *)	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-

*) Avandis C.V. operates as a cost joint venture on a zero result basis

Amounts in EUR '000	31 March 2015	31 March 2014
Current assets	6,186	8,101
Non-current assets	15,574	15,552
Current liabilities	(6,440)	(7,829)
Non-current liabilities	(4,429)	(4,933)
Net assets (100%)	10,891	10,891
Group’s interest in net assets of investee at beginning of the year	3,630	3,630
Share of total comprehensive income	-	-
Dividends received during the year	-	-
Group’s interest in net assets of investee at end of year	3,630	3,630
Elimination of unrealised profit on intercompany sales	-	-
Carrying amount of interest in investee at end of year	3,630	3,630

Maxxium Nederland B.V.

The following is summarised financial information for Maxxium Nederland B.V., based on its financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the Group’s accounting policies.

Amounts in EUR '000 for the years ended	31 March 2015	31 March 2014
Revenue	64,484	65,185
Profit from continuing operations	663	1,162
Other comprehensive income	(287)	(722)
Total comprehensive income	376	440
Current assets	17,261	18,062
Non-current assets	3,776	4,354
Current liabilities	(15,948)	(16,293)
Non-current liabilities	(2,539)	(2,257)
Net assets (100%)	2,550	3,866
Group’s interest in net assets of investee at beginning of the year	1,819	2,225
Share of total comprehensive income	188	220
Dividends received during the year	(850)	(625)
Group’s interest in net assets of investee at end of year	1,157	1,820
Elimination of unrealised profit on intercompany sales	(23)	(1)
Carrying amount of interest in investee at end of year	1,134	1,819



19. Other investments, including derivatives

Amounts in EUR '000	31 March 2015	31 March 2014
Loan to joint venture Avandis C.V.	599	599
Forward exchange contracts used for hedging	1	-
Other investments	-	-
	600	599

The loan with an undefined duration relates to the payment conditions as agreed with Avandis C.V. The loan bears an interest of 4.0 % p.a. Derivative financial instruments consist of hedged foreign exchange contracts. Duration of these foreign exchange contracts is more than 1 year. See for disclosure on financial instruments note 26.

Information about the Group’s exposure to credit and market risks, and fair value measurement, is included in note 26.

20. Capital and reserves

At 31 March 2015, the authorised share capital comprised 21.0 million ordinary shares of EUR 0.10 each. At balance sheet date a total of 12.48 million shares were issued and fully paid.

Amounts in EUR '000	Ordinary shares 2015	Ordinary shares 2014
In issue at 1 April 2014	8,400	8,400
Adjustment from change in par value Eur 1.00 to Eur 0.10 per share	(7,560)	-
Reversed split	(420)	-
Issue at 4 February 2015	822	-
Shares awarded to employees as a result of the IPO*)	6	-
In issue at 31 March – fully paid	1,248	8,400
Authorised – par value EUR	0.10	1.00

*) see note 8

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company’s shares held by the Group are suspended until those shares are re-issued. At 31 March 2015, the authorised share capital comprised 21.0 million ordinary shares of EUR 0.10 each of which at that date the total of 12.48 million shares were issued and fully paid.

Number of shares in thousands	2015
Balance at 1 April 2014	8,400
February 2015:	
Reversed split	(4,200)
Issue of new shares	7,999
Conversion warrants into shares after reversed split	217
Shares awarded to employees as a result of the IPO *)	61
Balance at 31 March 2015	12,477

*) see note 8

Share Premium

Amounts in EUR '000	2015	2014
Balance at 1 April	-	-
Adjustment from change in par value Eur 1.00 to Eur 0.10 per share	7,560	-
Reversed split	420	-
Issued for cash net of related cost	121,087	-
Shares awarded to employees as a result of the IPO *)	1,003	-
Balance at 31 March 2015	130,070	-

*) see note 8

From the cost related to issuance of shares of 6.0 million an amount of 4.5 million has been deducted from the share premium, as an amount of 1.5 million has been recognised as deferred tax asset.

Nature and purpose of legal reserves

Currency translation reserve

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation (see note 3(d)).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value, net of tax, of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss (see note 3(d)).

21. Capital management

Following the listing at the Euronext Amsterdam, the Group expects to continue to generate strong and stable cash flows, which the Group believes will support its dividend policy and further deleveraging with a target average mid-term leverage structure of maximum 2x EBITDA.

