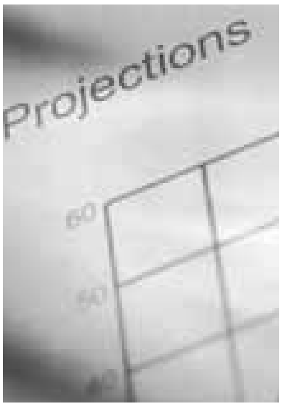
CORPORATE INFORMATION
FINANCIAL OVERVIEW

ANNUAL REPORT 2010

SIOEN INDUSTRIES

CONTENT

PART 2



CORPORATE INFORMATION

I. Letter to the shareholders

Dear Shareholder,

After two turbulent years, in which we fought the crisis, using every weapon at our disposal, we delivered in 2010 on the promise we made in our 2009 letter to shareholders. In it we wrote that "When the economy recovers, we shall be set to advance with existing, updated and also brand new products...". "Doing what we say and saying what we do", this is what we want to communicate once again in this annual report.

RECOVERY

2010 was the year of recovery: projects were finalized, R&D efforts intensified, new markets explored, processes optimized, debt reduced. Our focus was on revenue growth and profit maximization. Both objectives have been achieved con brio.

The Group recorded consolidated net sales of continued activities of 292.0 million, up 15.9% on 2009, earning net income of EUR 18.1million or 6.2% of net sales. Cash flow increased by EUR 5.6 million to EUR 24.3 million. EBITDA and EBIT amounted to EUR 38.4 million (13.2% of net sales) and EUR 21.7 million (7.4% of net sales) respectively. With these good results, Sioen Industries is able to pay a gross dividend for 2010 of 0.25 euro per share to its shareholders.

The Sioen Industries share price also continued its upward momentum in 2010, rising by more than 86% on an annual basis. Compared to 31/12/2008, the Sioen share has risen by no less than 111%.

SPOTLIGHT ON OUR STRENGTHS

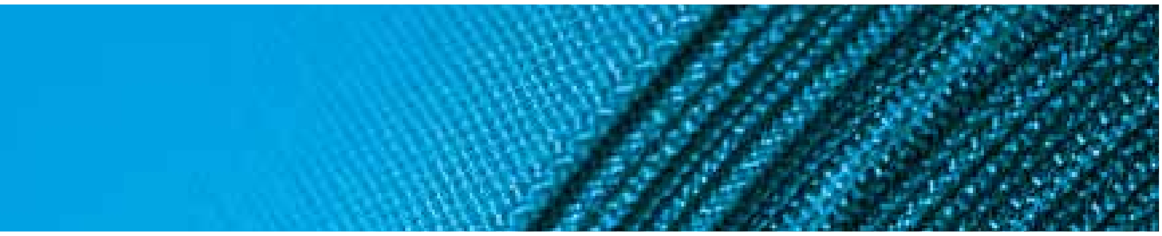
Sioen is a "Full Service Provider", unique in its field anywhere in the world, thanks to its vertical and horizontal integration. Our capacity and flexibility are supported by efficient production facilities. Our dedicated, solution-oriented people with their unprecedented technical knowledge and experience carry our product range.
Our sense of innovation translates into new products, updated production processes and cost-effective improvements. In this report we provide more information about our business than ever before. About our strengths, about how we go about our business, and also and especially about how we see our future.

GROWTH AND PROFIT

You will not find any growth market euphoria at Sioen. Because Sioen Industries has been a growth company in all areas since its inception: we focus on growth and profits, think long term and aim for leadership in all our activities. Innovation, expertise and strategic vision guide us in living our company slogan of

"Protection through innovation".

R&D is a cornerstone of our organization. It is a mentality, an attitude shared by all our employees, at every level. Workers, salespersons, bosses, chemists, production heads, managers, each in our way we are working on improvement and innovation. These constant R&D efforts provide Sioen Industries with new products, new markets, new production processes and new technical features.



RAW MATERIALS

Raw material prices went through the roof. On average, the price of our raw materials rose in 2010 by 30%. We were able to pass on a portion of these costs to our customers. A team of people (finance, production, purchasing, R&D, ...) works daily on cost savings plans. That too is R&D.

FOCUSED ON CORE COMPETENCES

Sioen Industries decided in 2009 to focus on its core business. This has led us to divest the production of finished curtains and tarpaulins, the manufacture of dashboard foils in small volumes and the extrusion of narrow-width technical films (the "discontinued activities" described further on in this annual report).

FUTURE

We are optimistic on the future of Sioen Industries. Prudence requires us more than ever to take into account the pressure of raw material prices and of fierce competition in some low-end markets.

We are convinced that we can maintain the existing momentum. We have great strengths that we present extensively in this report.

We would like to thank all Sioen employees for their dedication and hard work. Finally, we want to thank you, our shareholders, for your continued confidence in Sioen Industries.

Michele Sioen
CEO Sioen Industries n.v.

II. General information

REGISTERED OFFICE AND NAME

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

INCORPORATION AND PUBLICATION

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

FINANCIAL YEAR

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

TERM

The company is established for an indefinite period.

OBJECT OF THE COMPANY

The company's object, in Belgium and abroad, on its own behalf and on behalf of third parties, is:

> The weaving of fibres of all kinds, the spinning of fibres of all kinds, the coating of fabrics and all other material, the printing thereof, the manufacture of plastic and plasticized material, the manufacture, purchasing and sale, both in Belgium and abroad, of material useful for or relating to aforesaid products and raw materials, as well as the manufacture of chemical products and pigments,

> The manufacture of pre-finished outer clothing in woven fabric, the manufacture of all kinds of tailormade clothing and embroidery, the manufacture of outer clothing in knitted fabrics, and of household linen and interior decoration items, the manufacture of wall cladding, the printing and finishing of all fabrics, the manufacture of ready-to-wear items of clothing and outfits for men and women, knitwear, embroidery, household and table linen, children's clothing. The manufacture of safety and high visibility articles. Wholesale and retail trading in all the above mentioned items,

> The investment in, subscription to, permanent takeover, placing, purchase, selling, and trading of shares, dividend certificates, bonds, certificates, claims, currencies and other transferable securities, issued by Belgian or foreign companies, whether or not in the form of trading companies, foundations, institutions and associations either with or without (semi-) public status,

> The management of investments and shareholdings in subsidiaries, the holding of directorships, the giving of advice, management and other services to or in accordance with the activities carried out by the company itself. These services may be provided by virtue of contractual or statutory appointment and in the capacity of external consultant or representative body of the customer.

All this provided that the company complies with legal requirements. The company may, in Belgium and abroad, effect all industrial, commercial, financial, securities and real estate transactions that may directly or indirectly expand or promote its business. It may, by any means, acquire all movable and immovable property, even if neither directly nor indirectly related to the purpose of the company.

It may, in any way, take an interest in all associations, businesses, enterprises or companies that are identical, similar or related object or its business or facilitate the sale of its products or services easier, and they may collaborate or merge.

CONSULTATION OF DOCUMENTS

The statutory and consolidated accounts of the company

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

VOTING RIGHT

Article 33 of the Articles of Association states that each share gives the right to one vote on the annual meeting. However nobody can participate to the voting on the annual meeting for more than thirty five percent of the total number of shares issued by the company.
The holders of bonds can participate to the annual meeting, but only with an advisory vote.

Article 14, sub 2 of the Articles of Association stipulates that the majority of the directors are appointed from among the candidates nominated by Sihold n.v., as long as Sihold n.v. possesses directly or indirectly at least thirty five percent of the shares of the company.

AUTHORIZED CAPITAL

The Board of Directors is authorized, during a period of five years counting from the date of publication in the Annexes to the Belgian Official Journal of the deed concerning the amendment of the articles of association of 25 April 2008 (BOJ of 28 May 2008), to increase the subscribed capital on one or more occasions, by a maximum amount of forty-six million euros. This renewable authority is valid for capital increases in cash, in kind or by conversion of reserves. At the moment this amount is still wholly available.
In the framework of the authorized capital, the Board of Directors is authorized, in the interest of the company and subject to observance of the conditions laid down in Articles 535 and 592 to 599 of the Companies Code, to cancel or restrict the preferential subscription right that is granted to the shareholders by law. The Board of Directors is authorized to restrict or cancel the preferential subscription right in favour of one or more particular persons, even if these are not members of staff of the company or its subsidiaries.

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

In the absence of express authorization given by the General Assembly to the Board of Directors, is, from the date of notification to the Company by the Banking, Finance and Insurance Commission of a takeover bid for the shares of the company, the authority of the Board of Directors to increase the subscribed capital by contribution in cash or restriction of the preferential rights of existing shareholders or by contribution in kind, suspended. This authority shall be active again immediately after the conclusion of such a takeover bid. The general meeting of 30 April 2010 has expressly granted the authority to the Board of Directors to increase the subscribed capital in one or more occasions, from the date of notification by the Banking, Finance and Insurance Commission to the company of a takeover bid for the shares of the company, by contribution in cash or restriction of the preferential rights of existing shareholders or through contributions in kind, in accordance with Articles 557 and 607 of the Companies Act. This authority was granted for a period of three years from 30 April 2010 and is renewable.

ACQUISITION BY THE COMPANY OF SHARES IN ITS OWN CAPITAL

The general meeting of 30 April 2010, expressly authorized the Board of Directors, under the provisions of the Companies Code, to acquire or dispose its own shares, if the acquisition is necessary to prevent imminent serious harm to the company. This authorization is valid for a period of three years from the publication of the aforementioned resolution in the annexes to the Belgian Official Journal (BOJ of 28 May 2010).

The general meeting of 24 April 2009, authorized the Board of Directors, in accordance with Articles 620 till 623 and 625 of the Companies Act, to obtain its own shares by purchase or exchange the maximum number allowed by law and subject to a price equal to the fair value of the shares. This authorization extends to the acquisition of shares of the company by one or more of its subsidiaries under the law, and is valid for a period of five years starting from 24 April 2009 and is renewable.

Protection
through
innovation

III. Group structure

SIOEN INDUSTRIES NV

Shared Service Center

COATING

- [1] **Sioen Industries n.v.** Spinning, Weaving, Direct coating, Belgium
- 100% **Saint Frères s.a.s.** Direct coating, France
- 100% **Sioen Shanghai**[2] Sales office, China
- 100% **Sioen Fabrics s.a.** Transfer coating, Calendaring, Belgium
- 100% **Siofab s.a.** Transfer coating, Portugal
- 99% **Veranneman TT n.v.** Online coating, Belgium
- 100% **Pennel Automotive s.a.s.** Calendaring, France
- 100% **TIS n.v.** Belgium

APPAREL

- 100% **Sioen n.v.** Apparel / Central distribution unit, Belgium
  - 89% **Confection Tunisienne de Sécurité s.a.** Apparel, Tunisia
  - 100% **Donegal Protective Clothing Ltd.**[3] Apparel, Ireland
  - 5% **P.T. Sioen Indonesia**
  - 5% **P.T. Sungintex**
  - 100% **Sioen France s.a.s.**
- 100% **Mullion Manufacturing Ltd.** Apparel, UK
- 95% **P.T. Sioen Indonesia** Apparel, Indonesia
- 95% **P.T. Sungintex** Apparel, Indonesia
- **Sioen France s.a.s.** Sales office, France
- 100% **Sioen Tunisie s.a.** Sales office, Tunisia
- 99% **Sioen Zaghouan s.a.** Apparel, Tunisia

CHEMICALS

- 100% **Inducolor s.a.** Paste production, Belgium
- 100% **European Master Batch n.v.** Production pastes, inks, varnishes, Belgium
  - 100% **Richard s.a.s.** Paste production, France

INDUSTRIAL APPLICATIONS

100% **Coatex n.v.**
Processing of coated fabrics and films, Belgium

100% **Saint Frères Confection s.a.s.**
Heavy-duty manufacturing, France

100% **Sioen Felt & Filtration (5) s.a.**
Filter production, Belgium

100% **Roland International b.v.(4)**
Manufacturing of truck tarpaulins, the Netherlands

Roltrans Group America Inc. USA	**100%**
Roland Planen GmbH Germany	**100%**
Roland International Polska sp.z.o.o., Poland	**100%**
Roland Ukraine llc. Ukraine	**100%**
Roland International Ltd. UK	**100%**

(1) Merger Holding company Sioen Industries (Shared Service Center) and Belgian direct coating companies at July 1st 2009
(2) Official name: Sioen Coated Fabrics Shanghai Trading Ltd.
(3) Official name: Gairmeidi Caomhnaithe Dhun na nGall Teoranta
(4) Respectively through Monal s.a. and Roltrans Group b.v.
(5) Sioen Nordifa until October 1, 2010 -change of name

IV. Share information

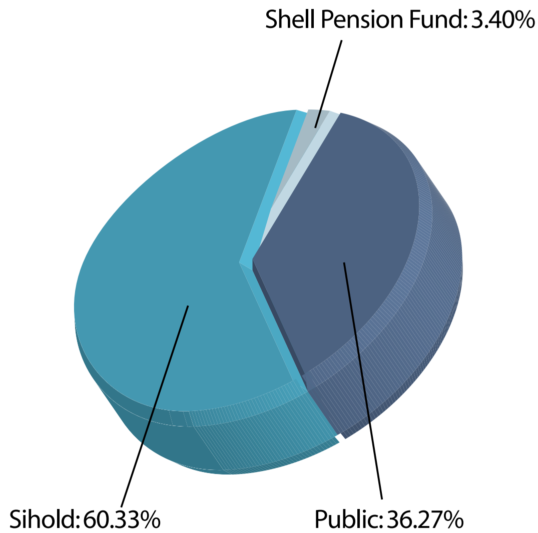
LISTING

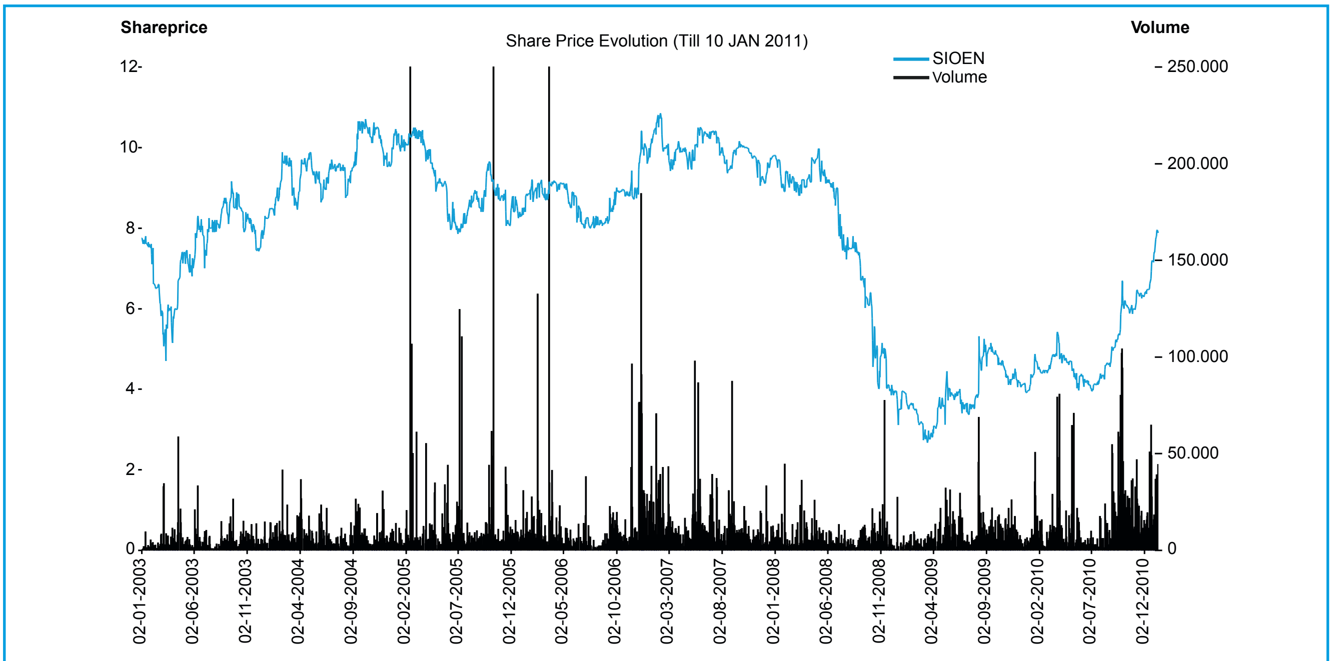
In order to be able to continue following and ensuring the company's fast growth, and in the conviction that a transparent policy would further strengthen the Group's growth possibilities, the Sioen Industries share was introduced on the cash market, double fixing, of the Brussels Stock Exchange, on 18 October 1996. A year later the share was listed on the semi-continuous segment of the forward market and then, as of 11 March 1998, has been quoted on the continuous segment of the Brussels forward market, which has since become Euronext Brussels. The total number of shares amounts to 21 391 070. At the moment 7 758 538 shares or 36.27% of the total number of shares are spread among the public. 60.33% are controlled by the Sioen family, a.o. via the holding company Sihold n.v., and 3.40% are held by Shell Pension Fund.

EVOLUTION OF THE SHARE IN 2010

The share was quoted at its highest price on 30 December 2010, at EUR 7.40, at its lowest price on 2 July 2010 (namely EUR 3.95) and was quoted at EUR 7.39 on 31 December 2010. Market capitalization amounted to EUR 158.08 million on 31 December 2010.

SHAREHOLDERS STRUCTURE





2010: FINANCIAL COMUNICATION POLICY

The Sioen Industries share was included on Euronext Brussels in Compartment C (Small Caps).

DIVIDEND POLICY

Generally, the Board of Directors wishes to strive for a pay-out ratio of more than 15%. In order to link the dividend to the cash flow expectations on the one hand and to reward the shareholders on the other hand, the Board strives to increase the dividend year after year. For the year 2010, the Board of Directors proposed the pay out a dividend amounting to EUR 0.25 gross (EUR 0.1875 net) that will be made payable at the counters of Dexia Bank, ING Bank, BNP Paribas Fortis Bank, Bank Degroof and KBC Bank as from 13 May 2011, if approved by the General Shareholders meeting.

SHARE CODES AND CLASSIFICATION

ISIN BE0003743573
Euronext code BE0003743573
Mnemo SIOE
Type Stock - Ordinary stock - Continuous
Market Euronext Brussels - Euronext - Local securities
Compartment C (Small Caps)

ICB Sector classification:
3000, Consumer Goods
3700, Personal & Household Goods
3760, Personal Goods
3763, Clothing & Accessories

Reuters: SIOE.BR
Bloomberg: SIOE.BB

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

DECLARATION REGARDING THE INFORMATION GIVEN IN THIS ANNUAL REPORT 2010
THE UNDERSIGNED DECLARE THAT:

> **The annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies;**

> **The annual report gives a true and fair view of the development and the results of the company and of the position of the issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.**

Michèle Sioen, CEO

Geert Asselman, CFO

REPORT OF THE BOARD OF DIRECTORS

I. Comments on the consolidated financial statements

> **Net sales:**
In 2010 the Sioen Industries Group realised sales from continuing operations of EUR 292.0 million compared to EUR 251.9 million from comparable activities in the previous year. The economic revival of 2010 explains the increase of net sales by 15.9%.

