



JENSEN-GROUP
ANNUAL REPORT 2014

Your
Performance
in Mind

JENSEN. Local in the World.



The Dutch language text of the annual report is the official version. The English language version is provided as a courtesy to our shareholders. JENSEN-GROUP has verified the two language versions and assumes full responsibility for matching both language versions.

In this report, the terms "JENSEN-GROUP" or "Group" refer to JENSEN-GROUP NV and its consolidated companies in general. The terms "JENSEN-GROUP NV" and "the Company" refer to the holding company, registered in Belgium. Business activities are conducted by operating subsidiaries throughout the world. The terms "we", "our", and "us" are used to describe the Group.

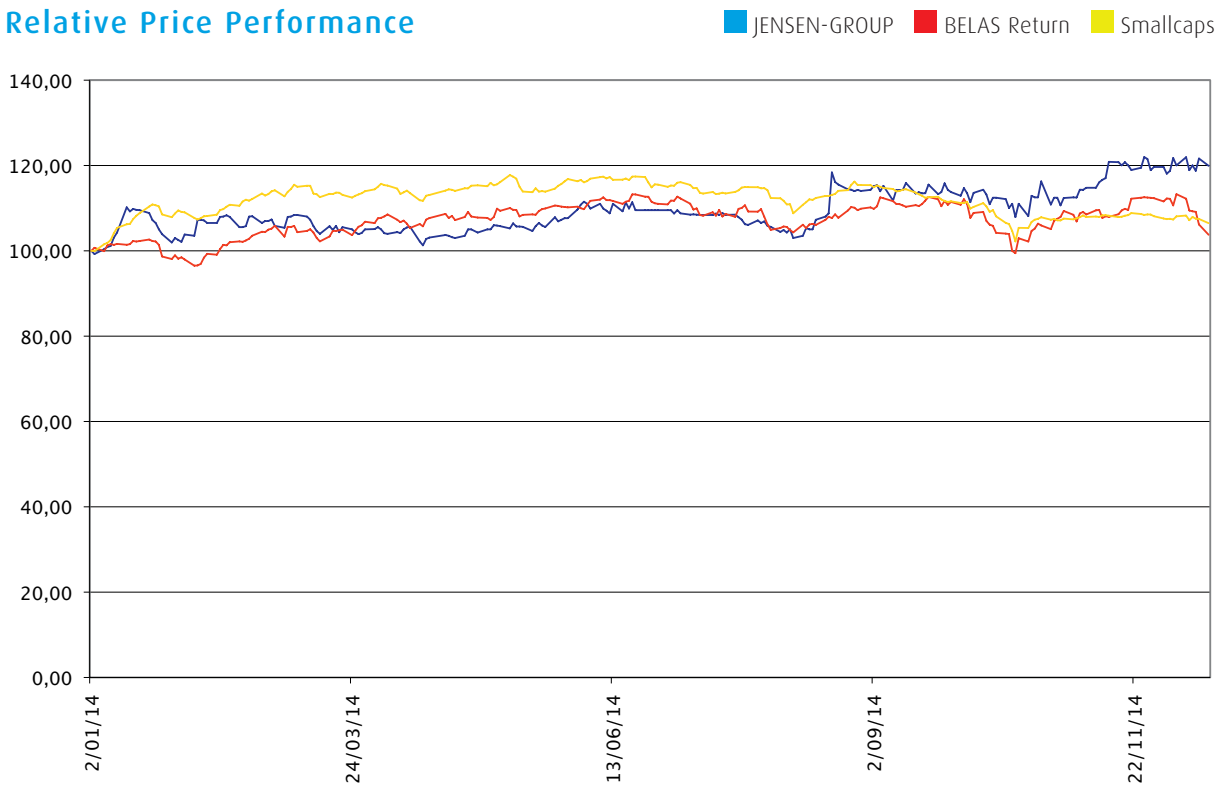
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Key figures per share Financial year ended (in euro)	December 31 2014	December 31 2013
Operating cash flow (EBITDA) ¹	2,86	2,39
Net profit share of the Group, continuing operations (= earnings per share)	1,66	1,23
Net cash flow continuing operations ¹	2,01	1,75
Equity (= book value)	8,97	7,83
Gross dividend	0,25	0,25
Number of shares outstanding (average)	7.868.170	7.999.536
Number of shares outstanding (year-end)	7.818.999	7.943.200
Share price (high)	16,26	13,46
Share price (low)	13,23	9,79
Share price (average)	14,64	10,96
Share price (December 31)	15,95	13,15
Price/earnings (high)	9,80	10,90
Price/earnings (low)	8,00	8,00
Price/earnings (average)	8,80	8,90
Price/earnings (December 31)	9,60	10,70