Amounts in EUR '000	31 March 2015	31 March 2014
Short term debt	8,400	9,611
Long term debt	52,705	111,119
Cumulative preference shares	-	64,794
Interest bearing debt	61,105	185,524
Less: cash and cash equivalents	(630)	(3,120)
Net debt	60,475	182,404
Total equity	153,182	31,784
Undo: hedging reserves	1,536	78
Equity adjusted for hedging reserves	154,718	31,862



22. Loans and borrowings

Non-current liabilities

The Group used the net proceeds of the IPO in February 2015 to repay the outstanding amounts under the existing credit facilities and to fully redeem the outstanding balance of the cumulative preference shares. Furthermore in February 2015 the Group took new senior credit facilities for a period of 5 years for a total of 80 million.

Amounts in EUR '000	31 March 2015	31 March 2014
Secured bank loans	52,705	76,044
Subordinated loan – Mezzanine bank loan	-	35,075
Cumulative preference shares	-	64,794
	52,705	175,913

Current liabilities

Amounts in EUR '000	31 March 2015	31 March 2014
Current portion of secured bank loans	8,400	9,611

The Group is obliged to meet requirements from the covenants in connection with the new senior credit facilities as from February 2015 onwards. These requirements relate to ratios for interest cover and maximum leverage. The actual leverage at 31 March 2015, calculated on the basis of the definitions used in the loan documentation, is 2.6.

At 31 March 2015 there is no leverage covenant testing. The first upcoming leverage covenant testing is per 30 September 2015 and has a requirement of maximum 3.75. At 31 March 2015 there is no interest cover testing. The first upcoming interest covenant testing is per 30 September 2015 and has a requirement of at least 4.0 : 1 (and will be calculated for the period 6 February - 30 September 2015). Information about the Group’s exposure to interest rate, foreign currency and liquidity risk is included in note 26.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	Unused facility *)	Face value 31 March 2015	Carrying amount 31 March 2015	Face value 31 March 2014	Carrying amount 31 March 2014
Amounts in EUR '000		% p.a.						
Secured bank loans – Fac. A, B and C	EUR	Euribor + margin 3.75% to 4.75%	2015-2016	-	-	-	86,969	85,655
Secured bank loan – Term loan	EUR	Euribor + 2.6 %	2020	-	24,000	23,792	-	-
Secured bank loan -Rollover Facility	EUR	Euribor + 2.6 %	2020	8,200	37,800	37,313	-	-
Subordinate loans – Mezzanine bank loan	EUR	Euribor + 11.25	2017	-	-	-	35,601	35,075
Cumulative preference shares	EUR	12.00	n/a	-	-	-	64,794	64,794
Total interest-bearing liabilities				8.200	61,800	61,105	187,364	185,524

*) Furthermore the Company has from 6 February 2015 a revolving credit facility of 10 million, which is used mainly for guarantees. As per 31 March 2015 a total of approximately 2.1 million is used for guarantees, leaving an extra amount of 7.9 million of the facility unused per 31 March 2015.

Floating rates have been hedged for a substantial part by means of interest rate swap agreements entered into. The bank loans are se-cured for approximately 80 million by a pledge on most non-current assets, such as shares in the wholly-owned subsidiaries of the Company and material intellectual property of the Group, as well as trade receivables and stock.

Cumulative preference shares

Amounts in EUR '000	31 March 2015	31 March 2014
Proceeds from issue of Cumulative preference shares A	-	62,394
Proceeds from issue of Cumulative preference shares B	-	2,400
Carrying amount at 31 March	-	64,794

23. Other non-current financial liabilities

Amounts in EUR '000	31 March 2015	31 March 2014
Fair value derivatives	822	634
Other loans	118	146
	940	780

Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates and interest rates. The model used under hedge accounting is the cash flow hedge model. The other loan bears an interest of 5% p.a. and matures in 2018.

24. Trade and other payables

Amounts in EUR '000	31 March 2015	31 March 2014
Trade payables and due to related parties	7,991	7,205
Other payables	109	429
Accrued expenses	3,243	2,118
Trade payables	11,343	9,752

Payables denominated in currencies other than the functional currency comprise per 31 March 2015 a total of EUR 3,385,800 of trade payables (31 March 2014: EUR 2,916,200).