> **Gross Margin:**
Expressed as a percentage over net sales, the gross margin remained rather stable, 50.5% in 2010 compared to 49.4% in 2009. In Euro however there is a proportional increase, from EUR 124.5 million in 2009 to EUR 147.5 million in 2010, in line with the evolution of the net sales.

> **Services and other goods:**
Increase in services and other goods is mainly explained by the increase in production activities and resulted in an increase in costs from EUR 37.4 million in 2009 to EUR 46.7 million in 2010.

> **Remuneration, social security and pensions:**
Labour cost increased and amounted to EUR 60.8 million over 2010 against EUR 57.8 million in 2009.

> **Other operating charges:**
Cover a number of general expenses, mostly non-profit related taxes such as property tax, taxe professionelle in France and similar.

> **Write off inventories and receivables:**
Under this section we recorded, according to our accounting policies, additional provisions for obsolete stocks and doubtful debtors.

> **Non recurring items:**
In 2010 we recorded an exceptional profit as a result of the positive outcome of the government grants provision, set up in 2009. In 2009 we recorded an exceptional provision for the reimbursement of government grants received in France in the period 1996/1997.

> **Operating result:**
Over 2010 the operating result from continuing operations amounted to EUR 21.7 million against EUR 5.4 million last year.

> **Financial result:**
Financial cost of the Group amounted to EUR 6.3 million over 2010 against EUR 5.9 million in 2009.The main drivers were the evolution in the exchange rates of the US Dollar and the Pound Sterling.

> **Profit for the period from continuing operations:**
The company recorded EUR 13.8 million profit over the year 2010 against EUR 3.2 million over 2009.

> **Net cash flow from continuing operations:**
The net cash flow from continuing operations amounted to EUR 24.3 million over 2010 against EUR 18.7 million in 2009 (or an increase with 30.0%).

> **Dividend:**
The Board of Directors will propose to the General Assembly of Shareholders to pay out a dividend of 0.25 Euro per share.

COATING DIVISION

The coating division specializes in the integrated coating of technical textiles and controls the entire production process from the extrusion of the technical yarns, the weaving of the technical fabric and coating it with various polymers. The Group is the only player in the world with full proficiency in five different coating technologies, each with its own specific products and markets.

In 2010 the coating division developed, fine tuned and launched many promising products:

> The spinning mill developed new specific yarns for ropes, hoses and geotextiles.
> The weaving mills have fine tuned their production process and are capable of converting a wide range of raw materials such as polyester, polyamide, para-aramid, meta-aramid, polypropylene, polyethylene and others.
> The coating companies have successfully launched products for sports mats (phthalate free), storage of liquid fertilizer, biogas containers, deicing roofs for trucks and reinforcement nets.
> In addition, all production plants have improved process and product efficiency

APPAREL DIVISION

This division stands for 'technical protective clothing'. Focus on the technical aspects, paying attention to specific customer needs, swift development of new products and care for quality are key success factors..

> **Professional market**
We produce a broad range of technical protective clothing: body wear; protection against rain, wind and cold; high visibility garments; anti-bacterial and UV-protection; extreme cold protection; corporate image wear. There is a direct relation between the sales figure and the economic activity.

> **Specific market**
We produce technical garments for people working in (extreme) circumstances where safety, comfort and security are major issues: fire fighters clothing, chainsaw protection, flotation suits, bullet proof vests, clothes for operating theatres. These segments continue to perform well.

> **Leisure market**
Modern, comfortable yet functional sports and leisure wear. We produce for major brands. Our quality, reliability and steady supply are our key advantages.

CHEMICALS DIVISION

Sioen Chemicals specialises in dispersing technologies. Dispersing is our manufacturing process that blends fine powders of functional chemicals into base plastics (before these are processed into a finished product). These functional chemical powders will typically be pigments, opacifires, flame-retardants, chemical stabilizers… which will be dispersed in PVC plasticizers, silicon elastomers, TPE's, polyesters, PU components (polyols), solvents, epoxy, water, a.o...
In a lot of applications Sioen pigment pastes are alternatives for traditional masterbatches. Pigments pastes are the only solution to add fine powders into flexible or elastic plastics.

INDUSTRIAL APPLICATIONS DIVISION

Sioen Industries decided in 2009 to focus on its core business. This has led to divest the production of finished curtains and tarpaulins, the manufacturing of dashboard foils in small volumes and the extrusion of narrow-width technical films. These are discontinued activities as described in the annual report.

The continued activities of this division are the production of kadors, pond liners and slicing, cutting and punching of technical textiles and the production of felt and filters.

R&D, A SPECIAL POINT OF ATTENTION

We are very much aware that tomorrow's profit depends to a large extend on today's research and development. R&D is one of our major assets; it is a state of mind of all people working for Sioen Industries. We have decided to disclose in our annual report some of the R&D projects that will be important for our future. Pages 34-57 of part 1 of the annual report are dedicated to "our future focus".

II. Financial and other risks

We refer to chapture "III.6. 28 Financial risk management", "III.6.29. Capital structure management" and the part "Corporate Governance" in this "Report of the Board of Directors".

III. Outlook

The internal growth drivers of our future are innovation and the successful launch of a number of recently developed products. We are also benefiting from the renewed economic dynamism in our markets. The pressure of raw materials prices and fierce competition in some low-end markets remain high, however. We will offset rising raw materials prices by efficiency improvements (both process and product) and by passing on these higher costs.

IV. Corporate Governance

The Sioen family has been supported by external, independent directors since 1986. Their expertise and experience contribute to the proper and effective management of the company. On 22 March 2005 the Board of Directors adopted a Corporate Governance Charter, in accordance with the Belgian Corporate Governance Code. The Corporate Governance Charter has been in force since the 2005 General assembly of shareholders and can be consulted on the Sioen Industries website (www.sioen.com). Since the Corporate Governance Charter came into effect, a number of minor amendments have been made to it, reflecting changes to the environment, such as the dematerialization of shares, or a small change in the shareholder structure. A new corporate governance code has been issued since 2009. This 2009 code has been adopted.

THE BOARD OF DIRECTORS

Composition (situation as at 31 March 2011)
The directors' mandates expire at the 2011 general meeting.

CHAIRMAN	**LMCL Comm. VA.,** represented by Mr L. Vansteenkiste [5], director in various other companies, as of 24 March 2010
MANAGING DIRECTOR	**M.J.S. Consulting b.v.b.a.,** represented by Mrs M. Sioen [1] director in various other companies
DIRECTORS	**Mrs J.N. Sioen-Zoete** [1], director in various other companies
	D-Lance b.v.b.a., represented by Mrs D. Parein-Sioen [2] director in various other companies
	P. Company b.v.b.a., represented by Mrs P. Sioen [1] director in various other companies
	Pol Bamelis n.v., represented by Mr P. Bamelis [3] director in various other companies
	Revam b.v.b.a., represented by Mr W. Vandepoel [3] managing director Lessius Corporate Finance n.v., director in various other companies
	Louis Verbeke e.b.v.b.a., represented by Mr L.-H. Verbeke [3] chairman of Mitiska n.v., director in various other companies
	Mr L. Vandewalle [3]**,** chairman of ING Belgium, director in various other companies
	LMCL Comm. VA., represented by Mr L. Vansteenkiste [5] director in various other companies, until 23 March 2010
SECRETARY	**Mr G. Asselman** CFO Sioen Industries Group
STATUTORY AUDITOR [4]	**Deloitte Bedrijfsrevisoren c.v.b.a.** Represented by Mr D. Van Vlaenderen and Mr K. Dehoorne

(1) Executive director
(2) Non-executive director
(3) Independent director. In defining which directors are independent, the Board of Directors has opted to make use of the transition period that the law of 17 December 2008 provides and that is applicable until 1 July 2011. This is to ensure the continuity of the Company and its management.
(4) The Statutory Auditor's mandate expires at the general meeting of 2011.
(5) Not an independent director as of 11 May 2010.

STATUTORY APPOINTMENTS

The mandates of all directors expire at the end of the Annual General Meeting of 29 April 2011. The Board of Directors proposes to renew these mandates for a period of three years, until after the end of the General Assembly in 2014 will be convened to decide on the accounts for the year 2013. Mr. W. Vandepoel and Mr. P. Bamelis have decided to retire from the Board of the Directors. The Board proposes to appoint the b.v.b.a. Lemon (represented by Mr. J. Noten) and the b.v.b.a. Philippe Haspeslagh (represented by prof. Ph. Haspeslagh) as new members of the Board of Directors. The Board of Directors proposes to extend the mandate of Deloitte Auditors c.v.b.a. (represented by Mr. M. De Keyser and Mr K. Dehoorne) for a period of 3 years. The mandate expires at the end of the General Assembly in 2014 will be convened to decide on the accounts for the year 2013.

NEW BOARD MEMBERS 2011

Mr. Jules Noten, CEO Balta Group, representing b.v.b.a. Lemon. Jules Noten studied at the KU Leuven and Brussels Vlekho. Later, he followed several courses at the Kellogg Business School (Northwestern University) and Harvard Business School.
He established an international career at Unilever (Lipton Ice Tea, Magnum, Flora, Solo, Knorr, Unox) for 18 years. Afterwards he joined, as Chairman of Unilever Belgium, Massive. Under his leadership, the lighting company realised a strong internal growth complemented by acquisitions and the development of a production platform in China. Meanwhile, the company was transferred to the lighting group within Philips.Early 2009, Mr. Noten started as CEO of the Balta Group, active in the field of floor covering (carpet, paced carpet, laminate). Balta has a leading position in floor covering in Europe (EUR 530 million turnover).

Prof. Philippe Haspeslagh, representing b.v.b.a. Philippe Haspeslagh. Philippe Haspeslagh is the dean of the Vlerick Leuven Gent Management School. Previously, he was a professor at INSEAD, where he held the Paul Desmarais Chair in "Active Ownership". He earlier taught as a Visiting Professor at the Harvard Business School and the Stanford Business School, and was Chief of Cabinet for the Belgian Minister of Agriculture and of Small and Medium Enterprises. His research covers the areas of Mergers and Acquisitions, Corporate Strategy, Managing for Value and Corporate Governance. Philippe Haspeslagh is the founder of INSEAD's International Directors' Forum and also Chairman of Dujardin Foods NV, Quest Management NV and Capricorn Venture Partners NV. Furthermore, he is a Board member of Quest for Growth, Vandemoortele SA , Governance for Owners LLP, the Vlerick Leuven Gent Management School, Guberna and a non-executive partner in Procuritas, which is a management buy-out fund.

THE BOARD OF DIRECTORS AND HOW IT WORKS

In accordance with the Articles of Association, the Board of Directors regularly meets depending on the needs and the interests for the company. In 2010, the Board held five meetings. The number of meetings attended by directors individually in 2010 is as follows:

Mr. Luc Vansteenkiste	5
Mrs. Michèle Sioen	5
Mrs. Jacqueline Sioen-Zoete	5
Mrs. Danielle Sioen	5
Mrs. Pascale Sioen	5
Mr. Pol Bamelis	5
Mr. Wilfried Vandepoel	5
Mr. Louis-Henri Verbeke	5
Mr. Luc Vandewalle	2

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

WORKING COMMITTEES

The Sioen Industries Group has three working committees:

A) AUDIT COMMITTEE

In 2010 the Audit Committee consisted of three independent directors, namely Messrs Vandepoel (Chairman), Verbeke and Vandewalle. To determine the independence of the members of the Audit Committee, the Board of Directors chooses to use the transitional period which the law of 17 December 2008 provides as which is valid until 1 July 2011.
The duration of the mandate of members of the committee coincides with their term as Director.
In 2010 the Audit Committee met four times. The number of meetings attended by individual members of the Audit Committee in 2010 is as follows:

Mr. Wilfried Vandepoel	4
Mr. Louis-Henri Verbeke	4
Mr. Luc Vandewalle	2

In accordance with Article 526 bis of the Companies Code, the Company declares that at least one of the members of the Audit Committee complies with the requirements of independence and possesses the necessary expertise in accounting and auditing. In 2010, the Audit Committee assisted the Board in discharging its responsibilities for monitoring control in the broadest sense. This included the following tasks:

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

B) REMUNERATION COMMITTEE

The Remuneration Committee in 2010 was composed of two independent directors, namely Messrs Bamelis (Chairman) and Vansteenkiste(*). The Remuneration Committee advises the Board on the remuneration policy in general and on the remuneration of the members of the Board of Directors and the Executive Committee in particular. Also stock option plans are advised by the Remuneration Committee. Currently there are no stock options for shares of Sioen.

The Remuneration Committee met twice in 2010. These meetings were attended by all members of the Remuneration Committee. The term as members of the committee coincides with their term as Director.

C) NOMINATION COMMITTEE

The Nomination Committee met twice in 2010.

MANAGEMENT COMMITTEE

The members of the Management Committee (per 1 March 2011):
- M.J.S. Consulting BVBA, represented by Mrs. M. Sioen
- P. Company bvba, represented by Mrs. P. Sioen
- Mr. Geert Asselman
- Mr. Michel Devos
- Mr. Frank Veranneman
- Mr. Bart Vervaecke

Secretary: Mr. Loebrecht Lievens until 23 September 2010. As from 15 November 2010 Mr. Robrecht Maesen.

(*) Not an independent director as of 11 May 2010.

REMUNERATION POLICY

REMUNERATION OF THE CEO AND THE EXECUTIVE MANAGEMENT

General principles

> The company compensates the CEO and the executive management fairly.

> The level and structure of the remuneration is such that qualified and expert professionals can be retained and motivated, taking into account the nature and scope of their individual responsibilities.

> To align the interests of the CEO and the executive management to match those of the company and its shareholders, a portion of the remuneration package is linked to performance of the company and individual performance.

> On the advice of the Remuneration Committee the Board approves contracts for the appointment of the CEO and other members of the executive management.

Contracts signed after 1 July 2009

> Contracts signed on or after 1 July 2009 refer specifically to the criteria to be taken into account in determining the variable portion of compensation.

> Contracts signed on or after 1 July 2009 incorporate specific provisions relating to early termination.

- The departure fee in case of an early termination of the contract shall not exceed 12 months (basic - and variable remuneration)
- On the advice of the Remuneration Committee, the Board approves a higher severance pay. This shall not exceed 18 months (basic and variable remuneration).
- If the departing CEO or member of the executive management does not meet the predetermined performance criteria, the maximum severance shall not exceed 12 months (basic and variable remuneration).

1/ REMUNERATION OF THE CEO

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

> A basic compensation component.

> A variable compensation determined by the group results from the previous year.

> A compensation for insurances and pensions.

> There is no provision for a long-term performance related remuneration.

2/ REMUNERATION OF THE EXECUTIVE MANAGEMENT

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

> A basic compensation component.

> A variable compensation determined by the group results on the one hand and the contribution of the various executives within their respective areas of responsibility on the other.

> A compensation for insurances and pensions.

> There is no provision for a long-term performance related remuneration.

3/ THE PRINCIPLES WITH RESPECT TO DETERMINING THE AMOUNT OF THE VARIABLE PART OF THE REMUNERATION.

> The variable part of the remuneration will always consist of two or more components.

> The first part of the variable compensation will always relate to the results of the group. This is to strengthen the group cohesion and to prevent counter-productive internal competition.

> The second part of the variable part of the remuneration will cover the individual areas of responsibility of the member.

> The variable remuneration of the CEO and CFO will be dependent on the group results.

> The variable remuneration is based on the following principles:
  - Turnover (The achievement of certain annual revenue targets and / or growth rates)
  - Profitability (Return on sales targets and / or investment projects)
  - Debt level (The debt of the company is key. In order to ensure future growth, it must be within certain limits)
  - Personal objectives
> Depending on the needs, the CEO can propose to the Remuneration Committee to adjust the significance of some parameters annually.
> The individual targets are set annually through individual interviews.

4/ EVALUATION OF THE REMUNERATION

The remuneration of the CEO and each executive manager is evaluated annually as follows:
> The basic compensation is determined by the job responsibilities
> The variable compensation is determined by formal objectives determined at the beginning of the year and evaluated at the end of the year.
> Any contributions for pensions and insurances are related to the basic compensation level.

REMUNERATION OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

In 2010 following remunerations were paid to the members of the Board of Directors and executive management in their capacity as Director:

NAME	REPRESENTED BY	FUNCTION	AMOUNT
LMCL Comm. VA.	Mr. Vansteenkiste	Director/ Chairman	41 500
	Mrs. Jacqueline Sioen-Zoete	Director	20 000
M.J.S. Consulting b.v.b.a.	Mrs. Michèle Sioen	Managing director	20 000
D-Lance b.v.b.a.	Mrs. Danielle Sioen	Director	20 000
P. Company b.v.b.a.	Mrs. Pascale Sioen	Director	20 000
Revam b.v.b.a.	Mr. W. Vandepoel	Director	29 000
Louis Verbeke e.b.v.b.a.	Mr. L Verbeke	Director	26 000
Pol Bamelis n.v.	Mr. P. Bamelis	Director	22 250
	Mr. L. Vandewalle	Director	18 500
TOTAL			**217 250**

M.J.S. Consulting, represented by Mrs. Michèle Sioen received in 2010, in her capacity of CEO and as a member of the Board of Directors, a fixed remuneration of EUR 432 500. The variable remuneration for 2010 amounts to EUR 93 573.

The fixed remuneration to the other members of the executive management (1), including Directors in their capacity as member of executive management in 2010 amounted to EUR 2 391 720 (excluding CEO). The variable remuneration for 2010 amounts to EUR 231 304.

In 2010 there were no shares, share options or other rights to acquire shares of Sioen Industries to the CEO and other members of executive management. There are no specific recruitment agreements, or agreements on a golden handshake with the executive management.

(1) The executive management consists of executive directors and members of the management committee.

EXTERNAL AUDIT

Within the Sioen Industries Group, external audits are mainly performed by Deloitte Bedrijfsrevisoren. They include the audit of the statutory annual accounts and consolidated accounts of Sioen Industries NV and its subsidiaries. To the extent that the audit of a number of subsidiaries are carried out by other auditors, Deloitte Bedrijfsrevisoren makes use of their work as stated in the Statutory Auditor's report. During the past financial year the Statutory Auditor received EUR 238 548 from Sioen Industries in respect of its statutory auditor mandate. In addition, the Statutory Auditor and his network received EUR 6 445 for other audit assignments, and EUR 52 949 for other assignments outside the mandate. The mandate of Deloitte Bedrijfsrevisoren as Statutory Auditors of Sioen Industries n.v. expires at the annual meeting of 2011. Deloitte Bedrijfsrevisoren is represented by Mr. D. Van Vlaenderen and Mr. K. Dehoorne.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

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

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

1/ CONTROL ENVIRONMENT

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

> **Integrity and ethics**

Within the Group the goal is to create an open corporate culture where communication with and respect for customers, employees and suppliers is key, without any distinction. All employees are expected to deal with the company assets with the necessary common sense and manage them as a good family man.
These informal rules / corporate culture, where appropriate, are sustained by more formal rules as the Protocol to prevent abuse of inside information and the Corporate Governance Charter.

> **Competences**

The Sioen family surrounds itself since 1986 with external independent directors. Their expertise and experience contribute to effective and proper management of the company. The aim is to attract directors with different skills and experiences in order to create a momentum that enables the group to develop further.
A stimulating working environment, an "open door" policy and the ability to develop itself are the principles of the human ressources policy. This enables the group to attract, to motivate and to retain qualified staff.