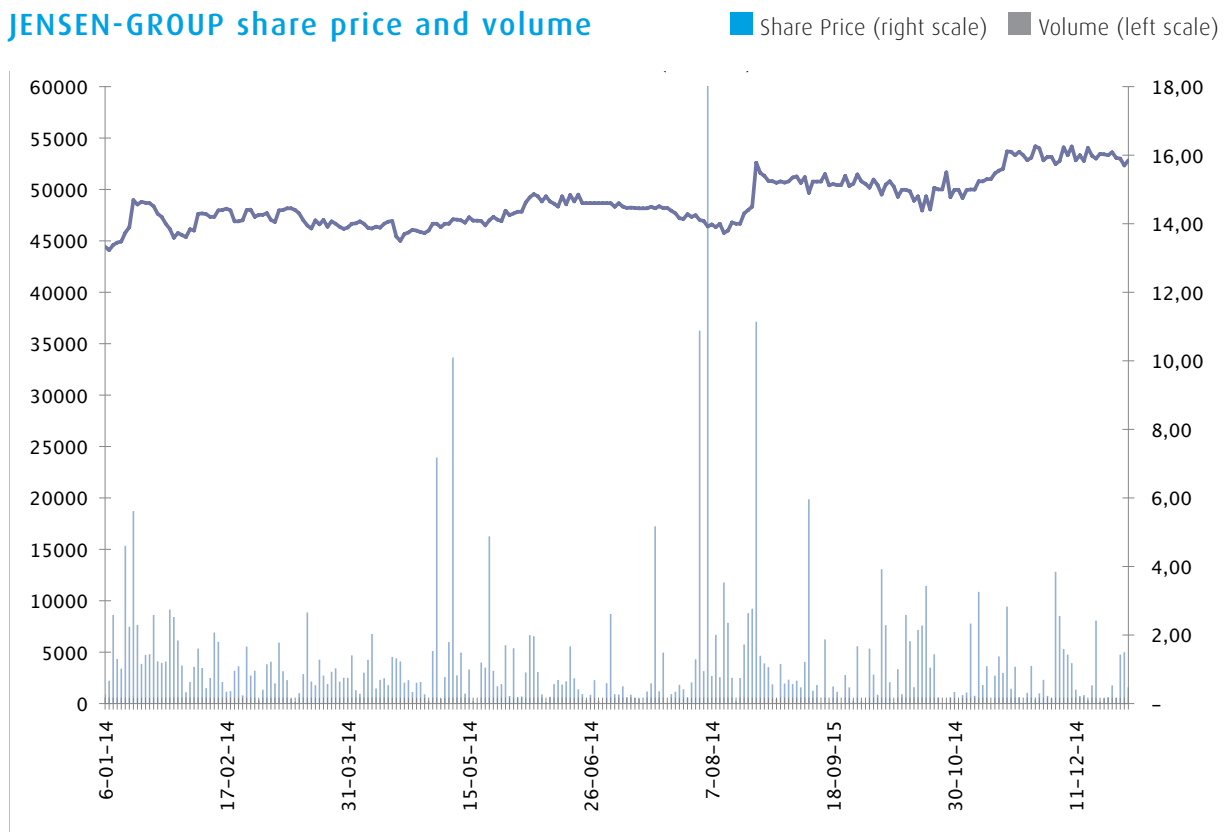
¹ EBITDA and net Cash flow only include the provisions for other liabilities and charges and do not take into account the provisions for employee benefit obligations. The comparable figures of last year are re-calculated accordingly.