25. Derivative Financial Instruments

Derivative financial instruments consist of hedged foreign exchange contracts and interest rate swaps, both valued at 31 March. Duration of these foreign exchange and interest contracts is less than 1 year. See for disclosure on financial instruments note 26. Information about the Group's exposure to currency and liquidity risk is included in note 26.

26. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2015	Note	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2
Amounts in EUR '000							
Financial assets measured at fair value							
Interest rate swaps used for hedging		-	-	-	-	-	-
Forward exchange contracts used for hedging		-	-	-	-	-	-
		-	-	-	-	-	-
Financial assets not measured at fair value							
Trade and other receivables	14	-	18,328	-	18,328	-	18,328
Cash and cash equivalents	15	-	630	-	630	-	630
		-	18,958	-	18,958	-	18,958
Financial liabilities measured at fair value							
Interest rate swaps used for hedging		(1,366)	-	-	(1,366)	-	(1,366)
Forward exchange contracts used for hedging		(682)	-	-	(682)	-	(682)
		(2,048)	-	-	(2,048)	-	(2,048)
Financial liabilities not measured at fair value							
Secured bank loans	22	-	-	(61,105)	(61,105)	-	(61,105)
Trade and other payables	24	-	-	(11,343)	(11,343)	-	(11,343)
		-	-	(72,448)	(72,448)	-	(72,448)

31 March 2014	Note	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2
Amounts in EUR '000							
Financial assets measured at fair value							
Interest rate swaps used for hedging		-	-	-	-	-	-
Forward exchange contracts used for hedging		108	-	-	108	-	108
		108	-	-	108	-	108
Financial assets not measured at fair value							
Trade and other receivables	13	-	15,205	-	15,205	-	15,205
Cash and cash equivalents	14	-	3,120	-	3,120	-	3,120
		-	18,325	-	18,325	-	18,325
Financial liabilities measured at fair value							
Interest rate swaps used for hedging		(1,902)	-	-	(1,902)	-	(1,902)
Forward exchange contracts used for hedging		(33)	-	-	(33)	-	(33)
		(1,935)	-	-	(1,935)	-	(1,935)
Financial liabilities not measured at fair value							
Secured bank loans	21	-	-	(85,655)	(85,655)	-	(85,655)
Subordinated loan – Mezzanine bank loan	21	-	-	(35,075)	(35,075)	-	(35,075)
Cum. pref. shares	21	-	-	(64,794)	(64,794)	-	(64,794)
Trade and other payables	23	-	-	(9,752)	(9,752)	-	(9,752)
		-	-	(195,276)	(195,276)	-	(195,276)

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts and interest rate swaps	Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments	Not applicable	Not applicable



Financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs
Financial assets	Discounted cash flows	Not applicable
Financial liabilities	Discounted cash flows	Not applicable

Financial assets include trade and other receivables and cash and cash equivalents. Other financial liabilities include bank loans, other short term financial liabilities, trade and other payables. The book values of the secured bank loans are considered to be the best approximation of the fair value. For all other financial instruments, the fair value is considered to be consistent with the book value.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

Risk management framework

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered.

Almost all of the Group’s customers have been transacting with the Group for several years, and no impairment loss has been recognised against these customers.

The Group closely monitors the economic environment in the Eurozone and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility. Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables (see note 3(j)).

At year-end, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Amounts in EUR '000	Carrying amount 31 March 2015	Carrying amount 31 March 2014
Western Europe	5,456	5,174
North America	3,149	2,168
Asia Pacific	3,540	2,814
Emerging markets	2,195	3,314
	14,340	13,470

At year-end, the ageing of trade and other receivables that were not impaired was as follows:

Amounts in EUR '000	31 March 2015	31 March 2014
Neither past due nor impaired	12,337	11,501
Past due 1 – 30 days	1,640	629
Past due 31 – 90 days	269	304
Past due 90 days and more	94	1,036
	14,340	13,470

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers’ credit ratings if they are available.

No impairment loss on trade and other receivables was recognised in 2014/15 (2013/14: nil).

Cash and cash equivalents

The Group held cash and cash equivalents of 630 at 31 March 2015 (31 March 2014: 3,120). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency ratings.