> **Governing Bodies**

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

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

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

> **Company structure and delegation of powers**

The Sioen Industries group is divided into divisions each

with an operational activity. Supporting administrative services are centralized as within a "Shared Services Center". This structure allows the group to centralize delegated authorizations as much as possible.

2/ RISK ANALYSIS

The Board of Directors decides on the strategy of the group, key policies and risk appetite. The role of the Board of Directors consists of pursuing the long-term success of the company and ensuring that risks are assessed and managed.
The executive management is responsible for developing systems to identify, assess, manage and monitor the risks.

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

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

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

> **Risk analysis (internal and external)**
Sioen Industries has analysed the risks associated with its activities. Based on that analysis, the following risks were identified:

RISKS RELATING TO THE ACTIVITIES OF THE GROUP

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

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

RISKS RELATING TO CUSTOMER COMMITMENT

The Group has no customers who represent more than 8% of the total balance of trade receivables (see note III.6.9 Trade) and therefore there is no major risk related to customer commitment.

RISKS ASSOCIATED WITH SEASONAL ACTIVITIES

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

RISKS RELATED TO NEW EMERGING MARKETS

The most important part of the turnover of the Group, some 70%, is realised in Western Europe. The activities in these markets have a low risk in terms of crime, government decisions, foreign exchange rates, political and economic uncertainty, issues that could adversely impact the results of the Group. Also, financial risks such as liquidity problems, inflation, devaluation, price, payment risks related to new emerging markets are limited.

RISKS RELATED TO RECRUITING AND RETAINING STAFF IN KEY POSITIONS

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

CREDIT RISK MANAGEMENT

In view of the relative concentration of credit risk (see note III.6.9 Trade receivables), the company covers credit risk on trade receivables via an Excess of Loss credit insurance with an own risk exposure of EUR 375 thousand. In addition, credit control strategies and procedures have been elaborated in order to monitor individual customers' credit risks.

CAPITAL STRUCTURE MANAGEMENT

The equity structure of the Sioen Group is primarily managed to:

> Protect the capital structure to ensure continued operations, resulting in an ongoing creation of shareholder value and benefits for other stakeholders;
> Payment of an appropriate dividend to shareholders.

The capital structure of the Group is in line with the risk, that changes depending on economic developments and the risk of the underlying assets. The Sioen Group can change the dividend to shareholders, issue new shares or sell assets to change or maintain the capital structure.

The board of directors of Sioen Industries considers equity together with the bond of ten years (see III.6.11. Borrowings) as permanent capital.

INTEREST RATE RISK MANAGEMENT

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

FOREIGN CURRENCY RISK MANAGEMENT

The purpose of the Group policy is to hedge against exchange risks arising mainly from financial and operational activities.
The risks are limited by offsetting transactions in the same currency ("natural hedging") or by hedging exchange rates through forward contracts or options.

LIQUIDITY RISK MANAGEMENT

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

BUDGET RISK MANAGEMENT

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

RISK MANAGEMENT ON DELEGATION OF AUTHORITIES

Not respecting the existing signing authorizations may result in commitments relating to operations not authorized by the company.

FRAUD RISK MANAGEMENT

Collective or individual fraud of employees can lead to financial loss and damage the image of the group.

RISK ASSOCIATED WITH FINANCIAL STATEMENTS (INFORMATION POLICY, CONSOLIDATION)

The production of complete, reliable and effective information is essential for management and governance.

IT RISK MANAGEMENT

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

3/ CONTROL ACTIVITIES

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

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

> **Physical controls**
- Cycle counts of inventories.
- Physical inventory of machinery and equipment.

> **Reporting, analysis and monitoring**

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

> **Data protection**

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

4/ INFORMATION AND COMMUNICATION

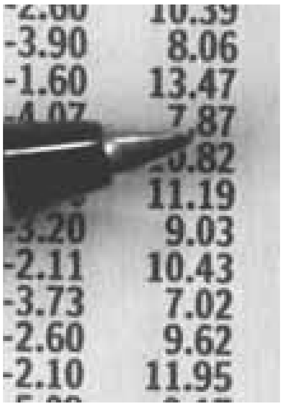
To provide reliable financial information Sioen Industries makes use of a global standardized chart of accounts and has a global application of IFRS accounting standards.
The controlling team is responsible for checking the consistency of the reported figures by the various subsidiaries. Regarding information systems, there is a daily backup and a cascade system to limit access to crucial information.

5/ SUPERVISION AND MONITORING

Supervision by the Board, through the work of the Audit Committee and the Executive Committee.

PROTOCOL TO PREVENT ABUSE OF INSIDER INFORMATION

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



FINANCIAL OVERVIEW

I. Comments on the consolidated financial statements

SIOEN INDUSTRIES GROUP

Sioen Industries is the world leader in coated technical textiles, specialist in high end industrial protective clothing, specialist in fine chemicals and global player in the processing of technical textiles.

> **Net sales:**
In 2010 the Sioen Industries Group realised sales from continuing operations of EUR 292.0 million compared to EUR 251.9 million from comparable activities in the previous year. The economic revival of 2010 explains the increase of net sales by 15.9%.

> **Gross Margin:**
Expressed as a percentage over net sales, the gross margin remained rather stable, 50.5% in 2010 compared to 49.4% in 2009. In Euro however there is a proportional increase, from EUR 124.5 million in 2009 to EUR 147.5 million in 2010, in line with the evolution of the net sales.

> **Services and other goods:**
Increase in services and other goods is mainly explained by the increase in production activities and resulted in an increase in costs from EUR 37.4 million in 2009 to EUR 46.7 million in 2010.

> **Remuneration, social security and pensions:**
Labour cost increased and amounted to EUR 60.8 million over 2010 against EUR 57.8 million in 2009.

> **Other operating charges:**
Cover a number of general expenses, mostly non-profit related taxes such as property tax, taxe professionelle in France and similar.

> **Write off inventories and receivables:**
Under this section we recorded, according to our accounting policies, additional provisions for obsolete stocks and doubtful debtors.

> **Non recurring items:**
In 2010 we recorded an exceptional profit as a result of the positive outcome of the government grants provision, set up in 2009. In 2009 we recorded an exceptional provision for the reimbursement of government grants received in France in the period 1996/1997.

> **Operating result:**
Over 2010 the operating result from continuing operations amounted to EUR 21.7 million against EUR 5.4 million last year.

> **Financial result:**
Financial cost of the Group amounted to EUR 6.3 million over 2010 against EUR 5.9 million in 2009.The main drivers were the evolution in the exchange rates of the US Dollar and the Pound Sterling.

> **Profit for the period from continuing operations:**
The company recorded EUR 13.8 million profit over the year 2010 against EUR 3.2 million over 2009.

> **Net cash flow from continuing operations:**
The net cash flow from continuing operations amounted to EUR 24.3 million over 2010 against EUR 18.7 million in 2009 (or an increase with 30.0%).

> **Dividend:**
The Board of Directors will propose to the General Assembly of Shareholders to pay out a dividend of 0.25 Euro per share.

COATING DIVISION

The coating division specializes in the integrated coating of technical textiles and controls the entire production process from the extrusion of the technical yarns, the weaving of the technical fabric and coating it with various polymers. The Group is the only player in the world with full proficiency in five different coating technologies, each with its own specific products and markets.

In 2010 the coating division developed, fine tuned and launched many promising products:

> The spinning mill developed new specific yarns for ropes, hoses and geotextiles.
> The weaving mills have fine tuned their production process

and are capable of converting a wide range of raw materials such as polyester, polyamide, para-aramid, meta-aramid, polypropylene, polyethylene and others.

> The coating companies have successfully launched products for sports mats (phthalate free), storage of liquid fertilizer, biogas containers, deicing roofs for trucks and reinforcement nets.

> In addition, all production plants have improved process and product efficiency

APPAREL DIVISION

This division stands for 'technical protective clothing'. Focus on the technical aspects, paying attention to specific customer needs, swift development of new products and care for quality are key success factors..

> **Professional market**

We produce a broad range of technical protective clothing: body wear; protection against rain, wind and cold; high visibility garments; anti-bacterial and UV-protection; extreme cold protection; corporate image wear. There is a direct relation between the sales figure and the economic activity.

> **Specific market**

We produce technical garments for people working in (extreme) circumstances where safety, comfort and security are major issues: fire fighters clothing, chainsaw protection, flotation suits, bullet proof vests, clothes for operating theatres. These segments continue to perform well.

> **Leisure market**

Modern, comfortable yet functional sports and leisure wear. We produce for major brands. Our quality, reliability and steady supply are our key advantages.

CHEMICALS DIVISION

Sioen Chemicals specialises in dispersing technologies. Dispersing is our manufacturing process that blends fine powders of functional chemicals into base plastics (before these are processed into a finished product). These functional chemical powders will typically be pigments, opacifires, flame-retardants, chemical stabilizers… which will be dispersed in PVC plasticizers, silicon elastomers, TPE's, polyesters, PU components (polyols), solvents, epoxy, water, a.o...

In a lot of applications Sioen pigment pastes are alternatives for traditional masterbatches. Pigments pastes are the only solution to add fine powders into flexible or elastic plastics.

INDUSTRIAL APPLICATIONS DIVISION

Sioen Industries decided in 2009 to focus on its core business. This has led to divest the production of finished curtains and tarpaulins, the manufacturing of dashboard foils in small volumes and the extrusion of narrow-width technical films. These are discontinued activities as described in the annual report.

The continued activities of this division are the production of kadors, pond liners and slicing, cutting and punching of technical textiles and the production of felt and filters.

II. Consolidated financial statements

II.1. Consolidated statement of financial position at 31 December 2010

IN THOUSANDS OF EUROS

ASSETS	Note	2010	2009
NON-CURRENT ASSETS			
Intangible assets	III.6.1	9 665	12 856
Goodwill	III.6.2	17 582	17 557
Property, plant and equipment	III.6.3	119 928	129 508
Investment property	III.6.4	7 211	7 282
Interests in associates			2
Long term trade receivables	III.6.6	13	15
Other long term assets	III.6.7	673	565
Deferred tax assets	III.6.18	9 397	3 272
TOTAL NON-CURRENT ASSETS		**164 469**	**171 057**
CURRENT ASSETS			
Inventories	III.6.8	78 207	68 926
Trade receivables	III.6.9	49 739	42 199
Other receivables	III.6.10	4 584	3 135
Other financial assets	III.6.10	3 014	288
Cash and cash equivalents	III.6.10	37 369	29 574
Deferred charges and accrued income	III.6.10	1 585	1 498
TOTAL CURRENT ASSETS		**174 498**	**145 620**
Assets related to discontinued operations	III.6.16	7 570	11 184
TOTAL ASSETS		**346 537**	**327 861**

EQUITY & LIABILITIES	Note	2010	2009
EQUITY			
Share capital		46 000	46 000
Retained earnings		99 116	82 712
Hedging and translation reserves		602	145
TOTAL EQUITY		**145 718**	**128 857**
Equity attributable to the owners of the company		145 718	128 857
Non-controlling interest		0	0
NON-CURRENT LIABILITIES			
Borrowings	III.6.11	99 363	100 400
Provisions	III.6.13	74	1 245
Retirement benefit obligations	III.6.14	1 524	960
Deferred tax liabilities	III.6.18	15 641	10 373
Obligations under finance leases	III.6.12	16 953	19 401
Other amounts payable		3	3
TOTAL NON-CURRENT LIABILITIES		**133 558**	**132 382**
CURRENT LIABILITIES			
Trade and other payables	III.6.15	30 394	24 163
Borrowings	III.6.11	13 130	16 623
Provisions	III.6.13	715	3 491
Retirement benefit obligations	III.6.14		39
Current income tax liabilities	III.6.15	1 069	2 040
Social debts	III.6.15	8 697	7 724
Other amounts payable	III.6.15	4 854	4 849
Obligations under finance leases	III.6.12	2 739	2 821
Accrued charges and deferred income	III.6.15	1 459	1 374
TOTAL CURRENT LIABILITIES		**63 057**	**63 124**
Liabilities directly associated with assets from discontinued operations	III.6.16	4 204	3 498
TOTAL EQUITY AND LIABILITIES		**346 537**	**327 861**

II. 2. Consolidated statement of comprehensive income

for the year ended 31 December 2010

II. 2.1. BY FUNCTION / IN THOUSANDS OF EUROS

	Note	2010	2009
Net sales	III.5.1	291 950	251 918
Cost of sales	III.5.1	-234 039	-207 259
MANUFACTURING CONTRIBUTION		**57 911**	**44 659**
Sales and marketing expenses	III.5.1	-15 820	-16 256
Research and development expenses	III.5.1	-5 751	-5 019
Administrative expenses	III.5.1	-18 725	-19 270
Financial income		2 924	4 373
Financial charges		-9 176	-10 259
Other income		5 749	4 811
Other expenses		-2 453	-1 176
Non recurring result (1)	III.5.1	782	-2 316
PROFIT OR LOSS BEFORE TAXES		**15 441**	**-453**
Income tax	III.5.2	-1 634	3 677
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**13 807**	**3 224**
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	III.5.3.4	**4 308**	**-14 343**
GROUP PROFIT/LOSS		**18 115**	**-11 119**
Group profit/loss attributable to shareholders of Sioen Industries		18 115	-11 119
Group profit/loss attributable to non-controlling interest		0	0
GROUP PROFIT/LOSS		**18 115**	**-11 119**
Other comprehensive income for the period net of tax:			
Exchange differences arising on translation of foreign operations		595	-219
Net value gain on cash flow hedges		95	96
Other comprehensive income for the year, net of tax	II.2.3	690	-123
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**18 805**	**-11 242**
Attributable to shareholders of Sioen Industries		18 805	-11 242
Attributable to non-controlling interest		0	0
EBIT FROM CONTINUING OPERATIONS		**21 694**	**5 433**
EBITDA FROM CONTINUING OPERATIONS		**38 436**	**26 784**
NET CASH FLOW FROM CONTINUING OPERATIONS		**24 297**	**18 689**

(1) Non-recurring items relate to impairment losses, restructuring expenses and start-up costs of new, significant investment projects until the product is ready to be sold at normal market conditions. In 2009 an exceptional provision for the refund of grants to the French authorities was included. In 2010 part of the provision was reversed due to a positive outcome. We refer to note III.6.13. Provisions.

EARNINGS PER SHARE

		2010	2009
BASIC EARNINGS PER SHARE			
From continuing operations		0.65	0.15
From continuing and discontinued operations		0.85	-0.52
DILUTED EARNINGS PER SHARE			
From continuing operations		0.65	0.15
From continuing and discontinued operations		0.85	-0.52

II. 2. 2. BY NATURE / IN THOUSANDS OF EUROS

	Note	2010	2009
Net sales		291 950	251 918
Changes in stocks and WIP (work in progress)		4 457	-15 481
Other operating income (2)		6 224	3 770
Raw materials and consumables used		148 942	111 974
GROSS MARGIN		**50.51%**	**49.41%**
Services and other goods		-46 736	-37 350
Remuneration, social security and pensions		-60 844	-57 815
Depreciations		-19 029	-19 246
Write off inventories and receivables		1 825	-1 409
Other operating charges (3)		-7 993	-4 664
Non recurring result (1)		782	-2 316
OPERATING RESULT		**21 694**	**5 433**
Financial result		-6 252	-5 886
Financial income		2 924	4 373
Financial charges		-9 176	-10 259
PROFIT OR LOSS BEFORE TAXES		**15 441**	**-453**
Income tax	III.5.2	-1 634	3 677
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**13 807**	**3 224**
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	III.5.3.4	**4 308**	**-14 343**
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Group profit/loss attributable to non-controlling interest		0	0
GROUP PROFIT/LOSS		**18 115**	**-11 119**
Other comprehensive income for the period net of tax:			
Exchange differences arising on translation of foreign operations		595	-219
Net value gain on cash flow hedges		95	96
Other comprehensive income for the year net of tax	II.2.3	690	-123
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**18 805**	**-11 242**
Attributable to shareholders of Sioen Industries		18 805	-11 242
Attributable to non-controlling interest		0	0
EBIT FROM CONTINUING OPERATIONS		**21 694**	**5 433**
EBITDA FROM CONTINUING OPERATIONS		**38 436**	**26 784**
NET CASH FLOW FROM CONTINUING OPERATIONS		**24 297**	**18 689**

(1) Non-recurring items relate to impairment losses, restructuring expenses and start-up costs of new, significant investment projects until the product is ready to be sold at normal market conditions. In 2009 an exceptional provision for the refund of grants to the French authorities was included. In 2010 part of the provision was reversed due to a positive outcome. We refer to note III.6.13. Provisions.
(2) Other operating income mainly consists of received rent for buildings, transport recharges, received indemnities and sale of assets (site Ath, Meyzieu, asset deal USA)
(3) Other operating charges mainly consist of taxes on tangible assets, local taxes and import duties

II. 2. 3. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME/

FOR THE YEAR ENDED 31 DECEMBER 2010 / IN THOUSANDS OF EUROS

	Note	2010	2009
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Exchange differences on translating foreign operations			
Exchange difference arising during the year		902	- 332
Cash flow hedges			
Gains arising during the year		130	145
Reclassification adjustment for amounts recognised in profit or loss			
Income tax relating to components of other comprehensive income		-342	64
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	II.2.1	**690**	**-123**
Attributable to shareholders of Sioen Industries		690	-123
Attributable to non-controlling interests		0	0

II. 3. Consolidated statement of cash flows

IN THOUSANDS OF EUROS for the year ended 31Decembre 2010

	Note	2010	2009
GROUP PROFIT/LOSS	II.2.1	**18 115**	**-11 119**
Income tax expenses recognised in profit or loss		1 648	-3 395
Finance costs recognised in profit or loss		8 670	9 324
Investment revenue recognised in profit or loss		-2 694	-3 381
OPERATING RESULT		**25 739**	**-8 571**
Depreciation and amortisation of non-current assets		19 460	20 696
Impairment of non-current assets			6 722
Write off inventories and receivables		-1 993	-1 939
Provisions		-3 893	2 374
Movements in working capital:			
Inventories		-6 963	25 270
Trade receivables		-6 745	10 410
Other receivables, interests in associates & deferred charges		-849	5 273
Trade and other payables		5 913	537
Current income tax liabilities, social debts, other amounts payable & accrued charges and deferred income		34	1 054
Amounts written off inventories and receivables		2 476	-765
Cash flow from operating activities		***33 179***	***61 061***
Income taxes paid		-1 265	487
NET CASH FLOW FROM OPERATING ACTIVITIES		**31 914**	**61 548**
Interest received		121	73
Investments in intangible and tangible fixed assets		-7 244	-5 999
Disposal and sale of intangible and tangible fixed assets		869	259
Translation adjustments on intangible and tangible assets			4
NET CASH FLOW FROM INVESTING ACTIVITIES		**-6 254**	**-5 663**
Net cash flow before financing activities		***25 660***	***55 885***
Interest paid		-7 001	-6 484
Disbursed dividend		-2 216	-1 690
Decrease long term borrowings		-1 036	-1 741
Increase/(decrease) short term borrowings		-3 494	-26 737
Increase/(decrease) obligations under finance leases		-2 584	-1 944
Other		426	-410
Currency result		465	-531
NET CASH FLOW FROM FINANCING ACTIVITIES		**-15 440**	**-39 537**
Impact of cumulative translation adjustments and hedging		457	-670
CHANGE IN CASH AND CASH EQUIVALENTS		**10 677**	**15 678**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**30 223**	**14 545**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	III.6.21	**40 900**	**30 223**

II. 4. Consolidated statement of changes in equity

IN THOUSANDS OF EUROS for the year ended 31 December 2010

2010	Share capital	Reserves	Foreign currency translation reserve	Hedging reserves	Equity before non-controlling	Non-controlling interests	Equity	Note
BALANCE AT 1 JANUARY 2010	**46 000**	**82 711**	**-454**	**600**	**128 857**		**128 857**	II. 1
Group profit/loss		18 115			18 115		18 115	II. 2. 1
Hedging				-130	-130		-130	
Deferred tax				35	35		35	
Currency translation adjustments			551		551		551	
Total comprehensive income for the period	46 000	100 826	97	505	147 428		147 428	
Payment of dividends		-1 710			-1 710		-1 710	
BALANCE AT 31 DECEMBER 2010	**46 000**	**99 116**	**97**	**505**	**145 718**		**145 718**	II. 1

2009	Share capital	Reserves	Foreign currency translation reserve	Hedging reserves	Equity before non-controlling	Non-controlling interests	Equity	Note
BALANCE AT 1 JANUARY 2009	**46 000**	**95 541**	**125**	**695**	**142 361**		**142 361**	
Group profit/loss		-11 119			-11 119		-11 119	II.2.1
Hedging				-145	-145		-145	
Deferred tax				50	50		50	
Currency translation adjustments			-579		-579		-579	
Total comprehensive income for the period	46 000	84 422	-454	600	130 568		130 568	
Payment of dividends		-1 711			-1 711		-1 711	
BALANCE AT 31 DECEMBER 2009	**46 000**	**82 711**	**-454**	**600**	**128 857**		**128 857**	II.1

III. 1. Application of new and revised International Financial Reporting Standards (IFRSs)

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2010, all of which were endorsed by the European Union.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2010

> IFRS 3 Business Combinations (applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). This Standard replaces IFRS 3 Business Combinations as issued in 2004.