Relative Price Performance



BELAS: Brussels All Shares

JENSEN-GROUP share price and volume



Consolidated key figures Financial year ended (in thousands of euro)	December 31 2014	December 31 2013
Revenue	239.632	221.416
Operating profit (EBIT)	19.680	15.001
Operating cash flow (EBITDA) ¹	22.483	19.120
Net interest charges	205	754
Profit before taxes	18.229	13.523
Net profit continuing operations	13.044	9.874
Profit discontinued operations	-62	-72
Net profit (= share of the Group)	12.982	9.802
Added value	99.506	92.186
Net cash flow continuing operations ¹	15.847	13.993
Equity	70.100	62.210
Net financial debt/Net cash (-)	-6.382	-2.720
Working capital	75.618	68.253
Non-Current Assets (NCA)	24.747	24.951
Capital Employed (CE)	100.365	93.204
Market capitalization (high)	127.936	107.674
Market capitalization (low)	104.096	78.315
Market capitalization (average)	115.190	87.675
Market capitalization (December 31)	124.713	104.453
Entreprise value (December 31) (EV)	118.331	101.733
RATIOS		
EBIT/Revenue	8,21%	6,78%
EBITDA/Revenue ¹	9,38%	8,64%
ROCE (EBIT/CE)	20,33%	15,60%
ROE (Net profit/Equity)	19,72%	16,91%
Gearing (Net debt/Equity)	-	-
EBITDA Interest coverage ¹	109,67	25,36
Net financial debt/EBITDA ¹	-0,20	0,23
Working capital/Revenue	30,02%	32,45%
EV/EBITDA (December 31) ¹	5,26	5,32

¹ EBITDA and net Cash flow only include the provisions for other liabilities and charges and do not take into account the provisions for employee benefit obligations. The comparable figures of last year are re-calculated accordingly.

DEFINITIONS

- Added value: Operating profit plus remuneration, social security and pension charges plus depreciation and amortization, amounts written off on inventories and trade debtors, impairment losses and provisions for liabilities and charges.
- Capital Employed (CE): Working capital plus intangible and tangible fixed assets. The average CE is used for ratios, being the beginning balance + ending balance divided by two.
- EBITDA Interest Coverage: EBITDA relative to net interest charges.
- EBITDA: Earnings before interest, taxes, depreciation and amortization. Equals operating profit plus depreciation and amortization, amounts written off on inventories and trade debtors, impairment losses and provisions for other liabilities and charges.
- Enterprise value (EV): Net financial debt plus market capitalization.
- Gearing: Net financial debt in relation to equity.
- Net cash flow: Net profit plus depreciation and amortization, amounts written off on inventories and trade debtors, impairment losses and provisions for liabilities and charges.
- Non-current assets: Intangible and tangible fixed assets.
- Price/earnings ratio: Share price divided by net profit.
- Return on Capital Employed (ROCE): Operating profit relative to capital employed. The average capital employed is used for ratios, being the beginning balance + ending balance divided by two.
- Return on Equity (ROE): Net profit in relation to equity. The average equity is used for ratios, being the beginning balance + the ending balance divided by two.
- Working capital: Inventories plus current trade debtors and gross amounts due from customers for contract work minus trade payables minus advances received on contracts in progress. Average working capital is used for ratios, being the beginning balance + ending balance divided by two.

Message to the Shareholders

Investing in sustainable growth

After a good start in 2014 with profitable growth, the second half year was even stronger contributing to a new record revenue level for the full year. We maintain our local distribution strategy thereby increasing our global presence. This year JENSEN expanded in Japan and added a presence in New Zealand and the Middle East. Our acquisition in 2013 of JENSEN Österreich GmbH Austria, has resulted in considerable growth based on better market penetration. We will be maintaining our high level of investments in local sales and service companies and leverage our franchise with more products and services in all countries in which we have elected to be present. We continue to focus on operational efficiency and improved project management.

Overall, the heavy-duty laundry market remains very competitive. We seek to match the expectations of our customers at all times by developing new products that enable us to be unique in the market place. Customers feed-back played a large part in our new product development plan in 2014. We have been able to take advantage of our experience with new product releases and an extended service offering.

In our "Go East" strategy, our office in Japan has been active for the first full year. We have extended our product range at our Xuzhou China plant with more products dedicated to the Chinese market. We are convinced that China still holds expansion potential in the laundry equipment industry even if the overall macro-economic indicators are indicating slower growth.

New products and services, geographic expansion and our focus on becoming more local in designated markets have contributed to this years' growth.