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency ratings.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

Typically, the Group ensures that it generally has sufficient cash on demand to meet the expected operational expenses for the next few months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

In addition, the Group maintains the following lines of credit: There is a revolving credit facility of 10 million which is used mainly for guarantees. One guarantee has been issued in relation with the investment of the Company in the joint venture in India (1.9 million) and one guarantee has been issued for our lessor (0.14 million).



Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

31 March 2015		Contractual cash flows				
Amounts in EUR '000	Carrying amount	Total	Less than 1 year	1 -2 years	2 -4 years	5 years
Derivative financial liabilities						
Interest rate swaps contracts	(1,366)	(1,572)	(536)	(456)	(387)	(193)
Forward exchange contracts	(682)	(682)	(682)	-	-	-
Non-derivative financial liabilities						
Secured bank loans	(61,105)	(81,502)	(10,721)	(7,952)	(3,554)	(59,275)
Trade payables	(11,343)	(11,343)	(11,343)	-	-	-
	(75,564)	(95,099)	(23,282)	(8,408)	(3,941)	(59,468)

31 March 2014		Contractual cash flows				
Amounts in EUR '000	Carrying amount	Total	Less than 1 year	1 -2 years	2 -4 years	5 years
Derivative financial liabilities						
Interest rate swaps contracts	(1,903)	(2,892)	(1,153)	(916)	(823)	
Forward exchange contracts	(33)	(33)	(33)	-	-	-
Non-derivative financial liabilities						
Secured bank loans	(85,655)	(94,199)	(13,536)	(60,373)	(20,290)	-
Mezzanine bank loan	(35,075)	(49,804)	(2,220)	(2,338)	(45,246)	-
Trade payables	(11,054)	(11,054)	(11,054)	-	-	-
	(133,720)	(157,982)	(27,996)	(63,627)	(66,359)	-

Cumulative preference shares with a carrying amount of 64,794 per 31 March 2014 did not have a contractual maturity date and were therefore not included in the above schedule. The aforementioned cumulative preference shares have been fully repaid in February 2015.

The Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters,

while optimising the return.

The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by management. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Currency risk

The Group is exposed to currency risk, mainly on sales that are denominated in a currency other than the Euro. The currencies in which these transactions are primarily denominated are JPY, USD and AUD.

At any point in time, the Group hedges 60 to 80% of its estimated foreign currency exposure in respect of forecast sales over the following 12 months. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Group's investment in its US subsidiary and its joint venture in India are not hedged.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to management is as follows:

Trade and other receivables

Amounts in EUR '000	31 March 2015	31 March 2014
EUR	9,251	6,885
USD	3,606	2,166
JPY	1,138	850
AUD	1,323	1,115
OTHER CURRENCIES	3,010	4,189
	18,328	15,205

In accordance with external market sources, not taking into account the hedge rates, the following significant exchange rates have been applied during the year:

For the years ended	Average rate against the euro		Year end spot rate against the euro	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
USD	1.2560	1.3444	1.0759	1.3788
JPY	138.41	134.84	128.95	142.42
AUD	1.4488	1.4581	1.4154	1.4941

Sensitivity analysis

A reasonably possible strengthening of the JPY, USD and AUD against the Euro at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. A weakening would have the equal, but opposite effect. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Amounts in EUR '000	Profit or loss, net of tax Strengthening
31 March 2015	
JPY (+1 % movement)	81
USD (+1 % movement)	54
AUD (+1 % movement)	38
31 March 2014	
JPY (+1 % movement)	68
USD (+1 % movement)	44
AUD (+1 % movement)	28

To mitigate the currency exposure, the Group has adopted a hedge policy of which the outcome has not been taken into account in the table mentioned above.





Interest rate risk

The Group adopts a policy of ensuring that at least 80% of its interest rate risk exposure is at fixed rate. To achieve this the Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Cash flow sensitivity analysis for variable rate instruments

As a result of the Group's hedging policy for changes in the interest rates, the impact of a change of 100 basis points in interest rates would have a limited result.

27. List of subsidiaries

Set out below is a list of material subsidiaries of the Group.