> Improvements to IFRS (2008-2009) (normally applicable for annual periods beginning on or after 1 January 2010)

> Amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards – Additional exemptions (applicable for annual periods beginning on or after 1 January 2010)

> Amendment to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2010)

> Amendment to IAS 27 Consolidated and Separate Financial Statements (applicable for annual periods beginning on or after 1 July 2009). This Standard amends IAS 27 Consolidated and Separate Financial Statements (revised 2003).

> Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (applicable for annual periods beginning on or after 1 July 2009).

> IFRIC 12 Service Concession Arrangements (applicable for annual periods beginning on or after 1 April 2009)

> IFRIC 15 Agreements for the construction of real estate (applicable for annual periods beginning on or after 1 January 2010)

> IFRIC 16 Hedges of a net investment in a foreign operation (applicable for accounting years beginning on or after 1 July 2009)

> IFRIC 17 Distributions of Non-cash Assets to Owners (applicable for annual periods beginning on or after 1 November 2009)

> IFRIC 18 Transfers of Assets from Customers (applicable for annual periods beginning on or after 1 November 2009)

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2010

> IFRS 9 Financial Instruments (applicable for annual periods beginning on or after 1 January 2013)

> Improvements to IFRS (2009-2010) (normally applicable for annual periods beginning on or after 1 January 2011)

> Amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards – IFRS 7 exemptions (applicable for annual periods beginning on or after 1 July 2010)

> Amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (applicable for annual periods beginning on or after 1 July 2011)

> Amendment to IFRS 7 Financial Instruments: Disclosures – Derecognition (applicable for annual periods beginning on or after 1 July 2011)

> Amendment to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets (applicable for annual periods beginning on or after 1 January 2012)

> Amendment to IAS 24 Related Party Disclosures (applicable for annual periods beginning on or after 1 January 2011). This Standard supersedes IAS 24 Related Party Disclosures as issued in 2003.

> Amendments to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (applicable for annual periods beginning on or after 1 February 2010)

> IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (applicable for annual periods beginning on or after 1 July 2010)

> Amendment to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement (applicable for annual periods beginning on or after 1 January 2011)

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

III.2.1. STATEMENT OF COMPLIANCE

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

III.2.2. BASIS OF PREPARATION

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

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

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

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

III.2.3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

FOREIGN CURRENCIES

On the basis of the Group's relevant economic environment and its transactions, the euro has been chosen as the reporting currency. Foreign subsidiaries' financial statements are converted as follows:
Transactions in foreign currencies are converted at the exchange rate which is applicable on the date of the transaction. On each balance sheet date, cash assets and liabilities expressed in foreign currency are converted at the closing rate. Non-cash assets and liabilities which are shown at their fair value in a foreign currency are converted at the exchange rate which is applicable when their fair value was determined.

Gains and losses arising from such conversions are recorded in the income statement. However, if they are deferred (e.g. exchange rate differences related to long term intercompany loans), they are recorded as equity. Assets and liabilities from the Group's foreign activities are converted at the closing rate.
Income and expenses are converted at the average exchange rate over the period, unless exchange rates have fluctuated significantly. The resultant exchange rate differences are recorded in equity, under the heading 'CTA or Conversion differences'.
If a foreign activity is disposed of, the cumulative amount of the exchange rate differences that was recognised in equity, is recorded in the income statement.

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

BUSINESS COMBINATIONS

If the Group takes over an entity or business activity, the identifiable assets, liabilities and contingent liabilities of the party which has been taken over are adopted at their fair value. Subsidiaries' financial statements are included in the scope of consolidation from the date of acquisition until control ceases. The difference between the cost price and the acquiring party's stake in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. If this difference is negative, the surplus, after reassessment of the fair values, is accounted for directly in the income statement.

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

III.2.4. BALANCE SHEET

INTANGIBLE ASSETS

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

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

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

> an identifiable asset has been generated;

> it is likely that the generated asset will yield future economic benefits and

> the asset's cost price can be reliably determined.

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

LICENCES, PATENTS AND SIMILAR RIGHTS

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

COMPUTER SOFTWARE

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

RESEARCH AND DEVELOPMENT

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

> the product or process is precisely defined and the expenditure is individually identifiable and reliably measurable;

> the product's technical feasibility has been sufficiently demonstrated;

> the product or process will be commercialised or used within the company;

> the assets will generate future economic benefits (e.g. a potential market exists for the product or its internal usefulness has been sufficiently proven);

> the appropriate technical, financial and other resources are available to finalise the project.

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

GOODWILL

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.
Goodwill is recorded as an asset and subjected to an impairment test at least once a year. Any impairment loss is immediately recorded in the profit and loss account and is not subsequently written back.
Negative goodwill represents the amount by which the fair value of the Group's interest in the acquired assets and liabilities at the time of acquisition exceeds the price paid.
On the disposal of a subsidiary, associated undertaking or entity over which joint control is exercised, the related goodwill is included in the calculation of the gain or loss on disposal.

PROPERTY, PLANT AND EQUIPMENT

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

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

Subsequent expenditure associated with a tangible asset is usually recorded in the income statement as it is incurred. Suchexpenditure is only capitalised if it can be clearly shown to result in an increase in the expected future economic benefits from the use of the tangible asset compared with the original estimate.
Repair and maintenance costs which do not increase the likely future economic benefits are recorded as costs as they are incurred.

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

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

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

If an asset's book value is lower than the estimated realisable value, it is immediately written down to the realisable value.
The gain or loss on the sale or disposal of an asset is determined as the difference between the net income on disposal and the asset's book value. This difference is recorded in the income statement.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

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

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

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

BORROWING COSTS

The borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalized. Other borrowing costs are recognised as an expense in the year in which they are incurred. In 2010 capitalized no borrowing costs were capitalized

LEASE AGREEMENTS

Financial leasing

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

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

Operational leasing

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

INVESTMENT PROPERTY

A property investment, i.e. one which is maintained in order to generate rental income, an appreciation of value or both, is shown at amortised cost on the balance sheet date.

FINANCIAL INVESTMENTS

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

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

INVESTMENT GRANTS

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

INVENTORIES

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

RECEIVABLES

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

CASH AND CASH EQUIVALENTS

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

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

INCOME TAX

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

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

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

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

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

RETIREMENT BENEFIT OBLIGATION

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

Defined contibution plans

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

Defined benefit plans

In defined benefit plans, the amount on the balance sheet (the 'net liability') corresponds to the present value of the gross liability, adjusted for unrecorded actuarial gains and losses, after deduction of the fair value of the plan investments and unrecorded past service costs. The 'present value of the gross liability of a defined benefit plan' is the present value, before deduction of the plan investments, of expected future payments required to settle the liability which results from the employee's service record in the current and previous periods.

The discounted value of the liability arising from defined pension rights and the assigned pension costs associated with the year of service and prior service pension costs are calculated by accredited actuaries using the projected unit credit method. The discount rate corresponds to the rate of return on the balance sheet date on corporate bonds with a high degree of creditworthiness and a remaining term comparable with the term of the Group's liabilities. The discount rate is adjusted annually to reflect the market return from high-value corporate bonds whose term is consistent with the estimated term of the gross liabilities arising from payments after retirement.

'Actuarial gains and losses' include adjustments on the basis of experience (the consequences of differences between previous actuarial assumptions and what has actually happened) and the consequences of changes to actuarial assumptions. In principle, actuarial gains and losses are not recognised at the moment they arise, but, to the extent that the cumulative amount falls outside a certain 'corridor', they are spread on a straight-line basis over the expected average remaining working life of the employees who are members of the plan. This corridor is determined individually for each defined benefit plan and has lower and upper limits of 110% and 90% respectively of the higher of the present value of the gross liabilities and the fair value of the scheme investments.

'Past service costs' refer to the increase in the present value of the gross liability for services provided by employees in previous periods and which result in the current period from the introduction of or changes to payments after retirement or other long-term personnel remuneration. Past service costs are taken gradually to the income statement and spread on a straight-line basis over the average term until the benefit rights have been acquired. If benefit rights can be regarded as acquired as a result of a new plan or changes to an existing plan, prior service costs are immediately recorded in the income statement.

If the liability to be recorded on the balance sheet is negative, the asset entry that is included may not exceed the total unrecorded cumulative actuarial net losses and prior service costs and the present value of future repayments from the plan or reductions in future contributions to the plan (the 'asset ceiling' principle). In this case, however, the actuarial gains and losses are immediately taken to the income statement if deferring them would result in the recording of a gain purely as a consequence of an actuarial loss in the current financial year, or of a loss purely and simply as a consequence of an actuarial gain in the current financial year. Past service costs are in this case likewise immediately included if spreading them out on a straight-line basis would result in the recording of a gain purely as a consequence of an increase in past service costs during the current financial year.

Other long-term personnel remuneration

Other long-term personnel remuneration such as long-service bonuses is accounted for using the 'projected unit credit' method. However, the accounting treatment differs from that of defined benefit plans, in that actuarial gains and losses and past service costs are recorded immediately.

PROVISIONS

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

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

INTEREST-BEARING FINANCING

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

TRADING ACCOUNTS PAYABLE AND OTHER PAYABLES

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

DERIVATIVE FINANCIAL INSTRUMENTS ARE TREATED AS FOLLOWS:

Cash flow hedging

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

Fair value hedging

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

Non-hedging derivatives

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

REVENUE

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

III.2.5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

III.2.5.1 IMPAIRMENT ANALYSIS 2010

In order to provide the stakeholders with in-depth knowledge as to the financial strength of the Group, we assessed the recoverable amount of assets. Actual cash flows may differ from the estimated cash flows in case key assumptions vary from the estimates.

KEY ASSUMPTIONS IMPAIRMENT ANALYSIS 2010

The recoverable amount of our global business has been determined on the basis of a value-in-use approach. Calculations of the value in use cover a five-year period. Cash flow estimates are based on strategic plans in line with the current operational structure, which are approved by management, as well as on assumptions used in the strategic plans on the long-term development of the business environment. Estimates on future growth rates, market positions and profitability levels are the most important key assumptions. Price development of a single cost item has no material impact whereas the estimated development of total costs affects the profitability level, which is one of the key assumptions. Capital expenditure is estimated to be comprised of normal replacements. The terminal growth rate used in the calculations is based on the management's assessment on long term growth. The terminal growth rate used is estimated at 1%.

The post tax discount rate applied to the cash flow is based on the Group's weighted average cost of capital, in view of the business risks and is estimated at 8.5%. Estimates on long-term growth, development of profitability level and post tax discount rate were key assumptions used in impairment testing of divisions with significant carrying amounts of assets.

KEY ASSUMPTIONS IMPAIRMENT ANALYSIS 2009

We can refer to the key assumptions used for impairment analysis 2010 as described above. There were no changes in the key assumptions used.

The amount by which the division's recoverable amount exceeds its carrying amount has been assessed as follows:

> 0-20% exceeds moderately
> 20-50% exceeds clearly
> Over 50% exceeds significantly

2010	Carrying amount in relation to recoverable amount of cash generating units with significant carrying amounts of assets
Group	exceeds clearly
Coating division (*)	exceeds clearly
Apparel division	exceeds clearly
Chemicals division	exceeds significantly

(*) includes the calendaring investment (in start-up phase and limited visibility on forecasted results)

2009	Carrying amount in relation to recoverable amount of cash generating units with significant carrying amounts of assets
Group	exceeds clearly
Coating division (*)	exceeds clearly
Apparel division	exceeds clearly
Chemicals division	exceeds significantly

(*) includes the calendaring investment (in start-up phase and limited visibility on forecasted results)

The division industrial applications is considered immaterial seen the limited invested capital. This division has no impairment indicators.

SENSITIVITIES

The Group's impairment review is sensitive to a change in key assumptions used, notably the discount rates and the perpetuity rates. Below an overview of the Group's sensitivity analysis 2010 is given.

2010	Excess discounted cash flow (DCF) versus carrying value (%)	Change in excess recoverable amount if EBIT in residual value decreases with 1%	Change in excess recoverable amount if discount rate increases with 1%	Impact on recoverable amount if discount rate decreases with 1%
Group	37.0%	-5.7%	-41.6%	54.5%
Coating division (*)	36.9%	-5.2%	-40.3%	52.6%
Apparel division	46.3%	-6.2%	39.6%	51.9%
Chemicals division	129.4%	-2.2%	-19.4%	25.4%

(*) includes the calendaring investment (in start-up phase and limited visibility on forecasted results)

2009	Excess discounted cash flow (DCF) versus carrying value (%)	Change in excess recoverable amount if EBIT in residual value decreases with 1%	Change in excess recoverable amount if discount rate increases with 1%	Impact on recoverable amount if discount rate decreases with 1%
Group	21.7%	-6.5%	-70.4%	92.2%
Coating division (*)	32.9%	-3.2%	-49.8%	65.2%
Apparel division	29.4%	-7.3%	-53.9%	70.5%
Chemicals division	57.9%	-2.7%	-31.9%	41.8%

(*) includes the calendaring investment (in start-up phase and limited visibility on forecasted results)

EVENTS AFTER REPORTING PERIOD

Post-balance sheet events which provide additional information about the company's situation on the balance sheet date ('adjusting events') are included in the annual accounts. Other post-balance sheet events are only mentioned in the notes if they may have a significant impact.

THE MOST IMPORTANT ASSESSMENT CRITERIA IN THE APPLICATION OF THE VALUATION RULES

In the application of the valuation rules, in certain cases an accounting assessment must be made. This assessment is done by making the most accurate assessment possible of uncertain future evolutions.

III.3. Segment information

III.3.1. ADOPTION OF IFRS 8 OPERATING SEGMENTS / IN THOUSANDS OF EUROS

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has not changed.

For management purposes, the Group is organised into four major operating divisions – coating, apparel, chemicals and industrial applications. These divisions are the basis on which the Group reports its primary segment information. The principal products and services of each of these divisions are described earlier in this annual report. For more details on these divisions, reference is made to the first part of this annual report. The segment liabilities, including the centrally contracted financial debt, have been allocated according the capital employed by the segment. The assets and liabilities of the head office (Group) have been allocated to the segments as far as possible. Additionally, a part of equity is allocated to the segments.

SEGMENT REVENUES AND RESULTS

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

	Coating	Apparel	Industrial applications	Chemicals	Group	Total from continuing operations	Note
YEAR ENDED 31 DECEMBER 2010							
Revenue from external customers	135 127	81 847	34 128	40 848		291 950	II.2.1
Intersegment revenues	16 351	9	562	7 402			
Segment operating profit	13 225	8 306	1 837	2 173		25 541	
YEAR ENDED 31 DECEMBER 2009							
Revenue from external customers	105 054	74 129	35 257	37 475	3	251 918	II.2.1
Intersegment revenues	18 530	6	9 222	5 580	3		
Segment operating profit	2 125	3 380	1 194	1 422		8 121	

Intersegment sales are undertaken at prevailing market conditions.

	Note	2010	2009
SEGMENT OPERATING PROFIT		**25 541**	**8 121**
Reconciling items:			
Elimination of intersegment profits		-3 847	-2 688
OPERATING RESULT	II.2.2	**21 694**	**5 433**
Financial charges	II.2.2	-9 176	-10 259
Financial income	II.2.2	2 924	4 373
PROFIT OR LOSS BEFORE TAX	II.2.2	**15 441**	**-453**

III.3.1. ADOPTION OF IFRS 8 OPERATING SEGMENTS (CONTINUED)/ IN THOUSANDS OF EUROS

SEGMENT ASSETS, EQUITY AND LIABILITIES

	Coating	Apparel	Industrial appli-cations	Chemicals	Relating to discontinued operations	Unallocated/ eliminations	Total	Note
YEAR ENDED 31 DECEMBER 2010								
Segment assets	188 812	64 866	23 336	39 922	7 570	22 031	346 537	II.1
Segment equity and liabilities	188 812	64 866	23 336	39 922	4 204	25 397	346 537	II.1
YEAR ENDED 31 DECEMBER 2009								
Segment assets	175 387	57 987	35 110	42 825	11 184	5 367	327 861	II.1
Segment equity and liabilities	175 387	57 987	35 110	42 825	3 497	13 054	327 861	II.1

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

OTHER SEGMENT INFORMATION

	Coating	Apparel	Industrial appli-cations	Chemicals	Head office	Total	Note
YEAR ENDED 31 DECEMBER 2010							
Depreciations	11 154	1 269	1 198	4 045	1 363	19 029	II.2.2
Additions to non-current assets	5 790	647	316	294	582	7 629	
YEAR ENDED 31 DECEMBER 2009							
Depreciations	11 299	1 122	1 069	4 192	1 564	19 246	II.2.2
Additions to non-current assets	5 096	1 365	1 753	383	932	9 529	

In 2009 impairment losses of EUR 0.1 million were recognized in respect of property, plant and equipment in the chemicals division. There were no impairments in 2010.