EBIT and net income increased as a result of the high overall capacity utilization throughout the year. Not only the amount of orders but more importantly the mix in orders is very important to reach full capacity utilization. The activity level over the last three quarters of the year was well balanced resulting in high capacity utilization of our plants. While we did not enjoy such an optimal mix of orders for the first quarter 2014, this was compensated by an extraordinary good third quarter.

Despite an increase in working capital due to higher sales and investments, we remained debt free during 2014. Following the Group's announcement in November 2013 of a 10% share buyback program, we were able to buy 2.3% of treasury shares for a total amount of 2.5 million euro.

Continued investment in product development and in market presence enables us to better meet our customers' needs. Many of these developments are targeted at reducing consumption of energy and water as well as increasing the up-time of our products and services. Our CleanTech products enable our customers to cut their average water consumption to below 3 liters per kg linen. Our energy reduction program has made it possible to operate at below 1 KW/h per kg linen processed. Using gas as the energy source in our full product line increases the energy efficiency and the steamless laundry is improving the ecological footprint of our customers. Our CleanTech efforts are setting new standards in our industry and are becoming state of the art.

A second important area of development is automation. The integration of technologies allows customers to monitor and track production in heavy-duty laundry operations in real-time. Our Cockpit software for large turnkey projects is

well received by our customers. Cockpit ties our equipment and information together into a seamless laundry solution and positions us perfectly as a “One stop Shop” for our customers all over the world.

JENSEN-GROUP continues to invest in building a unique JENSEN culture within our many operations worldwide. The Group is managed by a truly international JENSEN Management Team. During 2014, JENSEN-GROUP continued to develop its international workforce and leaders. The focus is on providing better guidance to local operations and on better overall alignment with the group strategy in order to be the best global laundry solution provider with a local presence in each significant market.

During the past decade, the Group has been through various economic recessions, mergers, divestments as well as a number of acquisitions. All of this has enhanced the experience of our management, staff and employees. Our continuing success demonstrates our ability to adapt quickly to different market conditions, making our brand, our products and our employees stronger. Our 2013 and 2014 performance confirmed that our investments in Asia and in geographic expansion are leading to a brighter future. The results for 2014 represent a new record and therefore a target to beat.

We start 2015 with a higher order backlog than at the beginning of 2014. Customers are taking more time to order. Some customers are experiencing difficulties in financing larger projects, this is most noticeable in certain parts of Europe. Nevertheless, we were able to secure several large orders in Western Europe in the last quarter of 2014. Our investments in Asia and increased activity in the USA reduce our dependency on Europe. We rely on our highly motivated staff to continue to pursue each and every business opportunity in all existing markets. Broadening our presence makes the Group less vulnerable to a downturn in any given region of the world.

We thank our customers for their continued trust and loyalty. We will strive to meet their expectations in terms of the productivity, reliability, cost effectiveness and reduced environmental impact of our products.

We also thank our staff throughout the world for their dedication, their ability to constantly adapt and their drive to improve. As we set higher performance standards, we expect more from our human resources. We will continue to invest in our employees in order to make sure that we can continue to grow our company.

Last but not least, we thank our shareholders for their support to the Board of Directors and to management in our journey to be the leader in this industry.