			Ownership interest	
			31 March 2015	31 March 2014
Lucas Bols Amsterdam B.V.	*)	Amsterdam, Netherlands	100%	100%
Galliano B.V.	*)	Amsterdam, Netherlands	100%	100%
Pisang Ambon B.V.	*)	Amsterdam, Netherlands	100%	100%
Bokma Distillateurs B.V.	*)	Amsterdam, Netherlands	100%	100%
Beleggingsmaatschappij Honthorst II B.V.		Amsterdam, Netherlands	100%	100%
Pijlsteeg B.V.	*)	Amsterdam, Netherlands	100%	100%
Lucas Bols USA Inc.		Wilmington, U.S.A.	100%	100%

The Company has issued for the subsidiaries marked with a *) a guarantee as mentioned in article 403, part 9, book 2 of the Netherlands Civil Code.

28. Commitments and operating leases

Leases as lessee

The Group leases an office under operating lease. The lease for the head-office was renewed per 30th June 2014 for a period of 5 years as from March 2016 onwards (i.e. the end of the present contract). Furthermore another rental contract has been renewed for a period of 2 years.

The Group determined that the office lease is an operating lease. The rent paid to the owner is adjusted to market rent at regular intervals, and the Group does not have an interest in the residual value of the office building. As a result, it was determined that substantial-ly all of the risks and rewards of the office buildings are with the owner.

Future minimum lease payments

At 31 March 2015 the future minimum payable lease payments under non-cancellable leases were as follows.

Amounts in EUR '000	31 March 2015	31 March 2014
Less than 1 year	641	530
Between 1 and 5 years	2,156	530
5 years and more	433	-
	3,230	1,060

The amount of lease expenses recognised in the profit and loss of 2014/15 amounts to 677 (2013/14: 530).

For the lessor a guarantee has been issued for an amount of 138.

29. Related parties

Transactions with key management personnel

The members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24 'Related party disclosures'. For details on their remuneration, reference is made to note 8 of the Company financial statements.

Other related party transactions

For the years ended	Transaction values for the year ended		Balance outstanding as at	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Sale of goods and services				
Joint ventures	13,581	14,198	988	1,030
Purchase of goods				
Joint ventures	(21,185)	(22,478)	(856)	(1,374)
Others				
Joint venture dividends received	850	625		
Joint ventures loan and related interest	24	23	599	599

All outstanding balances with these related parties are priced on an arm's length basis and are expected to be settled in cash within two months of the end of the reporting period, except for the long term loan receivable on Avandis C.V. (undefined duration). None of the balances is secured. No expense has been recognised in the current year or prior years for doubtful debts in respect of amounts owed by related parties. In relation to the investment in the joint venture in India a guarantee has been issued for an amount of 1.96 million (INR 132.0 million).

Transactions with the foundation named "Stichting Administratiekantoor Werknemersparticipatie Bols"

At the time of the IPO, the shareholders decided that the employees of the Group should be rewarded for their contribution to the development of the Group by means of shares awarded to employees as a result of the IPO (see note 8). The aforementioned shares are subject to a three-year lock-up period during which the employee is entitled to receive dividends. To comply with the Dutch Corporate Governance Code, Mr. de Vries agreed to hold his shares, as awarded at the IPO under the ESA-plan, for a minimum period of 5 years. As from February 2015 these shares are placed under custody on behalf of the "Stichting Administratiekantoor Werknemersparticipatie Bols" at the Rabobank.

30. Subsequent events

There were no other material events after 31 March 2015 that would have changed the judgement and analysis by management of the financial condition of the Group at 31 March 2015 or the profit for the year ending 31 March 2015.





COMPANY FINANCIAL STATEMENTS 2014/15

Company Balance sheet Lucas Bols N.V.

(before profit appropriation)

Amounts in EUR '000	Note	31 March 2015	31 March 2014
Assets			
Investments in subsidiaries	3	98,958	93,901
Deferred tax assets	4	3,045	2,965
Total non-current assets		102,003	96,866
Receivables from group companies	5	51,179	-
Cash and cash equivalents		-	-
Total current assets		51,179	
Total assets		<u>153,182</u>	<u>96,866</u>
Equity			
Share capital		1,248	8,400
Share premium		130,070	-
Legal reserves		(1,504)	(249)
Retained earnings		23,148	23,410
Result for the year		220	223
Total equity	6	153,182	31,784
Liabilities			
Other non-current liabilities	7	-	64,794
Total non-current liabilities		-	64,794
Trade and other payables		-	288
Total current liabilities		-	288
Total liabilities		-	65,082
Total equity and liabilities		<u>153,182</u>	<u>96,866</u>

The accompanying notes on pages 120 - 123 form an integrated part of the Company financial statements.