III. 3. 2. GEOGRAPHICAL INFORMATION/ IN THOUSANDS OF EUROS

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

III. 3. 2. GEOGRAPHICAL INFORMATION (CONTINUED)/ IN THOUSANDS OF EUROS

2010	Note	Gross Sales		Non-current assets	Capital expenditure
France		66 484	22.6%	15 546	566
Germany		54 515	18.6%		
Belgium		36 237	12.3%	127 532	6 471
Eastern Europe		31 099	10.6%	345	6
Netherlands		23 396	8.0%	4 212	6
Great Britain		16 953	5.8%	158	10
Italy		11 937	4.1%		
Austria		8 891	3.0%		
Scandinavia		6 339	2.2%		
Switzerland		5 671	1.9%		
Spain		5 002	1.7%		
China		4 161	1.4%	24	16
USA		3 138	1.1%	659	28
Ireland		2 484	0.8%	124	42
Other		17 528	6.0%	5 758	495
Subtotal		**293 835**	**100.0%**	**154 358**	**7 640**
Discounts		1 885			
Net Sales		**291 950**			

2009	Note	Gross Sales		Non-current assets	Capital expenditure
France		58 109	22.9%	18 232	379
Germany		37 061	14.6%		
Belgium		35 229	13.9%	135 657	8 030
Eastern Europe		26 891	10.6%	2 475	
Netherlands		19 914	7.9%	4 210	
Great Britain		13 986	5.5%	164	3
Italy		9 157	3.6%		
Austria		6 854	2.7%		
Scandinavia		5 839	2.3%		
Switzerland		5 215	2.1%		
Spain		3 430	1.4%		
China		2 602	1.0%	13	1
USA		3 796	1.5%	598	
Ireland		6 882	2.7%	123	77
Other		18 598	7.3%	5 731	1 039
Subtotal		**253 564**	**100.0%**	**167 203**	**9 529**
Discounts		1 646			
Net Sales		**251 918**			

III.4. Exchange rates

Code	Rate	2010	2009
EUR	average	1.0000	1.0000
	closing	1.0000	1.0000
USD	average	1.3199	1.3963
	closing	1.3280	1.4406
GBP	average	0.8550	0.8900
	closing	0.8602	0.8881
RMB	average	8.9222	9.5370
	closing	8.7659	9.8350
PLN	average	4.0024	4.3469
	closing	3.9650	4.1045
TDN	average	1.8988	1.8818
	closing	1.9161	1.9004
UAH	average	10.4966	11.2402
	closing	10.6677	11.5452

III.5. Detailed consolidated statement of comprehensive income

III.5.1. BY FUNCTION/ IN THOUSANDS OF EUROS

	Note	2010	2009
NET SALES			
Sales of goods		296 015	255 359
Subcontracting		503	691
Commissions and discounts		-4 568	-4 132
NET SALES	II.2.1	**291 950**	**251 918**
COST OF SALES			
Purchases		-148 290	-104 878
Transport cost goods purchased		-1 576	- 940
Stock variation		5 452	-21 791
Subcontracting		-2 665	-1 861
Personnel expenses		-37 319	-33 705
Depreciation		-16 791	-16 704
Other services and goods		-34 019	-26 456
Write off inventories and receivables		1 169	- 924
COST OF SALES	II.2.1	**-234 039**	**-207 259**
SALES AND MARKETING EXPENSES			
Subcontracting			
Personnel expenses		-10 154	-10 160
Depreciation		- 59	- 46
Other services and goods		-6 263	-5 566
Write off inventories and receivables		656	- 484
SALES AND MARKETING EXPENSES	II.2.1	**-15 820**	**-16 256**
RESEARCH AND DEVELOPMENT EXPENSES			
Subcontracting			
Personnel expenses		-3 836	-3 747
Depreciation		- 109	- 178
Other services and goods		-1 806	-1 094
Write off inventories and receivables			
RESEARCH AND DEVELOPMENT EXPENSES	II.2.1	**-5 751**	**-5 019**
ADMINISTRATIVE EXPENSES			
Subcontracting			
Personnel expenses		-9 599	-10 243
Depreciation		-2 069	-2 313
Other services and goods		-7 057	-6 714
Write off inventories and receivables			
ADMINISTRATIVE EXPENSES	II.2.1	**-18 725**	**-19 270**

III.5.1. BY FUNCTION (CONTINUED)/ IN THOUSANDS OF EUROS

	Note	2010	2009
OTHER INCOME / OTHER EXPENSES			
Gain/loss on realisation fixed assets		948	- 52
Provision liabilities & charges		- 320	1 620
Exceptional loss			306
Received indemnities		1 450	585
Local taxes		-1 003	- 693
Other		1 518	1 166
Received rent		703	703
OTHER INCOME/OTHER EXPENSES		**3 296**	**3 635**
NON RECURRING RESULT			
Impairment of non current assets		- 75	- 134
Refund grants [1]		857	-2 182
NON RECURRING RESULT	II.2.1	**782**	**-2 316**
FINANCIAL RESULT			
Interests received		750	960
Interests paid		-7 316	-7 667
Currency income other			
Currency expenses other			
Currency income trade receivables		1 131	859
Currency expenses trade receivables		- 686	-1 232
Currency income trade payables		319	386
Currency expenses trade payables		- 617	- 435
Realised currency result		**147**	**- 422**
Revaluation expenses trade receivables		1	526
Revaluation income trade receivables		- 18	- 21
Revaluation expenses trade payables		- 212	- 164
Revaluation income trade payables		212	240
Fair value hedging instruments		- 208	- 13
Revaluation other		345	598
Unrealised currency result		**120**	**1 166**
Other		47	77
FINANCIAL RESULT	II. 2. 2	**-6 252**	**-5 886**
INCOME TAX			
Current tax		-2 413	-2 239
Deferred tax		779	5 916
INCOME TAX	III.5.2	**-1 634**	**3 677**
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	II.2.1	**13 807**	**3 224**
Profit (loss) for the period from discontinued operations	III.5.3.4	4 308	-14 343
GROUP PROFIT/LOSS	II.2.1	**18 115**	**-11 119**

(1) We refer to note III.6.13. Provisions, for more information

III.5. 2 INCOME TAXES RELATING TO CONTINUING OPERATIONS/ IN THOUSANDS OF EUROS

RECONCILIATION BETWEEN TAXES AND RESULT BEFORE TAXES

	Note	2010		2009	
Profit or loss before taxes	II.2.1	15 441		- 453	
INCOME TAX EXPENSE CALCULATED AT THEORETICAL TAX RATE (1)		4 324	28.0%	- 135	29.8%
Tax impact of:					
effect of expenses that are not deductible in determining taxable profit		346	2.2%	300	-66.3%
effect of revenue that is exempt from taxation		- 391	-2.5%	- 264	58.3%
deferred tax assets not recognised		148	1.0%	123	-27.1%
tax assets recognised on current year losses		- 210	-1.4%	-2 834	626.0%
tax assets recognised on previously not recognised losses (3)		-4 462	-28.9%	-2 175	480.5%
new valuation allowance on previously recognised deferred tax assets		2 150	13.9%	1 085	-239.7%
adjustments recognised in current year in relation to the current tax of prior years		- 125	-0.8%	932	-205.9%
notional interest deduction		- 146	-0.9%	- 809	178.8%
tax on distributed profits (DBI) (2)					
other				100	-22.2%
INCOME TAX EXPENSE RECOGNISED IN PROFIT OR LOSS	II.2.1	**1 634**	**10.6%**	**-3 677**	**812.4%**

(1) is the weighted average tax rate
(2) reserves will not be distributed to the parent company unless this could be done at a zero tax rate
(3) 2009: previous losses incurred in France are considered recoverable
2010: higher estimated recoverability of losses in Belgium within five years compared to the estimations of 2009

III.5.3. DISCONTINUED OPERATIONS

III.5.3.1 PLAN TO DISPOSE OF THE 'END-MARKET, TRUCK COVER' BUSINESS

On 30 November 2009, the Board of Directors announced a plan to dispose of the Group's 'end-market, truck cover' business. The disposal is consistent with the Group's long-term policy to focus on its core activities. The Group was actively seeking a buyer for this activity and expected to complete the sale before the end of 2010. However, at 31 March 2011 there has not been any agreement. The Group has recognized impairment losses on its property, plant and equipment at the end of the reporting period. Details of the assets and liabilities held for sale are disclosed in note III.6.16. Assets and liabilities related to discontinued operations. The disposal Group 'end-market, truck cover' relates to the division industrial applications.

III.5.3.2 ABANDONING OF THE 'SPECIALISED AUTOMOTIVE FOILS IN SMALL BATCHES' BUSINESS

As per 31 December 2009, the Group abandoned its 'specialised automotive foils in small batches' business, consistent with the Group's long-term policy to focus on its core activities in the automotive market.
The Group has recognised impairment losses on its property, plant and equipment at the end of the reporting period. Details of the assets and liabilities abandoned are disclosed in note III.6.16. Assets and liabilities related to discontinued operations. The 'specialised automotive foils in small batches' business relate to the division coating.

III.5.3.3 ABANDONING OF THE EXTRUSION ACTIVITY

As of 30 November 2009, the Group abandoned its extrusion coating activity. The extrusion coating activity is not considered to be a core activity for the Group.
The Group recognised an impairment loss on its extrusion machine following the decision to abandon the activity. The extrusion activity relates to the division coating.

III.5.3.4 ANALYSIS OF PROFIT (LOSS) OF THE YEAR FROM DISCONTINUED OPERATIONS

IN THOUSANDS OF EUROS

The combined results of the discontinued operations included in the statement of comprehensive income are set out below. The discontinued operations have been classified and accounted for at 31 December 2010 as a disposal Group related to discontinued operations.

	Note	2010	2009
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS			
Net sales		8 238	12 569
Other operating income		236	440
Expenses		-8 099	-20 349
Gain/(loss) on remeasurement to fair value less costs to sell			-6 722
Indemnity insurance premium received		3 946	
Profit or loss before tax		**4 321**	**-14 062**
Attributable income tax		-13	- 281
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	II.2.1	**4 308**	**-14 343**
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Net cash flow from operating activities		834	-3 667
Net cash flow from investing activities		-39	28
Net cash flow from financing activities		-88	- 556
NET CASH FLOW		**707**	**-4 195**

III.5. 4. DIVIDENDS AND EARNINGS PER SHARE

DIVIDENDS

The proposed gross dividend for the period ending 31 December 2010 is EUR 0.25 per share. The proposed dividend awaits shareholders' approval at the annual general meeting and is not shown as a liability in these financial statements.

The gross dividend for the period ending 31 December 2009 amounted to EUR 0.08 per share.

EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is presented below (amounts in EUR):

		2010	2009
BASIC EARNINGS PER SHARE			
From continuing operations		0.65	0.15
From continuing and discontinued operations		0.85	-0.52
DILUTED EARNINGS PER SHARE			
From continuing operations		0.65	0.15
From continuing and discontinued operations		0.85	-0.52

III.6. Notes to the consolidated statement of financial position

III.6.1. INTANGIBLE ASSETS

Total additions of intangible assets amount to EUR 0.6 million in 2010 compared with EUR 0.9 million in 2009. Additions in 2010 mainly relate the development and implementation of a new ERP software in the coating division. In 2009, additions mainly related the development and implementation of a new ERP software in the coating division and the division industrial applications.

Amortisation expense has been included in the line item depreciation in the statement of comprehensive income. Amortisation expenses of intangible assets amounts to EUR 3.8 million in 2010(2009: EUR 3.9 million). Amortisation expense of customer portfolios is shown in cost of sales in the income statement by function.

An impairment analysis has been done at the end of 2010. No impairments were recorded. In 2009, the Group recognised an impairment loss of EUR 2.0 million, which was recognised in profit or loss in discontinued operations. The recoverable amount of the relevant assets has been determined on the basis of their value in use.
When related to continued operations, impairment losses are included in the line item non recurring result in the statement of comprehensive income.

III.6.1. INTANGIBLE ASSETS (CONTINUED) / IN THOUSANDS OF EUROS

2010	Development expenses	Concessions, patents, licences etc.	Software	Customer portfolio	Total	Note
ACQUISITION						
Opening balance		10 184	16 502	7 740	34 426	
Additions			562		562	
Disposals		-4	-63		-68	
Sales						
Transfers						
Effect of foreign currency exchange differences		5	24		29	
Acquired through business combinations						
Amortisation expense						
Impairment losses recognised in profit or loss						
Movement on held for sale		-1	50		49	
Closing balance		10 184	17 075	7 740	34 998	
IMPAIRMENT						
Opening balance			2 001		2 001	
Additions						
Disposals						
Sales						
Transfers						
Effect of foreign currency exchange differences						
Acquired through business combinations						
Amortisation expense						
Impairment losses recognised in profit or loss						
Movement on held for sale						
Closing balance			2 001		2 001	
DEPRECIATION						
Opening balance		5 709	9 593	4 268	19 569	
Additions						
Disposals		-3	-50	-1	-54	
Sales						
Transfers						
Effect of foreign currency exchange differences		6	17		22	
Acquired through business combinations						
Amortisation expense		992	1 096	1 669	3 758	
Impairment losses recognised in profit or loss						
Movement on held for sale		-1	38		37	
Closing balance		6 703	10 694	5 936	23 332	
NET BOOK VALUE						
Opening balance		4 475	4 909	3 472	12 856	II. 1
Closing balance		3 481	4 380	1 804	9 665	II. 1

2009	Development expenses	Concessions, patents, licences etc.	Software	Customer portfolio	Total	Note
ACQUISITION						
Opening balance		**10 299**	**16 538**	**10 139**	**36 976**	
Additions			885		**885**	
Disposals			-20		**-20**	
Sales						
Transfers			4		**4**	
Effect of foreign currency exchange differences		11	-10		**1**	
Acquired through business combinations						
Amortisation expense						
Impairment losses recognised in profit or loss						
Reclassified as held for sale/abandoned		-126	-896	**-2 399**	**-3 420**	
Closing balance		**10 184**	**16 502**	**7 740**	**34 426**	
IMPAIRMENT						
Opening balance						
Additions						
Disposals						
Sales						
Transfers						
Effect of foreign currency exchange differences						
Acquired through business combinations						
Amortisation expense						
Impairment losses recognised in profit or loss			**2 001**		**2.001**	
Reclassified as held for sale/abandoned						
Closing balance			**2 001**		**2 001**	
DEPRECIATION						
Opening balance		**4 753**	**9 297**	**5 018**	**19 068**	
Additions						
Disposals			-18		**-20**	
Sales						
Transfers						
Effect of foreign currency exchange differences		11	-7		**4**	
Acquired through business combinations						
Amortisation expense		1 025	1 200	1 649	**3 875**	
Impairment losses recognised in profit or loss						
Reclassified as held for sale/abandoned		-81	-879	-2 399	**-3 359**	
Closing balance		**5 709**	**9 593**	**4 268**	**19 569**	
NET BOOK VALUE						
Opening balance		**5 546**	**7 241**	**5 121**	**17 908**	
Closing balance		**4 475**	**4 909**	**3 472**	**12 856**	II. 1

III. 6. 2. GOODWILL/ IN THOUSANDS OF EUROS

	Note	2010	2009
Opening balance		**17 557**	**17 603**
Additions			
Disposals			
Sales			
Transfers			
Effect of foreign currency exchange differences		-1	-5
Acquired through business combinations			
Amortisation expense			
Impairment losses recognised in profit or loss			
Movement on held for sale/abandoned		26	-41
Closing balance	II. 1	**17 582**	**17 557**

Allocation to segments 2010	
Coating	10 951
Apparel	2 378
Industrial application	
Chemicals	4 253

Allocation to segments 2009	
Coating	10 924
Apparel	2 380
Industrial application	
Chemicals	4 253

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

> Coating division
> Apparel division
> Chemicals division
> Industrial applications division.

The carrying amount of goodwill acquired in a business combination is allocated on a reasonable and consistent basis to each division, in conformity with IAS 36. For the discount factors used, applied in the value in use model, we refer to III.2.5.1. Impairment analysis 2010. Management bases its assumptions on past performances and on its expectations over the coming years. An impairment analysis has been done at the end of 2010. No impairments losses have been recognized in the year.
There were no significant goodwill movements in 2010.

III. 6. 3. PROPERTY, PLANT AND EQUIPMENT

During 2010, the total additions of property, plant and equipment amounted to EUR 7.1 million. No capital grants were received in 2010.

The main additions in 2010 were:
> EUR 4.0 million: investment in infrastructure, building and machinery at Fabrics Calendaring
> EUR 0.4 million: machinery at Saint Freres Enduction
> EUR 0.4 million: new showroom (coating) at Sioen Industries
> EUR 0.4 million: machinery in Indonesia
> EUR 0.2 million: building adjustment at Sioen Industries (spinning department)

During 2009, the total additions of property, plant and equipment amounted to EUR 8.6 million. No capital grants were received in 2009.

The main additions in 2009 were:
> EUR 3.4 million: investment in new buildings and infrastructure at Sioen Industries (Fibres) and Coatex NV
> EUR 0.8 million: investment in infrastructure, building and machinery at Fabrics Calendaring
> EUR 0.5 million: machinery and infrastructure at Sioen Felt & Filtration
> EUR 0.4 million: land at Sioen Industries (Coating)
> EUR 0.2 million: machinery at Saint Freres Enduction

In 2009, the assets under construction relate to the finance lease (III.6.12) of buildings at Sioen Industries (Fibres) and Coatex, that came into use in July 2009.

Since 2009, the buildings in Ath and in Meyzieu were no longer depreciated as they are considered to be at their residual value. Both buildings have been sold in 2010. The gain on the transactions is not substantial.

Buildings for rent are classified as investment property (see note III.6.4).