Company Profit and loss account Lucas Bols N.V., Amsterdam

Amounts in EUR '000 for the years ended	31 March 2015	31 March 2014
Share of profit of participating interests, after income tax	7,084	7,195
Other profit / (loss) after income tax	(6,864)	(6,972)
Net profit	<u>220</u>	<u>223</u>

The accompanying notes on pages 120 - 123 form an integrated part of the Company financial statements.



Notes to Lucas Bols N.V. Company financial statements for the years ended 31 March 2015 and 2014

1. Basis of preparation

The Company’s financial statements have been prepared in accordance with the provisions of Part 9, Book 2, of the Netherlands Civil Code. The Company uses the option of Article 362.8 of Part 9, Book 2, of the Netherlands Civil Code to prepare the Company financial statements, using the same accounting policies as in the consolidated financial statements. Valuation is based on recognition and measurement requirements of accounting standards adopted by the EU (i.e. only IFRS that are adopted for use in EU at the date of authorisation) as explained further in the notes to the consolidated financial statements.

For the principles of valuation of assets and liabilities and for the determination of the result, reference is made to the notes to the consolidated financial statements.

The Company presents a condensed income statement, using the facility of Article 402 of Part 9, Book 2 of the Netherlands Civil Code.

2. Significant accounting policies

Financial fixed assets

Participating interests (subsidiaries, joint ventures and associates) are accounted for in the Company financial statements according to the equity method. Reference is made to the basis of consolidation accounting policy in the consolidated financial statements.

Profit of participating interests

The share in the result of participating interests consists of the share of the Company in the results of these participating interests. In so far as gains or losses on transactions involving the transfer of assets and liabilities between the Company and its participating interests or between participating interests themselves can be considered unrealised, they have not been recognised.

3. Investments in subsidiaries

Amounts in EUR '000	31 March 2015	31 March 2014
Balance at 1 April	93,901	85,380
Received dividend from subsidiary	(288)	(288)
Effective portion of changes in fair value of cash flow hedges, net of tax	(1,458)	1,498
Equity-settled currency translation of foreign interests, net of tax	203	(106)
Actuarial gains / (losses) through equity	(484)	222
Profit of participating interests	7,084	7,195
Balance at 31 March	98,958	93,901

The Company only holds a direct interest in Lucas Bols Amsterdam B.V. A list of other (indirect) participating interests is disclosed in note 27 of the consolidated financial statements.



4. Deferred tax asset

Deferred tax assets on fiscal losses that have been recognized, are expected to be utilized as from the year 2015/16 onwards. The increase in deferred tax losses relates entirely to the addition of the taxable loss of the financial year for which a deferred tax asset was recognised.

5. Receivables from Group companies

The balance is a receivable with a Group company. The receivable is classified as current as it is expected to be recovered within 12 months. The amount is not due yet, nor any impairment risk is identified.

6. Equity

For a specification of shareholder’s equity, see note 20 of the consolidated financial statements.

The retained earnings per 31 March 2015 amount to 23.1 million (31 March 2014 23.4 million). The legal reserves amounting to 1.5 million (31 March 2014: 0.2 million) limit the distribution of retained earnings by the same amounts.

7. Other non-current financial liabilities

Amounts in EUR '000	Currency	Nominal rate	31 March 2015	31 March 2014
Cumulative preference shares A (incl. accrued dividend)	€ Euro	12.0% p.a.	-	62,394
Cumulative preference shares B	€ Euro	12.0% p.a.	-	2,400
			-	64,794



8. Compensation of the Management Board and the Supervisory Board

The members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24 'Related party disclosures'. For details on their remuneration, reference is made to the remuneration report in the annual report.

The Management Board and the Supervisory Board member's compensations, including pension obligations as intended in Section 2:383(b) of the Netherlands Civil Code, which were charged in 2014/15 to the Company and Group companies are as follows:

Amounts in EUR '000 for the years ended	Mr. H.L.M.P. van Doorne		Mr. J.K. de Vries		Total Management Board	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Salary	470	467	264	231	734	698
Variable remuneration	202	160	110	86	312	246
Pension	-	-	32	32	32	32
Other	77	73	22	24	99	97
ESA	-	-	233	-	233	-
	749	700	661	373	1,410	1,073

The total compensation of the Management Board in 2014/15 amounted to 1,410 (2013/14: 1,073, excluding crisis levy of 31).