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

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

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

III. 6. 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)/ IN THOUSANDS OF EUROS

2010	Land	Buildings	Plant, machinery and equipment	Furniture, vehicles and hardware	Leasing and other similar obligations	Assets under construction	Total	Note
ACQUISITION								
Opening balance	**15 586**	**67 072**	**176 319**	**13 822**	**30 158**	**24**	**302 981**	
Additions	52	1 918	4 774	294	40		**7 078**	
Disposals		-2 314	-10 257	-548			**-13 119**	
Sales	-507	-2 148	-922	-233			**-3 810**	
Transfers			9	16		-25		
Effect of foreign currency exchange differences	25	402	568	226	11	2	**1 234**	
Acquired through business combinations								
Depreciation								
Impairment losses recognised in profit or loss								
Transfer to investment property								
Movement on held for sale	-624	-689	1 715	138	-11		**529**	
Closing balance	**14 532**	**64 241**	**172 206**	**13 716**	**30 198**		**294 893**	
IMPAIRMENT								
Opening balance		**9**	**1 500**				**1 509**	
Additions								
Disposals								
Sales								
Transfers								
Effect of foreign currency exchange differences		26	20				**46**	
Acquired through business combinations								
Depreciation								
Impairment losses recognised in profit or loss								
Transfer to investment property								
Movement on held for sale		-26	-20				**-46**	
Closing balance		**9**	**1500**				**1 509**	
DEPRECIATION								
Opening balance		**38 479**	**113 865**	**11 728**	**7 893**		**171 964**	
Additions								
Disposals		-2 268	-10 066	-625			**-12 959**	
Sales		-1 622	-801	-143			**-2 566**	
Transfers								
Effect of foreign currency exchange differences		-74	472	197	6		**602**	
Acquired through business combinations								
Depreciation		3 508	9 610	852	1 733		**15 702**	
Impairment losses recognised in profit or loss								
Transfer to investment property								
Movement on held for sale		-663	1 330	108	-62		**713**	
Closing balance		**37 360**	**114 410**	**12 116**	**9 570**		**173 456**	
NET BOOK VALUE								
Opening balance	**15 586**	**28 585**	**60 954**	**2 095**	**22 265**	**24**	**129 508**	II.1
Closing balance	**14 532**	**26 871**	**56 296**	**1 600**	**20 628**		**119 928**	II.1

2009	**Land**	**Buildings**	**Plant, machinery and equipment**	**Furniture, vehicles and hardware**	**Leasing and other similar obligations**	**Assets under construction**	**Total**	**Note**
ACQUISITION								
Opening balance	**17 533**	**78 567**	**184 399**	**14 727**	**23 516**	**6 306**	**325 047**	
Additions	417	1 111	3 248	494	1 600	1 774	**8 644**	
Disposals		-56	-134	-74			**-263**	
Sales			-342	-289	-131		**-762**	
Transfers	31	2 524			5 495	-8 050		
Effect of foreign currency exchange differences	-6	-126	-238	-81	-3	-1	**-454**	
Acquired through business combinations								
Depreciation								
Impairment losses recognised in profit or loss								
Transfer to investment property	-2 165	-13 494					**-15 659**	
Reclassified as held for sale/abandoned	-224	-1 454	-10 614	-955	-319	-6	**-13 572**	
Closing balance	**15 586**	**67 072**	**176 319**	**13 822**	**30 158**	**24**	**302 981**	
IMPAIRMENT								
Opening balance			**1 500**				**1 500**	
Additions								
Disposals								
Sales								
Transfers								
Effect of foreign currency exchange differences			32				**32**	
Acquired through business combinations								
Depreciation								
Impairment losses recognised in profit or loss	224	957	3 010				**4 190**	
Transfer to investment property								
Reclassified as held for sale/abandoned	-224	-948	-3 042				**-4 214**	
Closing balance		**9**	**1 500**				**1 509**	
DEPRECIATION								
Opening balance		**42 530**	**109 963**	**12 104**	**7 790**		**172 387**	
Additions								
Disposals			-125	-60			**-185**	
Sales		-7	-238	-205	-131		**-582**	
Transfers	132	1 126			-1 258			
Effect of foreign currency exchange differences		-1	-92	-65			**-159**	
Acquired through business combinations								
Depreciation		3 579	10 775	915	1 678		**16 946**	
Impairment losses recognised in profit or loss								
Transfer to investment property	-132	-8 244					**-8 377**	
Reclassified as held for sale/abandoned		-503	-6 418	-961	-186		**-8 068**	
Closing balance		**38 479**	**113 865**	**11 728**	**7 893**		**171 964**	
NET BOOK VALUE								
Opening balance	**17 533**	**36 037**	**72 936**	**2 623**	**15 725**	**6 306**	**151 160**	
Closing balance	**15 586**	**28 585**	**60 954**	**2 095**	**22 265**	**24**	**129 508**	II.1

III. 6. 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

III.6.3.1 ASSETS PLEDGED AS SECURITY

There are no mortgages secured on the property, plant and equipment. The Group's obligations under finance leases (see note III.6.12) are secured by the lessor's title to the leased assets.

III.6.3.2. IMPAIRMENT LOSSES RECOGNISED

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

An impairment analysis has been done at the end of 2010.
No impairments were recorded.
We refer to III.2.5.1. Impairment analysis 2010.

In 2009, the Group carried out a review of the recoverable amount of its manufacturing plant and equipment. The review led to the recognition of an impairment loss of EUR 4.2 million, which has been recognised in profit or loss (discontinued operations). This reflects measurement at fair value less costs to sell. The recoverable amount of the other relevant assets has been determined on the basis of their value in use.

When related to continued operations, impairment losses are included in the line item non recurring result in the statement of comprehensive income.

III.6.3.3 CONTRACTUEL COMMITMENTS

At 31 December 2010 and 31 December 2009, the Group did not have any material contractual commitments for the acquisition of property, plant & equipment.

III. 6. 4. INVESTMENT PROPERTY/ IN THOUSANDS OF EUROS

Investment property was transferred from property, plant and equipment to investment property following the adoption of amendments to IAS 40 Investment Property resulting from improvements to IFRSs issued in May 2008.

	Note	2010	2009
ACQUISITION			
Opening balance		**7 282**	
Additions			
Disposals			
Sales			
Transfers			
Effect of foreign currency exchange differences		288	
Acquired through business combinations			
Depreciation			
Impairment losses recognised in profit or loss			
Transfer to investment property			7 282
Closing balance		**7 570**	**7 282**
DEPRECIATION			
Opening balance			
Additions			
Disposals			
Sales			
Transfers			
Effect of foreign currency exchange differences		359	
Acquired through business combinations			
Depreciation			
Impairment losses recognised in profit or loss			
Transfer to investment property			
Closing balance		**359**	
NET BOOK VALUE			
Opening balance	II. 1	**7 282**	
Closing balance	II. 1	**7 211**	**7 282**

Investment property relates to industrial buildings in the Netherlands, Poland and USA, which are kept for rental income.
There were no significant movements in 2010.
In 2010 total rental income amounted to EUR 0.6 million.
Direct operation expenses relative to those industrial buildings amounted to EUR 0.2 million.
In 2009 total rental income amounted to EUR 0.6 million.
Direct operation expenses relative to those industrial buildings amount to EUR 0.1 million.

III. 6. 5. SUBSIDIARIES

DETAILS OF THE COMPANY'S SUBSIDIARIES AT 31 DECEMBER 2010 ARE AS FOLLOWS:

			% holding		
			2010	2009	
Sioen Industries n.v.	Belgium	Ardooie	100.00%	100.00%	Group/coating
Saint Frères s.a.s.	France	Flixecourt	99.97%	99.97%	coating
Sioen Shanghai	China	Shanghai	100.00%	100.00%	coating
Sioen Fabrics s.a.	Belgium	Moeskroen	100.00%	100.00%	coating
Siofab s.a.	Portugal	Santo Tirso	100.00%	100.00%	coating
Veranneman Technical Textiles n.v.	Belgium	Ardooie	98.72%	98.72%	coating
Pennel Automotive s.a.s.	France	Roubaix	100.00%	100.00%	coating
TIS n.v.	Belgium	Temse	100,00%	100.00%	coating
Sioen n.v.	Belgium	Ardooie	99.60%	99.60%	apparel
Confection Tunisienne de Sécurité s.a.	Tunisia	Tunis	89.17%	89.25%	apparel
Gairmeidi Caomhnaithe Dhun Na nGall Teoranta Ltd.	Ireland	Derrybeg	100.00%	100.00%	apparel
Mullion Manufacturing Ltd.	United Kingdom	Scunthorpe	100.00%	100.00%	apparel
P.T. Sioen Indonesia	Indonesia	Jakarta	100.00%	100.00%	apparel
P.T. Sungintex	Indonesia	Jakarta	100.00%	100.00%	apparel
Sioen France s.a.s.	France	Narbonne	99.83%	99.83%	apparel
Sioen Tunisie s.a.	Tunisia	Tunis	99.83%	99.83%	apparel
Sioen Zaghouan s.a.	Tunisia	Zaghouan	99.50%	99.50%	apparel
Inducolor s.a.	Belgium	Meslin-L'Evêque	100.00%	100.00%	chemicals
European Master Batch n.v.	Belgium	Bornem	100.00%	100.00%	chemicals
Richard s.a.s.	France	Lomme	99.98%	99.98%	chemicals
Coatex n.v.	Belgium	Poperinge	100.00%	100.00%	industrial applications
Saint Frères Confection s.a.s.	France	Flixecourt	100.00%	100.00%	industrial applications
Sioen Felt & Filtration s.a.	Belgium	Luik	100.00%	100.00%	industrial applications
Roland International b.v.	The Netherlands	Tegelen	100.00%	100.00%	industrial applications
Monal s.a.	Luxemburg	Luxemburg	100.00%	100.00%	industrial applications
Roltrans Group b.v.	The Netherlands	Tegelen	100.00%	100.00%	industrial applications
Roltrans Group America Inc.	USA	Arlington	100.00%	100.00%	industrial applications
Roland Planen GmbH	Germany	Werlte	100.00%	100.00%	industrial applications
Roland International Polska Sp.z.o.o.	Poland	Konin	100.00%	100.00%	industrial applications
Roland Ukraine Llc.	Ukraine	Rivne	100.00%	100.00%	industrial applications
Roland International Ltd.	United Kingdom	Shipley	100.00%	100.00%	industrial applications

Changes with respect to 2009:
> In 2010 Sioen Nordifa s.a. changed into Sioen Felt & Filtration s.a.
> In 2009 all Belgian direct coating activities are merged into the listed parent company Sioen Industries n.v.. Sioen Coating n.v., Sioen Coating Distribution n.v. and Sioen Fibres s.a. are absorbed by Sioen Industries n.v..
> Official name of Donegal Protective Clothing (annual report 2009) Ltd. is Gairmeidi Caomhnaithe Dhun Na nGall Teoranta

III. 6. 6. LONG TERM RECEIVABLES/ IN THOUSANDS OF EUROS

2010	Opening balance	Increase	Decrease	Fair value adjustment	Closing balance	Note
Trade debtors LT	15		-2		13	
Trade debtors LT: revaluation						
Trade debtors LT: impairment						
Trade debtors ico LT						
Long term trade receivables	**15**		**-2**		**13**	II.1

2009	Opening balance	Increase	Decrease	Fair value adjustment	Closing balance	Note
Trade debtors LT	17	3	-5		15	
Trade debtors LT: revaluation						
Trade debtors LT: impairment						
Trade debtors ico LT						
Long term trade receivables	**17**	**3**	**-5**		**15**	II.1

The term of these trade receivables is between two and three years. These long term receivables have been valued at their net present value. The carrying amount approaches the fair value as per 31 December 2010. The agreed payments are discounted at a rate of 8%.

III.6.7. OTHER LONG TERM ASSETS/ IN THOUSANDS OF EUROS

2010	Opening balance	Increase	Decrease	Classified as held for sale	Effect of foreign currency exchange differences	(Other) movements or adjustments	Closing balance	Note
Affiliated enterprises: amounts receivable								
Other shares: acquisition								
Guarantees and deposits: acquisition	565	17	-132		3		453	
Other amounts receivable LT: acquisition								
Retirement benefit plans						220	220	
Other long term assets	**565**	**17**	**-132**		**3**	**220**	**673**	II.1

2009	Opening balance	Increase	Decrease	Classified as held for sale	Effect of foreign currency exchange differences	(Other) movements or adjustments	Closing balance	Note
Affiliated enterprises: amounts receivable								
Other shares: acquisition								
Guarantees and deposits: acquisition	533	41	-5	-7	3		565	
Other amounts receivable LT: acquisition	812		-801	-10				
Other long term assets	**1 345**	**41**	**-806**	**-17**	**3**		**565**	II.1

As in previous years these other long term assets mainly consist of VAT deposits.
In 2010 surplus on funded retirement benefit plans has been disclosed as a separate other long term assets line while in previous years this has been netted with the retirement benefit obligations. We refer to note III.6.14 Retirement benefit plans.
In 2009 the long term receivable within the division industrial applications (prepaid rent) has been put to zero following insufficient repayment capacity at the third party. The impairment loss has been included in the line item non recurring result in the statement of comprehensive income of that period.

III. 6. 8. INVENTORIES/ IN THOUSANDS OF EUROS

	Note	2010	2009
Gross Inventory			
Raw materials		23 796	21 969
Consumables		138	157
Work in progress		2 460	1 976
Finished goods		54 686	49 559
Goods in transit		3 920	3 701
		85 000	**77 362**
Amounts written off			
Amounts written off raw materials		-3 002	-3 686
Amounts written off consumables			
Amounts written off work in progress			
Amounts written off finished goods		-3 791	-4 750
Amounts written off goods in transit			
		-6 793	**-8 436**
NET INVENTORY			
Raw materials		20 795	18 283
Consumables		138	157
Work in progress		2 460	1 976
Finished goods		50 895	44 809
Goods in transit		3 919	3 701
	II.1	**78 207**	**68 926**

Amounts written of inventory	2009	write-down	reversal	Exchange rate differences	(Other) movements or adjustments	2010
	8 436	394	-2 201	164		**6 793**

Amounts written of inventory	2008	write-down	reversal	Exchange rate differences	(Other) movements or adjustments	2009
	8 335	167	- 102	36		**8 436**

Gross inventories (excluding write-offs) in respect of continuing operations increased by EUR 7.6 million compared with 2009. Inventory increased as a result of increased activity.

Obsolescence reserves on inventories in respect of continuing operations decreases by EUR 1.6 million and amount to EUR 6.8 million at the end of 2010 compared with EUR 8.4 million at the end of 2009. The decrease is mainly explained by the clean up and sale of slow rotating inventory items, mainly related to the division apparel.

There was no significant write-down of obsolete inventory to net realisable value in 2010.
These obsolescence reserves are recorded on the basis of a detailed ageing and rotation analysis per unit.

III. 6. 9. TRADE RECEIVABLES/ IN THOUSANDS OF EUROS

2010		Note
Trade receivables	51 519	
Subtotal trade receivables	**51 519**	
Impairment trade receivables doubtful	-1 780	
TOTAL FINANCIAL INSTRUMENT 'TRADE RECEIVABLES'	**49 739**	II.1
Gross trade receivables held for sale	5 148	
Total gross trade receivables	**56 667**	
Impairment trade receivables held for sale	-2 439	
TRADE RECEIVABLES HELD FOR SALE	**2 709**	III. 6. 16

	Outstanding		Balance turnover	
Customer 1	4 158	7.3%	9 464	3.2%
Customer 2	1 494	2.6%	2 459	0.8%
Customer 3	1 325	2.3%	3 703	1.2%
Customer 4	1 185	2.1%	3 395	1.1%
Customer 5	954	1.8%	5 645	1.9%
Other	47 551	83.9%	275 521	91.8%
TOTAL	**56 667**	**100.0%**	**300 187**	**100.0%**

AGEING (PAST DUE BUT NOT IMPAIRED)	1 - 15 Days	16 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days
Subtotal trade receivables	5 053	1 032	651	172	185	98

IMPAIRMENT TRADE RECEIVABLES DOUBTFUL	Opening balance	Increase	Decrease	Write offs	Foreign exchange translation gains and losses	Allocation to held for sale	Closing balance
	2 301	433	-624	-455	7	118	**1 780**

Trade receivables include EUR 51.5 million to be received from the sale of goods. Compared to last year, trade receivables increased due to increased business activity.

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

An impairment is accounted for the amounts due that are defined as doubtful, amounting to EUR 1.8 million.

An impairment for overdue trade receivables is recorded progressively in relation to the age of the receivables. An impairment is also recorded for trade receivables that exceed the internal credit limit. The impairment is recorded in 'sales & marketing expenses' in the consolidated statement of comprehensive income by function.

As of 1/4/2005 the Group decided to cover itself for credit risk by concluding an excess of loss credit insurance. The average credit period on sales of goods is about 72.6

2009		Note
Gross trade receivables	44 500	
Subtotal gross trade receivables	**44 500**	
Impairment trade receivables doubtful	-2 301	
TOTAL FINANCIAL INSTRUMENT 'TRADE RECEIVABLES'	**42 199**	II.1
Gross trade receivables related to discontinued operations	6 057	
Total gross trade receivables	**50 557**	
Impairment trade receivables related to discontinued operations	-2 557	
TRADE RECEIVABLES HELD FOR SALE	**3 500**	III.6. 16

	Outstanding		**Balance turnover**	
Customer 1	4 366	8.6%	8 814	3.3%
Customer 2	2 301	4.6%	1 924	0.7%
Customer 3	1 049	2.1%	2 795	1.1%
Customer 4	904	1.8%	2 980	1.1%
Customer 5	820	1.6%	2 108	0.8%
Other	41 117	81.3%	245 866	93.0%
TOTAL	**50 557**	**100.0%**	**264 487**	**100.0%**

AGEING (PAST DUE BUT NOT IMPAIRED)	**1 - 15 Days**	**16 - 30 Days**	**31 - 60 Days**	**61 - 90 Days**	**91 - 120 Days**	**> 120 Days**
Subtotal trade receivables	6 307	1 622	1 538	774	162	91

IMPAIRMENT TRADE RECEIVABLES DOUBTFUL	**Opening balance**	**Increase**	**Decrease**	**Write offs**	**Foreign exchange translation gains and losses**	**Allocation to discontinued operations**	**Closing balance**
	4 320	1 578	- 542	- 486	- 12	-2 557	**2 301**

days. Generally no interest is charged on the overdue trade receivables except when legal procedures are started.

Before accepting any new customer, the Group uses an internal credit scoring system, based on internal and external information, to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed continuously. There are no customers who represent more than 8% of the total balance of trade receivables.

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

III. 6. 10. OTHER CURRENT ASSETS/ IN THOUSANDS OF EUROS

OTHER RECEIVABLES

	Note	2010	2009
FINANCIAL ASSETS			
Advances		152	109
Insurance premiums receivable			
NON-FINANCIAL ASSETS			
VAT receivable		2 552	1 574
Tax prepayment		490	1 144
Capital grants receivable			
Other		1 390	309
TOTAL OTHER RECEIVABLES	II.1	**4 584**	**3 135**

Other receivables consist primarily of VAT to be reclaimed amounting to EUR 2.6 million, pre-paid taxes amounting to EUR 0.5 million and EUR 1.4 million other mainly related to various amounts receivables in different companies of the Group.

OTHER FINANCIAL ASSETS

	Note	2010	2009
Other investments and deposits		3 014	
Options			288
TOTAL OTHER FINANCIAL ASSETS	II.1	**3 014**	**288**

Other investments and deposits relate to deposits between 3 months and 6 months. The book value of the deposit reflects the estimated market value.

The options (on SICAV based shares), related to 2009, are held to hedge (one-on-one basis) the obligations generated.

CASH AND CASH EQUIVALENTS

	Note	2010	2009
Cash at bank		17 653	29 494
Overnight deposits		19 500	13
At hand		216	67
TOTAL CASH AND CASH EQUIVALENTS	II.1	**37 369**	**29 574**

Overnight deposits relate to deposits shorter than 3 months. The book value of the deposit reflects the estimated market value.

DEFERRED CHARGES AND ACCRUED INCOME

	Note	2010	2009
Deferred charges		1 380	1 210
Other		205	287
TOTAL DEFERRED CHARGES AND ACCRUED INCOME	II.1	**1 585**	**1 498**

Deferred charges amounting to EUR 1.4 million consist primarily of pre-paid rent, insurance policies and IT maintenance contracts.

III. 6. 11. BORROWINGS/ IN THOUSANDS OF EUROS

	Note	2010	2009
Bond		99 360	99 200
Bank loans			1 071
Other loans		3	129
TOTAL BORROWINGS LONG TERM	II.1	**99 363**	**100 400**
Current portion of amounts payable after one year		*1 071*	*1 429*
Credit institutions short term		*11 933*	*15 061*
Bank loans		13 004	16 490
Other loans		126	134
TOTAL BORROWINGS SHORT TERM	II.1	**13 130**	**16 623**

2010	Minimum loan payments	Present value of loan payments
Loan payments due within one year	17 873	13 130
In two years	4 750	3
In three years	4 750	
In four years	4 750	
In and after five years	109 500	99 360
TOTAL LOAN PAYMENTS	**141 623**	**112 493**
Future financial charges	6 656	
Present value of loan obligations	119 149	119 149
Less amount due for settlement within 12 months		13 130
Amount due for settlement after 12 months		99 363

2009	Minimum loan payments	Present value of loan payments
Loan payments due within one year	21 463	16 623
In two years	5 846	1200
In three years	4 750	
In four years	4 750	
In and after five years	114 250	99 200
TOTAL LOAN PAYMENTS	**151 059**	**117 024**
Future financial charges	7 100	
Present value of loan obligations	124 124	124 124
Less amount due for settlement within 12 months		16 623
Amount due for settlement after 12 months		100 400

III. 6. 11. BORROWINGS (CONTINUED)

LONG-TERM

The weighted average interest rate of long-term debts (including obligations under finance leases, see III.6.12) in 2010 amounts to 4.75% compared to 4.70% in 2009. All long-term loans have a fixed interest rate.