Mr. H.L.M.P van Doorne receives a compensation for pension contributions as part of his other compensation.

In February 2015, Mr. J.K. de Vries has been one of the employees who received shares awarded to employees as a result of the IPO, the cost are mentioned under "ESA" (see note 8 of the consolidated financial statements).

The Management Board of the Company controls 7.57 % of the voting shares of the Company.

Amounts in EUR '000 for the years ended	31 March 2015	31 March 2014
Mr. D.C. Doijer	40	40
Mr. A. Meerstadt	30	28
Mr. M.W. Staal *)	5	-
Mrs. M.M. Wyatt **)	5	-
Total	80	68

*) Mr. M.W. Staal receives remuneration only as from the date of the IPO, being 4 February 2015.

**) Mrs. M.M. Wyatt became a member of the Supervisory Board on 6 February 2015.



9. Fees for audit and other services

In accordance with article 382.a of Part 9, Book 2, of the Netherlands Civil Code, the total of audit cost can be specified as follows:

Amounts in EUR '000 for the years ended	KPMG Accountants NV		Other KPMG firms		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Fees audit and other services						
Audit of Financial Statements	125	80	-	-	125	80
Other assurance services *)	330	-	51	-	381	-
Tax services	-	-	-	-	-	-
Other non-audit services **)	-	-	36	22	36	22
Total	455	80	87	22	542	102

*) Other assurance services relate to the IPO

**) Other non-audit services relate to services provided by KPMG before Lucas Bols became a listed company

10. Contingent liabilities

The Company forms part of a Dutch fiscal unity with its consolidated subsidiaries in respect of corporate income tax and value added tax. Consequently, the company is jointly and severally liable for all debt arising from the fiscal unity. The Company is fully liable for all obligations in relation to bank loans of its subsidiaries. The Company has issued a guarantee as mentioned in article 403, part 9, book 2 of the Netherlands Civil Code for its subsidiary Lucas Bols Amsterdam B.V. and for the subsidiaries of Lucas Bols Amsterdam B.V. named Bokma Distillateurs B.V., Galliano B.V., Pisang Ambon B.V. and Pijlsteeg B.V. respectively.

11. Subsequent events

There were no other material events after 31 March 2015 that would have changed the judgement and analysis by management of the financial condition of the Company at 31 March 2015 or the profit for the year ending 31 March 2015.

Amsterdam, 23 June 2015

Management Board:

Huib L.M.P. van Doorne (CEO)

Joost K. de Vries (CFO)

Supervisory Board:

Derk C. Doijer (Chairman)

Bert Meerstadt

Marc W. Staal

Marina M. Wyatt

OTHER INFORMATION

APPROPRIATION OF RESULT

Article 31 of the Company's articles of association provides that the Management Board, subject to approval of the Supervisory Board, may determine which part of the profits shall be reserved. The general meeting may resolve to distribute any part of the remaining profits. As disclosed in the prospectus in connection with the IPO, it is anticipated that the first dividend following the IPO will be payable after publication of the half year results 2015/16 in November 2015.

Consequently it is proposed to the shareholders not to distribute a dividend and add the remaining profit to the retained earnings of the Company.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2014/2015

Independent auditor's report
To: General Meeting of Shareholders Lucas Bols N.V.
Report on the audit of the financial statements 2014/2015

Our opinion - We have audited the financial statements 2014/2015 of Lucas Bols N.V., based in Amsterdam as set out on page 80 to 123. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- the consolidated financial statements give a true and fair view of the financial position of Lucas Bols N.V. as at 31 March 2015, and of its result and its cash flows for the year ended on 31 March 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Netherlands Civil Code.
- the company financial statements give a true and fair view of the financial position of Lucas Bols N.V. as at 31 March 2015, and of its result for the year ended on 31 March 2015 in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2015 and 2014;
- the following consolidated statements for the year ended on 31 March 2015 and 2014: the statement of profit or loss, the statements of other comprehensive income, changes in equity and cash flows; and
- the notes to the consolidated financial statements for the year ended 31 March 2015 and 2014.

The company financial statements comprise:

- the company balance sheet as at 31 March 2015 and 2014;
- the company profit and loss account for the year ended on 31 March 2015 and 2014; and
- the notes to Lucas Bols N.V. Company financial statements for the year ended 31 March 2015 and 2014.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Lucas Bols N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

Materiality

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 900 thousand. The materiality is determined with reference to the consolidated



profit before taxation after normalisation of the net finance cost for the impact of the IPO in February 2015 to reflect the annualized net finance cost under the Company's new funding structure. The materiality represents 4,6 % of the normalised profit before taxation. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

We agreed with the Supervisory Board that uncorrected misstatements in excess of EUR 45 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Lucas Bols N.V. is head of a group of entities. The financial information of this group is included in the consolidated financial statements of Lucas Bols N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and / or the risk profile of the group entities or operation. We determined entities with 10% of the group revenues or containing a significant risk as significant group entities. On this basis, we selected group entities for which an audit had to be carried out on the complete set of financial information or on specific items.

We have:

- performed full scope audits ourselves at all significant group entities
- specific audit procedures at other group entities;

For these remaining group entities, where considered necessary, we performed amongst others analytical procedures to corroborate our assessment that there are no significant risks of material misstatements. This resulted in a coverage of approximately 95% of total assets and revenues. By performing the procedures men-

tioned above we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of brand intangibles

Brand intangibles represents 86 per cent of the balance sheet total and exceed total equity. As disclosed in the notes to the financial statements (note 3.i and note 16), brands are not amortised and are annually tested for impairment since management assumes an indefinite useful life for their brands. Procedures over management's annual impairment test were significant to our audit because the assessment process imposes significant estimates.

Management performs their annual impairment test at the cash generating unit level which include individually larger brands and buckets of smaller brands. Management uses assumptions in respect of future market and economic conditions such as economic growth, expected inflation rates, Weighted Average Cost of Capital (WACC), demographic developments, expected market share, revenue and margin development. For our audit we challenged and tested those assumptions including the WACC and the model and projections used by management, by comparing them to external (third party) data such as expected inflation rates, external market growth expectations and internal data such as budget and long range plan. We also analysed sensitivities in management's valuation model. We specifically focused on the sensitivity in the available headroom and whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We also assessed the historical

accuracy of management's estimates. We have included in our team a valuation specialist to assist us in the aforementioned audit procedures. Furthermore, we assessed the Company's disclosure note 16 in the Financial statements about those assumptions to which the outcome of the impairment test is most sensitive. We found that the assumptions included in the impairment model appear reasonable and consistent with management's internal projections and that the disclosures are adequate.

IPO and refinancing

On 4 February 2015, the Company obtained admission to listing and trading on Euronext Amsterdam and publicly offered up to 9,437,390 ordinary shares and related refinancing. This non routine transaction changed the funding structure and profile of the Company and the costs associated with this admission were significant to the company. As such we considered it significant to our audit. We tested the accounting for the issuance of the new shares and the accounting for related transaction costs through share premium or profit or loss, vouched the cost to underlying supporting documentation and verified the presentation and disclosures in the financial statements and found that the company appropriately allocated the equity issuance related costs to share premium in accordance with the guidance under IFRS and Dutch Law.

In addition we evaluated the accounting for the net finance cost associated with the refinancing and the hedge accounting for unrealized fair value movements in debt related derivatives as the accounting conclusion has a significant impact on the net finance cost and hedge reserve during the year. We involved KPMG specialists to confirm that the hedge relationship is still in place and concluded that the fair value of the existing interest rate swaps could remain in the hedge reserve.

Responsibilities of the Management Board and Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements and for the preparation of the annual report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Management

Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

For a further description of our responsibilities in respect of an audit of financial statements, we refer to the website of the professional body for accountants in the Netherlands (NBA). www.nba.nl/standardtexts-auditorsreport.

Report on other legal and regulatory requirements

Report on the annual report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Netherlands Civil Code (concerning our obligation to report about the annual report and other information),

- We have no deficiencies to report as a result of our examination whether the annual report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code, and whether the information as required by Part 9 of Book 2 of the Netherlands Civil Code has been annexed.
- We report that the annual report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were appointed before 2008 for the first time as auditor of Lucas Bols Holding B.V., the predecessor of Lucas Bols N.V. and operated as auditor since the incorporation in 2006.

Amstelveen, 23 June 2015
KPMG Accountants N.V.

C.A. Bakker RA



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