On 14/03/2006, a EUR 100 million bond listed on Eurolist by Euronext Brussels was successfully issued, with a ten-year term and fixed coupon interest of 4.75%. To cover the interest rate on this bond issue, an IRS (Interest Rate Swap) was concluded on 20 December 2005. This IRS is described in note III. 6. 28 Financial risk management, and designated as 'cash flow hedging'. The effective combined interest rate on the EUR 100 million bond is 4.72%.

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

SHORT-TERM

As per 31/12/2010, short-term loans amounted to EUR 11.9 million (including the short term portion of the bond). There were no EUR straight loans. Straight loans in USD amounted to USD 10.8 million with a weighted average interest rate of 1.4%.

As per 31/12/2009, short-term loans amounted to EUR 15.1 million (including the short term portion of the bond). There were no EUR straight loans. Straight loans in USD amounted to USD 16.3 million with a weighted average interest rate of 1.7%.

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

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

III. 6. 12. OBLIGATIONS UNDER FINANCE LEASES/ IN THOUSANDS OF EUROS

2010	Note	Value at the end of the year	Within one year	2 years	3 years	4 years	5 years	after 5 years
Leasing and other similar obligations LT	II.1	16 953		2 614	2 751	2 668	1 934	6 986
Current portion of leasing		2 719	2 719					
Leasing short term		20	20					
OBLIGATIONS UNDER FINANCIAL LEASES		**19 692**	**2 739**	**2 614**	**2 751**	**2 668**	**1 934**	**6 986**

	Minimum lease payments	Present value of lease payments	Note
Lease payments due within one year	3 407	2 739	
In two years	3 407	2 614	
In three years	3 407	2 751	
In four years	3 183	2 668	
In and after 5 years	10 824	8 920	
TOTAL LEASE PAYMENTS	**24 228**	**19 692**	
Future financial charges	4 787		
Present value of lease obligations	24 113	24 113	
Less amount due for settlement within 12 months		2 739	II. 1
Amount due for settement after 12 months		16 953	II. 1

2009	Note	Value at the end of the year	Within one year	2 years	3 years	4 years	5 years	after 5 years
Leasing and other similar obligations LT	II.1	19 401		2 762	2 609	2 681	2 431	8 918
Current portion of leasing		2 794	2 794					
Leasing short term		27	27					
OBLIGATIONS UNDER FINANCIAL LEASES		**22 222**	**2 821**	**2 762**	**2 609**	**2 681**	**2 431**	**8 918**

	Minimum lease payments	Present value of lease payments	Note
Lease payments due within one year	3 398	2 821	
In two years	3 398	2 762	
In three years	3 398	2 609	
In four years	3 398	2 681	
In and after 5 years	13 996	11 349	
TOTAL LEASE PAYMENTS	**27 588**	**22 222**	
Future financial charges	5 440		
Present value of lease obligations	27 083	27 083	
Less amount due for settlement within 12 months		2 821	II. 1
Amount due for settement after 12 months		19 401	II. 1

The Group leases some of its buildings (Ardooie, Moeskroen and Poperinge). There were no new financial leases in 2010.

The interest inherent in the leases is fixed for the entire lease term. The average effective interest rate contracted is approximately 4.94% p.a. (2009 4.93% p.a.).

III. 6. 13. PROVISIONS/ IN THOUSANDS OF EUROS

2010	Opening balance	Additional provision recognised	Reductions arising from payments	Reversal	Exchange rate differences	Acquired via business combination	Classified as related to discontinued operations	Unwinding of discount and effect of changes in the discount rate	Closing balance	Note
Provisions for environmental issues	2 162	373	-176	-13			-1 992		354	
Provisions for other liabilities and charges	2 574	255	-1 764	-630					435	
TOTAL PROVISIONS	**4 736**	**628**	**-1 940**	**- 643**			**-1 992**		**789**	
	More than one year	Within one year								
Provisions for environmental issues		354								
Provisions for other liabilities and charges	74	361								
TOTAL PROVISIONS	**74**	**715**								II. 1

2009	Opening balance	Additional provision recognised	Reductions arising from payments	Reversal	Exchange rate differences	Acquired via business combination	Classified as related to discontinued operations	Unwinding of discount and effect of changes in the discount rate	Closing balance	Note
Provisions for environmental issues	2 763		-620				-78	97	2 162	
Provisions for other liabilities and charges	2 527	3 164	-958	-451	1		-1 709		2 574	
TOTAL PROVISIONS	**5 290**	**3 164**	**-1 578**	**-451**	**1**		**-1 787**	**97**	**4 736**	
	More than one year	Within one year								
Provisions for environmental issues	1 132	1 031								
Provisions for other liabilities and charges	114	2 461								
TOTAL PROVISIONS	**1 245**	**3 491**								II.1

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

The provisions for environmental issues consist mainly of a provision relating to the sanitation of polluted soils in Temse belonging to TIS NV and the land in Ardooie belonging to Sioen Industries NV. The risk in Temse originates in the period before the takeover. The risk in Ardooie was identified during the periodical environmental check-up of the site. These provisions are mainly set up for more than one year and are discounted using the weighted average capital cost (9.4%) of the coating division. In 2010 the Group decided to dispose part of its property for which a provision for sanitation was set up. The provision for sanitation has been classified as abandoned in 2010. We refer to notes III.6.16. Assets and liabilities related to discontinued operations.

Provisions for other liabilities and charges at the beginning of the period mainly related to a provision for reimbursement of grants from the French authorities in the coating division (EUR 2.2 million). Additionally, a restructuring provision has been set-up in 2009 for the discontinued operations in Roubaix (Specialised automotive foils in small batches).

GOVERNMENT GRANTS REPAYMENT EU CONVICTION FRANCE

Between 1994 and 2003, several companies in France were given temporary tax advantages following article 44-septies of the General Tax Code in France. Such tax advantages were given to Saint Frères Enduction and Saint Frères Confection after the acquisition by the Group in 1996, amounting to EUR 2.2 million. However, in 2003 the European Commission considered this advantages not to be compliant to the communautary law and requested France to recover the tax advantages allowed. The General European Court confirmed this recovery obligation on 13 November 2008. French authorities finally claimed in 2009.
In 2010 EUR 1.6 million had been paid to the France in order to settle the claim. The remaining part of the original provision has been reversed.

III. 6. 14. RETIREMENT BENEFIT PLANS / IN THOUSANDS OF EUROS

	Note	2010	2009
The following net liabilities are recognised for post-employment and other long term benefits:			
Post-employment benefits (defined benefit plans)		1 524	999
Other long term benefits (jubilee benefits)			
TOTAL		**1 524**	**999**
Long term	II.1	1 524	960
Short term	II.1		39
The amounts recognised in the balance sheet with respect to defined benefit plans are as follows:			
Present value of defined obligation for funded plans		195	200
Fair value of plan assets		-415	-400
(Surplus)/deficit for funded plans		***-220***	***-200***
Present value of defined benefit obligation for unfunded plans		2 040	1 487
Unrecognised actuarial gains/(losses)		-514	-285
Unrecognised past service cost		-2	-3
Any amount not recognised as an asset due to the asset ceiling			
Net liability/(asset)		**1 304**	**999**
of which liabilities		1 524	1 200
of which assets		-220	-201
The amounts recognised in profit or loss are as follows:			
Current service cost		205	203
Interest cost		152	137
Expected return on plan assets		-18	-17
Past service cost		11	1
Actuarial (gains)/losses recognised		-18	-67
Losses/(gains) on curtailments		-110	-331
Losses/(gains) on settlements			
Effect of the asset ceiling			
Benefit expense		**222**	**-74**
The actual return on plan assets amounts to:		**14**	**15**
The changes in the present value of the defined benefit obligation are as follows:			
Benefit obligation at beginning of year		**1 687**	**1 436**
Service cost (net of participants' contributions)		205	203
Interest cost		152	137
Plan participants contributions			
Past service cost		10	
Liabilities assumed in a business combination			
Liabilities extinguished on settlements			
Losses/(gains) on curtailments		-138	-333
Actuarial losses/(gains)		195	197
Benefits paid (actual)		-22	-22
Currency		146	68
Benefit obligation at end of year		**2 235**	**1 687**
unfunded plans		2 040	1 487
funded plans		195	200

	Note	2010	2009
The changes in the fair value of plan assets are as follows:			
Fair value of plan assets at beginning of year		**400**	**385**
Expected return on plan assets		19	17
Company contributions /Direct benefit payments		22	22
Plan participants contributions			
Assets acquired in a business combination			
Assets distributed on settlements			
Actuarial gains/(losses)		-4	-2
Benefits paid		-22	-22
Currency			
Fair value of plan assets at end of year		**415**	**400**
The expected contributions for the following year equal:		**22**	**22**
The plan assets consist of:			
Bonds			
Equities			
Real estate			
Cash			
Other (insurance contracts)		415	400
The expected rate of return is determined based on the rate of return provided by insurance companies			
The experience adjustments for the current and previous annual period amount to:			
Present value of defined benefit obligation		2 235	1 687
Fair value of plan assets		-415	-400
(Surplus)/deficit		***1 820***	***1 287***
Experience adjustments on plan liabilities		-67	24
Experience adjustments on plan assets		-4	-2

The key actuarial assumptions at the balance sheet date (expressed as weighted averages) are:

	2010		2009	
	EUROZONE	INDONESIA	EUROZONE	INDONESIA
Discount rate	4.68%	8.50%	5.09%	10.00%
Rate of compensation increase	1.50%	8.00%	1.00%	8.00%
Expected rate of return	4.50%		4.50%	

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

In accordance with law and practice in each country, associated entities have either defined benefit plans or defined contribution plans.

DEFINED CONTRIBUTION PLANS

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

DEFINED BENEFIT PLANS

In defined benefit plans, the amount on the balance sheet (the ‘net liability’) corresponds to the present value of the gross liability, adjusted for unrecorded actuarial gains and losses, after deduction of the fair value of the plan investments and unrecorded prior service costs.

The discounted value of the liability associated with defined pension rights and the assigned pension costs associated with the year of service and prior service pension costs are calculated by accredited actuaries using the projected unit credit method. Defined benefit plans mainly relate to pension liabilities in France, where such plans are required by law.

III. 6. 15. TRADE AND OTHER PAYABLES/ IN THOUSANDS OF EUROS

TRADE AND OTHER PAYABLES

	Note	2010	2009
Trade payables		30 846	24 284
Credit notes to receive		-894	-621
Advances		442	500
TOTAL TRADE AND OTHER PAYABLES	II.1	**30 394**	**24 163**

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

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

OTHER DEBTS UP TO ONE YEAR

	Note	2010	2009
Current income tax liabilities	II.1	1 069	2 040
Social debts	II.1	8 697	7 724
Other	II.1	4 854	4 849
Accrued charges & deferred income	II.1	1 459	1 374
TOTAL OTHER DEBTS UP TO ONE YEAR		**16 079**	**15 988**

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

III. 6. 16. ASSETS AND LIABILITIES RELATED TO DISCONTINUED OPERATIONS/ IN THOUSANDS OF EUROS

The major assets and liabilities of the discontinued operations at the end of the reporting period are as follows:

			ABANDONED	HELD FOR SALE	
2010	**Note**	**Total**	**Specalised automotive foils in small batches**	**Property coating**	**End-market truck cover**
Intangible assets		50			50
Goodwill		15			15
Property, plant and equipment		1 428		624	804
Inventories		2 668			2 668
Trade receivables		2 709			2 709
Other receivables		183			183
Cash and cash equivalents		517			517
TOTAL ASSETS RELATED TO DISCONTINUED OPERATIONS	II.1	**7 570**		**624**	**6 946**
Provisions		2 924	872	1 992	60
Trade and other payables		512			512
Current income tax liabilities		368			368
Deferred tax liabilities					
Other amounts payable		400			400
TOTAL LIABILITIES RELATED TO DISCONTINUED OPERATIONS	II.1	**4 204**	**872**	**1 992**	**1 340**
NET ASSETS RELATED TO DISCONTINUED OPERATIONS		**3 366**	**-872**	**-1 368**	**5 606**

			ABANDONED	HELD FOR SALE	
2009	**Note**	**Total**	**Specalised automotive foils in small batches**	**Property coating**	**End-market truck cover**
Intangible assets		62	1		61
Goodwill		41	26		15
Property, plant and equipment		1 290	238		1 052
Inventories		4 986	1 461		3 525
Trade receivables		3 500	1 158		2 343
Other receivables		655	99		556
Cash and cash equivalents		649	168		480
TOTAL ASSETS RELATED TO DISCONTINUED OPERATIONS	II.1	**11 184**	**3 152**		**8 032**
Provisions		1 788	1 187		600
Trade and other payables		884	373		512
Current income tax liabilities		301	58		243
Deferred tax liabilities		1			1
Other amounts payable		524	185		340
TOTAL LIABILITIES RELATED TO DISCONTINUED OPERATIONS	II.1	**3 498**	**1 802**		**1 696**
NET ASSETS RELATED TO DISCONTINUED OPERATIONS		**7 686**	**1 350**		**6 336**

In 2010 property, previously used in the coating division, has been classified as held for sale.

III. 6. 17. FINANCIAL INSTRUMENTS/ IN THOUSANDS OF EUROS

	2010		2009	
	Nominal value [1]	Fair Value	Nominal value [1]	Fair Value
Forward sales contracts				
Forward sales contracts within 1 year				
Rights				
Obligations	12 556	-221	4 634	-13
IRS Forward				

(1) Nominal value equals foreign currency amount * contract rate

FIXED RATE (EUR)	Nominal value [1]	Fair value
Bond	100 000	99 441
Borrowing costs capitalised	-879	
Finance leases	19 672	19 366
Bank loans	1 071	1 070
Total	**119 865**	**119 877**

(1) Nominal value equals foreign currency amount * contract rate

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

FAIR VALUE

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

NON-DERIVATIVE FINANCIAL LIABILITIES

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

As shown in the fair value analysis, Sioen Industries is now in an overall favourable position concerning interest rate conditions compared to the actual fair values of the loans.

III. 6. 18. DEFERRED TAXES/ IN THOUSANDS OF EUROS

	Note	2010	2009	2010	2009
		DEFERRED TAX ASSET		DEFERRED TAX LIABILITY	
Intangible assets		1 927	1 251	1 518	1 354
Property, plant and equipment		2 783	2 609	19 311	19 000
Inventories		409	430		
Trade receivables		1 014	1 322		
Other receivables					
Retirement benefit obligations		337	282		
Provisions		396	3 398		
Other amounts payable		12	12		
Exchange difference				1 667	2 531
Hedging reserves				265	309
Undistributed reserves				1	1
Tax losses carried forward		23 304	20 940		
TOTAL		**30 182**	**30 244**	**22 761**	**23 195**
Non recognition of deferred tax receivable		-13 665	-14 151		
Netting		-7 120	-12 821	-7 120	-12 822
TOTAL	II.1	**9 397**	**3 272**	**15 641**	**10 373**

THE TOTAL VALUE OF CARRIED-FORWARD TAX LOSSES ARRANGED BY EXPIRY DATE:	2010	2009
One year		
Two years	7 806	8 260
Three years	2 019	7 806
Four years	7 718	2 019
Five years and later	7 718	7 718
No expiry date	51 485	43 620
TOTAL	**76 746**	**69 424**
Of which:		
Unrecognised carried forward tax losses	42 322	46 170
Unrecognised deferred tax on undistributed reserves	3 093	2 905

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

The company recognizes deferred tax liabilities on undistributed reserves in affiliates unless there is a firm commitment not to distribute reserves from that particular affiliate in the foreseeable future. Management considers that reserves will not be distributed to the parent company unless this could be done at a zero tax rate.

RECONCILIATION OF MOVEMENT OF DEFERRED TAX:	2010	2009		
Net tax liability at the beginning of the period	7 101	12 564		
Net tax liability at the end of the period	6 244	7 101		
Difference	*-857*	*-5 463*		
Deferred tax as shown in the P&L	-940	-5 486		
Deferred tax effect through equity	35	39		
Deferred tax acquired via business combinations				
Deferred tax currency translation effect	48	-16		

III. 6. 19. RELATED PARTY TRANSACTIONS/ IN THOUSANDS OF EUROS

	Nature of transaction	2010
Recticel Group	Sale	1 504
Recticel Group	Purchase	172
INCH	Sale	1 065
SVB	Purchase	139

	Nature of transaction	2009
Recticel Group	Sale	1 094
Recticel Group	Purchase	171
INCH	Sale	1 062
SVB	Purchase	127

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

Other transactions with related parties other than directors are not included, given the negligible amount (under EUR 100 000). With regard to directors' remuneration, we refer to note III. 6. 30 Remuneration.

III.6.20. BUSINESS COMBINATIONS AND DISPOSAL OF SUBSIDIARIES / IN THOUSANDS OF EUROS

EFFECTS OF ACQUISITIONS AND DISPOSALS OF BUSINESS

2010

As per 1 January 2010, the Group sold a part of the truck cover business in the USA. The sales price exceeded the carrying value of business, classified as discontinued at the end of 2009. The gain on the transaction is not substantial.
Net assets (excluding the building) amount to EUR 0.8 million.

Roland Curtains USA Inc. & Roltrans Group America	
Intangible assets	57
Property plants and equipment	62
Inventories	461
Trade receivables	238
TOTAL NET ASSET VALUE	**818**

2009

There were no acquisitions and disposals in 2009.

III.6.21. CASH AND CASH EQUIVALENTS/ IN THOUSANDS OF EUROS

For the purposes of the statement of cash flows, cash and cash equivalents include cash at hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	Note	2010	2009
OTHER FINANCIAL ASSETS	II.1	**3 014**	
Cash and cash equivalents		37 397	30 083
Bank overdraft		-28	-509
CASH AND CASH EQUIVALENTS (EXCL. ASSETS RELATED TO DISCONTINUED OPERATIONS)	II.1	**37 369**	**29 574**
Cash and cash equivalents related to discontinued operations	III. 6. 16	517	649
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	II.3	**40 900**	**30 223**

III.6. 22. OPERATING LEASE ARRANGEMENTS/ IN THOUSANDS OF EUROS

	2010	2009
Amounts recognised in income	1 241	1 068
Payments due within one year	996	848
Between one and five years	1 444	1 115
Over five years	3	3
MINIMAL FUTURE PAYMENTS	**2 443**	**1 966**

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

III.6. 23. COMMITMENTS FOR EXPENDITURE

At the end of 2010 and 2009, there were no commitments for expenditure.

III.6.24. CONTINGENT ASSETS AND LIABILITIES

In 2010, the Group has realised the contingent assets which amounted to EUR 0.4 million (situation at the end of prior year). Contingent assets mainly related to the apparel division. On the other hand, the Group has contingent liabilities for a total amount of EUR 2.5 million compared to EUR 5.5 million at the end of 2009. The contingent liabilities mainly relate to commercial disputes in the coating division and a possible exposure related to import duties in Tunisia, for which management initiated voluntary regularisation. The liability related to the division industrial applications regarding an intellectual property claim in France has been settled in favor of the Group.

III.6.25. EVENTS AFTER THE REPORTING PERIOD

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

III.6.26. STAFF

Country	2010	2009
Belgium	835	824
China	16	15
Germany	7	6
France	197	212
Ireland	38	38
Indonesia	2 571	2 278
The Netherlands	12	16
Poland	170	149
Portugal	27	25
Tunisia	685	633
UK	20	25
USA		15
Ukraine	1	1
TOTAL	**4 579**	**4 237**
Blue Collar	3 781	3 484
White Collar	798	753
TOTAL	**4 579**	**4 237**

III.6.27. AUDIT AND NON AUDIT SERVICES

	Deloitte
	2010
Audit fees	**238 548**
Non audit fees by the auditor	
Legal missions	
Tax advice	
Other	6 445
Non audit services by linked Deloitte company	
Tax advice	52 949
Other	

III. 6. 28. FINANCIAL RISK MANAGEMENT

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

INTEREST RATE RISK

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

Sensitivity analysis of the fluctuation of the interest rate by 5%:
As per 31 December 2010, there was EUR 8.1 million of shortterm financing at floating rates with a weighted average of 1.4%. A 5% increase in interest rates, would impact the financial result with EUR 6 thousand more interest costs on an annual basis. In connection with the Group's refinancing, it was decided in December 2005 to enlist the support of the capital market via the issue of a EUR 100 million bond over ten years with fixed coupon interest. Because such an operation can easily take three months, and interest rates at the end of December 2005 were very attractive, Sioen concluded a ten-year IRS starting in April 2006, the presumed starting date of the bond. As this IRS can be regarded as effective cash flow hedging as per IAS39, the EUR 0.636 million negative market value fluctuation on 31/12/2005 of this IRS was deducted from equity. At 02/02/2006, the market value was up EUR 1.346 million, and it was realised following the hedge strategy at the moment of issuing of the bond. This received premium complies with the conditions for cash flow hedging defined in IAS39, and will be spread out over the term of the bond. The realised capital gain (EUR 1.346 million) was recognised in equity and is being taken into income over the life of the bond (10 years).

EXCHANGE RATE RISK

It is the Group's policy to hedge against exchange risks arising from financial and operating activities centrally. The risks are limited by compensating for transactions in the same currency ('natural hedging'), or by fixing exchange rates via forward contracts or options. The main currencies for the Sioen Group are GBP (inflow) and USD (outflow). In 2010, the GBP net inflow represents EUR 5.1 million (GBP 4.4 million) and the USD net outflow EUR 11.8 million (USD 15.6 million). As these volumes represent less than 10% of total net sales, the impact of changes in these exchange rates is limited.

Sensitivity analysis of the fluctuation of the exchange rate by 1%:
Based on the Group's sensitivity analysis, an adverse change in the GBP/EUR and USD/EUR exchange rate by 1% would decrease the Group's realised currency result by EUR 170.0 thousand.

LIQUIDITY RISK

In order to guarantee liquidity and financial flexibility, the Sioen Group has credit lines available to meet current and future financial needs. The Sioen Group has total credit lines available of EUR 60.7 million. Of these, EUR 8.1 million were used at 31 December 2010. All straight loans at 31 December 2010 are in USD amounting to USD 10.8 milion with a weighted average interest rate of 1.4%. For the maturity analysis in view of liquidity risk we refer to note III.6.11. Borrowings.

FINANCIAL RISK

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

CREDIT RISK

In view of the relative concentration of credit risk (see note III.6.9 Trade receivables), the company covers credit risk on trade receivables via an excess of loss credit insurance with an own risk exposure of EUR 375 thousand. In addition, credit control strategies and procedures have been elaborated in order to monitor individual customers' credit risk.

III. 6. 29. CAPITAL STRUCTURE MANAGEMENT

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

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

The Group's capital is formed in accordance with the risk, which changes with economic developments and the risk profile of the underlying assets. The Sioen Group can change the dividend to shareholders, issue new shares or sell assets in order to maintain or change the capital structure. The Board of Directors of Sioen Industries views equity together with the 10-year bond loan (cf. III.6.11. Borrowings) as permanent capital. At 31/12/2010 equity and the bond loans represented respectively 42.0% and 28.7% and together 70.7% of the balance sheet total.

III.6.30. REMUNERATION

In 2010 the following fees were paid to the members of the Board of Directors and the executive management in their capacity as Director:

NAME	REPRESENTED BY	FUNCTION	AMOUNT
LMCL Comm. VA.	Mr. Vansteenkiste	Director/ Chairman	41 500
	Mrs. Jacqueline Sioen-Zoete	Director	20 000
M.J.S. Consulting b.v.b.a.	Mrs. Michèle Sioen	Managing director	20 000
D-Lance b.v.b.a.	Mrs. Danielle Sioen	Director	20 000
P. Company b.v.b.a.	Mrs. Pascale Sioen	Director	20 000
Revam b.v.b.a.	Mr. W. Vandepoel	Director	29 000
Louis Verbeke e.b.v.b.a.	Mr. L Verbeke	Director	26 000
Pol Bamelis n.v.	Mr. P. Bamelis	Director	22 250
	Mr. L. Vandewalle	Director	18 500
TOTAL			**217 250**

M.J.S. Consulting, represented by Mrs. Michèle Sioen received in 2010, in her capacity of CEO and as a member of the Board of Directors, a fixed remuneration of EUR 432 500. The variable remuneration for 2010 amounts to EUR 93 573.

The fixed remuneration to the other members of the executive management (1), including Directors in their capacity as member of executive management in 2010 amounted to EUR 2 391 720 (excluding CEO). The variable remuneration for 2010 amounts to EUR 231 304.

In 2010 there were no shares, share options or other rights to acquire shares of Sioen Industries to the CEO and other members of executive management. There are no specific recruitment agreements, or agreements on a golden handshake with the executive management.

(1) The executive management consists of executive directors and members of the management committee.

III.6.31. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements for 2010 were approved by the Board of Directors for publication on 28 March 2011.

IV. Statutory auditor's report

SIOEN INDUSTRIES NV
STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 TO THE SHAREHOLDERS' MEETING

The original text of this report is in Dutch

To the shareholders
As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

UNQUALIFIED AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Sioen Industries NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2010, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 346.537 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 18.115 (000) EUR.
The financial statements of several significant entities included in the scope of consolidation which represent total assets of 54.803 (000) EUR and a total turnover of 63.524 (000) EUR have been audited by other auditors. Our opinion on the accompanying consolidated financial statements, insofar as it relates to the amounts contributed by those entities, is based upon the reports of those other auditors.
The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, together with the reports of other auditors on which we have relied, provides a reasonable basis for our opinion.
In our opinion, and based upon the reports of other auditors, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2010, and of its results and its cash flows for the year then ended, in accordance with International Financial

Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

ADDITIONAL COMMENT

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.
Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

> The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Kortrijk, 29 March 2011

The statutory auditor
DELOITTE BEDRIJFSREVISOREN / REVISEURS D'ENTREPRISES
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by

Dirk Van Vlaenderen Kurt Dehoorne

V. Statutory annual accounts of Sioen Industries nv

The statutory annual accounts of the parent company Sioen Industries n.v. are shown below in condensed form. In June 2011, the annual report and annual accounts of Sioen Industries n.v. and the auditor's report will be filed with the National Bank of Belgium in accordance with Articles 98-102 of the Companies Act.

These reports are available on request at the following address:
Sioen Industries n.v. – Fabriekstraat 23 – 8850 Ardooie.

The statutory auditor has issued an unqualified opinion

Condensed balance sheet of Sioen Industries n.v. after appropriation of profit

December 31 (000) EUR	2010	2009
Fixed assets	**46 870**	**52 832**
Intangible fixed assets	8 472	9 317
Tangible fixed assets	19 662	24 722
Financial fixed assets	18 736	18 793
Current assets	**184 205**	**174 777**
Amounts receivable after more than one year	19	24
Stocks and contracts in progress	18 555	16 629
Amounts receivable within one year	132 515	134 212
Cash at hand and in bank	32 937	23 771
Deferred charges and accrued income	179	141
TOTAL ASSETS	**231 075**	**227 609**
Equity	**63 931**	**65 022**
Capital	46 000	46 000
Revaluation surpluses	9	9
Reserves	6 451	6 231
Accumulated profits (losses)	10 871	12 091
Investment grants	600	691
Provisions and deferred taxes	**486**	**766**
Provisions for liabilities and charges	329	557
Deferred taxes	157	209
Amounts payable	**166 658**	**161 821**
Amounts payable after more than one year	106 996	108 982
Amounts payable within one year	58 390	50 996
Accrued charges and deferred income	1 272	1 843
TOTAL LIABILITIES	**231 075**	**227 609**

Condensed income statement of Sioen Industries n.v.

December 31 (000) EUR	2010	2009
Operating income	**122 214**	**84 903**
Turnover	112 542	94 317
Increase (decrease) in stocks of finished goods, work and contracts in progress	2 231	-17 476
Other operating income	7 441	8 062
Operating charges	**-115 774**	**-91 201**
Raw materials, consumables	-74 524	-51 399
Services and other goods	-18 110	-14 695
Remuneration, social security costs and pensions	-14 611	-14 682
Depreciation and amounts written off	-6 874	-8 740
Provisions for risks and charges - appropriations	228	-108
Other operating charges	-1 883	-1 577
Operating profit (loss)	**6 440**	**-6 298**
Financial income	8 958	36 235
Financial charges	-7 131	-33 177
Financial result	**1 827**	**3 058**
GAIN (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXES	**8 267**	**-3 240**
Extraordinary result	**-3 703**	**-10 610**
Profit (loss) for the period before taxes	**4 564**	**-13 850**
Transfer from postponed taxes	**52**	**72**
Income taxes	**- 50**	**- 26**
PROFIT (LOSS) FOR THE PERIOD	**4 566**	**-13 804**
Transfer from untaxed reserves	**8**	**9**
Transfer to untaxed reserves	**0**	**-2 715**
PROFIT (LOSS) FOR THE PERIOD AVAILABLE FOR APPROPRIATION	**4 574**	**-16 510**

ACTIVITY OF SIOEN INDUSTRIES

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

COMMENTS

The turnover of Sioen Industries increased with 19.3% from EUR 94.3 million in 2009 to EUR 112.5 million in 2010. This mainly relates to the Belgian direct coating activities, which merged into Sioen Industries in 2009. In 2010 the operating profit amounted to EUR 6.4 million, compared with an operating loss of EUR 6.3 million in 2009. Financial result decreased from EUR 3.1 million in 2009 to EUR 1.8 million in 2010 due to the deprecation of short term receivables related to Roland International Polska. All participating interests have been recorded at book value. Extraordinary result for the year 2010 amounts to EUR -3.7 million compared to EUR -10.6 million in 2009 due to the less value of financial assets.

ACCOUNTING PRINCIPLES

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

STATEMENT OF CAPITAL

In accordance with Articles 1 to 4 of the Act of 2 March1989 concerning the disclosure of important holdings in listed companies and regulating take-over bids, the applicable quotas were set at, on the one hand, 5 percent or a multiple thereof and on the other hand at 3 percent and 7.5 percent (Article 8 of the Articles of Association). In accordance with Article 4 of the Act of March 2, 1989, the following notifications of shareholdings in the company were received:

Overview of the shareholders

Notifying party	Date of notification	Number of shares	Percentage of total number of shares
Sihold n.v.[1] and companies/parties under the influence of the family Sioen	30 January 2006	12 906 212	60.33%
Shell Pension Fund	12 October 2005	726 320	3.40%
TOTAL		**13 632 532**	**63.73%**

(1) Sihold n.v. is controlled by Sicorp n.v., which is controlled in turn by the Dutch foundation Stichting Administratiekantoor Midapa. This foundation is controlled by Mrs Sioen.

VI. Proposals to the annual meeting

PROPOSALS TO THE ANNUAL MEETING OF SIOEN INDUSTRIES N.V. OF 29 APRIL 2011

The Board of Directors of Sioen Industries proposes to the annual meeting to approve the annual accounts at 31 December 2010 and to consent to the appropriation of profit.

The profit for the financial year ended is EUR 4 574 360, compared to a loss of EUR 16 509 984 for the financial year 2009.
The profit brought forward from the previous financial year is EUR 12 090 415. The profit available for appropriation is consequently EUR 16 664 775.

The Board of Directors proposes to appropriate the profit available for appropriation of EUR 16 664 775 as follows:

(in EUR)	
Addition to legal reserves	228 718
Gross dividends for the 21 391 070 shares	-5 347 767
Directors' fees	-217 250
Profit to be carried forward	10 871 040

The proposed net dividend per share is calculated as follows:

(in EUR)	
Net dividend per share	0.1875
Withholding tax 25/75	0.0625
Gross dividend per share	0.2500
Pay-out ratio(1)	38.73%

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

If this proposal is accepted, the net dividend of 0.1875 EUR per share will be made payable as from 13 May 2011 onwards at the counters of Dexia Bank, ING Bank, BNP Paribas Fortis Bank, Bank Degroof and KBC Bank on presentation of coupon n°13.

Addresses

Sioen Industries - Fabriekstraat 23 - B-8850 Ardooie - Belgium
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COATING

SIOEN INDUSTRIES NV	Fabriekstraat 23 B-8850 Ardooie Belgium
SAINT FRERES SAS	4 route de Ville BP 1 F-80420 Flixecourt France
SIOEN FABRICS SA (Coating/Calendaring)	Zoning Industriel du Blanc Ballot Avenue Urbino 6 B-7700 Mouscron Belgium
SIOEN COATED FABRICS (SHANGHAI) TRADING CO. LTD	Room O, Floor 15, Hengji Building No 99, Huaihai Road (East) 200021 Shanghai P.R. of China
SIOFAB SA	Indústria de Revestimentos Têxteis Rua da Indústria PT-4795-074 Vila das Aves Santo Tirso Portugal
TIS NV	Gasthuisstraat 108 B-9140 Temse Belgium
VERANNEMAN TECHNICAL TEXTILES NV	Fabriekstraat 31 B-8850 Ardooie Belgium
PENNEL AUTOMOTIVE SAS	310 Rue d'Alger F-59100 Roubaix France

APPAREL

SIOEN NV	Fabriekstraat 23 B-8850 Ardooie - Belgium
CONFECTION TUNISIENNE DE SECURITE SA – C.T.S. SA	5 Impasse n° 2 Rue 8612 – (Z.I.) La Charguia TN -2035 Tunis Tunisia
GAIRMEIDI CAOMHNAITHE DHUN NA NGALL TEORANTA LTD	(Donegal Protective Clothing Ltd –Sioen Ireland) - Industrial Estate Bunbeg Co. Donegal Ireland
MULLION MANUFACTURING LTD	44 North Farm Road South Park Industrial Estate Scunthorpe North Lincolnshire DN17 2A Y - UK
SIOEN FRANCE SAS	Pavillon Hermès 110 avenue Gustave Eiffel ZI La Coupe F-11100 Narbonne France
P.T. SIOEN INDONESIA	Kawasan Berikat Nusantara (KBN) Marunda Jl. Pontianak Block C.02-03 Cilincing Jakarta 14140 Indonesia
P.T. SUNGINTEX	Jalan Raya Narogong Km 12,5 Pangkalan IV Desa Cikiwul Kec. Bantar Gebang Bekasi Barat 17310 Indonesia
SIOEN TUNISIE SA	7 Impasse N° 2 Rue 8612 – (Z.I.) La Charguia TN -2035 Tunis Tunisia
SIOEN ZAGHOUAN SA	Zone Industrielle de Zaghouan TN -1100 Zaghouan Tunisia

CHEMICALS

EUROPEAN MASTER BATCH NV - E.M.B. NV	Rijksweg 15 B-2880 Bornem Belgium
INDUCOLOR SA	Chemin Preuscamps 12 B-7822 Ath (Meslin-L'Evêque) Belgium
RICHARD SAS	Rue lavoisier - zac novo F- 59160 Lomme France

INDUSTRIAL APPLICATIONS

COATEX NV	Industriezone Sappenleen Sappenleenstraat 3-4 B-8970 Poperinge Belgium
SAINT FRERES CONFECTION SAS	2 route de Ville BP 37 F-80420 Flixecourt France
SIOEN FELT & FILTRATION SA	Rue Ernest Solvay 181 B-4000 Liège Belgium
ROLAND INTERNATIONAL B.V.	Kasteellaan 33 NL-5932 AE Tegelen The Netherlands
ROLTRANS GROUP AMERICA INC.	3212 Pinewood Drive Arlington, Texas TX 76010 USA Corporation # 2044811
ROLAND PLANEN GMBH	Am Zirkel 8 D-49757 Werlte Germany
ROLAND INTERNATIONAL POLSKA SP.Z.O.O.	Ul. Nadbrzezna 1 PL -62500 Konin Poland
ROLAND UKRAINE LLC.	6-A Industrialna str. 35350 Kvasyliv, Rivnenska Ukraine
ROLAND INTERNATIONAL LTD	Suite 3 Mercury Quays Ashley Lane Shipley BD17 7DB UK

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TVA BE 458.801.684	RPM 0458.801.684 Tournai			
		T +32 56 85 68 80	F +32 56 34 61 31	sioenfabrics@sioen.be
		T +86 21 63 84 25 21	F +86 21 63 84 27 39	sioen@online.sh.cn

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TVA BE 400.685.125	RPM 0400.685.125 Tournai	T +32 68 25 02 30	F +32 68 55 26 02	inducolor@sioen.be
TVA FR 22460501166	RCS Lille 460 501 166	T +33 320 00 18 88	F +33 320 00 18 80	sa.richard@colorants-richard.com

BTW BE 434.140.425	RPR 0434.140.425 Ieper	T +32 57 34 61 60	F +32 57 33 35 23	coatex@sioen.be
TVA FR 44408449098	RCS Amiens 408 449 098	T +33 322 51 51 70	F +33 322 51 51 79	sfc@sioen.com
TVA BE 474.276.154	RPM 0474.276.154 Liège	T +32 4 252 21 50	F +32 4 253 04 25	filtation@sioen.be felt@sioen.be
BTW NL 001569338B01	HR Venlo 12011983	T +31 77 376 92 92	F +31 77 373 69 66	info@roland-int.org
		T +1 817 607 00 80	F +1 817 607 00 88	info@roltrans.com
Ust-id.Nr.: DE 812873033	Osnabrück HR B 1222 96	T +49 59 51 99 55 70	F +49 59 51 99 55 71	info@roland-int.org
NIP 665-100-18-19	RHB 1210	T + 48 632 44 39 25	F +48 632 44 39 21	info@roland-int.org
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VAT GB 311746186	Company Nr. 1380441	T +44 1274 58 93 31	F +44 1274 59 67 76	info@roland-int.org

Definitions

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

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JAARVERSLAG/ANNUAL REPORT

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

FINANCIAL INFORMATION AND INVESTOR RELATIONS

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

FINANCIAL CALENDAR

Trading update first quarter 2011 - Thursday, April 28th 2011
Annual meeting of shareholders - Friday, April 29th 2011
Announcement of 2011 first semester results - Wednesday, August 31st 2011
Trading update third quarter 2011 - Friday, October 28th 2011