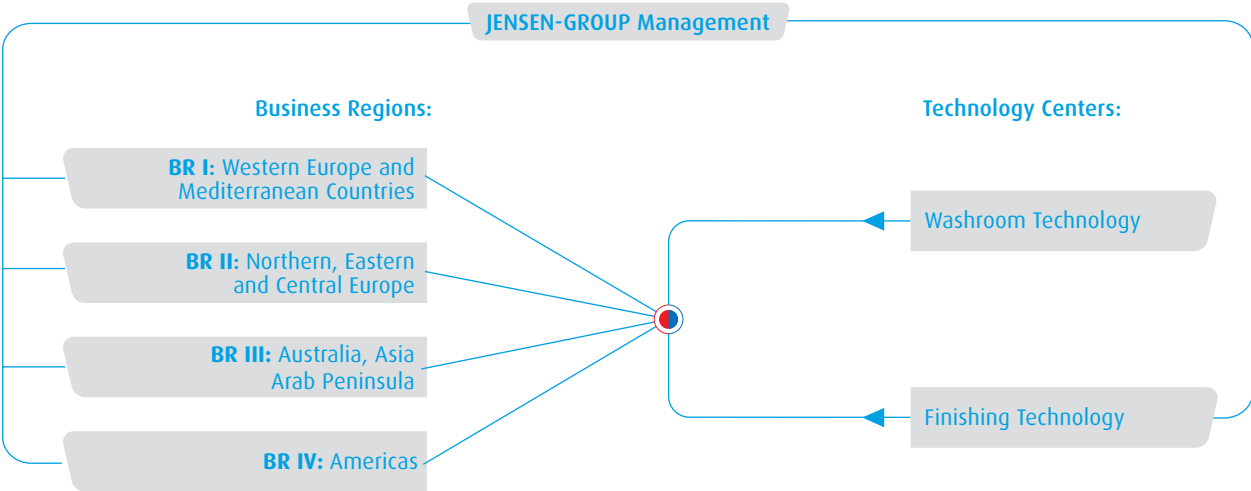


Jesper Munch Jensen
Chief Executive Officer



Raf Decaluwé
Chairman of the Board of Directors

Profile of the Group



Mission statement

It is the aim of the JENSEN-GROUP (also referred to hereinafter as “The Group”) to offer the best solutions to our customers worldwide in the heavy-duty laundry industry. We work for and with our customers to provide preferred laundry processing solutions by supplying sustainable single machines, systems and integrated solutions. We will continuously grow our people and our efficiency so that we can offer environmental friendly innovative products and services. By combining our global skills and offering local presence to our customers, we will be able to maintain profitable growth and responsible industry leadership.

Making a difference

Through technical excellence, significant investment in product development and specialized industry knowledge, the JENSEN-GROUP is able to plan, develop, manufacture, install and service everything from single machines and processing lines to complete turnkey solutions. Our partners include textile rental suppliers, industrial laundries, central laundries as well as hospital and hotel on-premise laundries. We believe that our customers know their laundry better than anybody else and that with the help of the JENSEN-GROUP’s comprehensive laundry competence and experience we are able to find the right solution for their specific requirements.

Organization

All products designed and manufactured by JENSEN are under the responsibility of two technology centers: washroom technology and finishing technology (flatwork and garment). Next to this, JENSEN-GROUP is organized into 4 Business Regions spanning the world. The 2 technology centers develop, manufacture and deliver a full, innovative and competitive range of JENSEN products to our customers through our worldwide network of Sales and Service Centers (SSCs) and authorized local distributors. This worldwide distribution network together with our laundry design capabilities, project management expertise and our after sales service capability make JENSEN-GROUP uniquely positioned to act locally while meeting our customer's expectations fast and reliably whether his requirement is for a single machine or a complete turn-key solution anywhere in the world.

Revenue figures

In million euro

2014	240
2013	221

Manufacturing

The JENSEN-GROUP has a manufacturing platform of 5 factories in 5 countries (3 continents). Each manufacturing site focuses on specific technologies for the heavy-duty laundry industry.

Distribution

The JENSEN-GROUP sells its products and services under the JENSEN brand through wholly-owned sales and service centers and through independent distributors worldwide.

Competitive advantage

Our market coverage, our extensive know-how, our turnkey project expertise and our range of heavy-duty machines and systems are unique for the heavy-duty laundry industry.

Markets

The JENSEN-GROUP generates its revenue geographically as follows:

In million euro	Europe	North America	Other	Total
2014	140	53	47	240
2013	132	44	45	221



JENSEN Sales & Service Centers

- ① Paris, France
- ② Ghent, Belgium
- ③ Nieuwegein, Netherlands
- ④ Odry, Czechia
- ⑤ Lodz, Poland
- ⑥ Stockholm, Sweden
- ⑦ Singapore, Asia
- ⑧ Burgdorf, Switzerland
- ⑨ Panama City, USA
- ⑩ Harsum, Germany
- ⑪ Sydney, Australia
- ⑭ Banbury, UK
- ⑮ Novedrate, Italy
- ⑯ Shanghai, China
- ⑰ Dubai, U.A.E.
- ⑱ San Paulo, Brazil
- ⑳ Vienna, Austria
- ㉑ Tokyo, Japan
- ㉒ Auckland, New Zealand

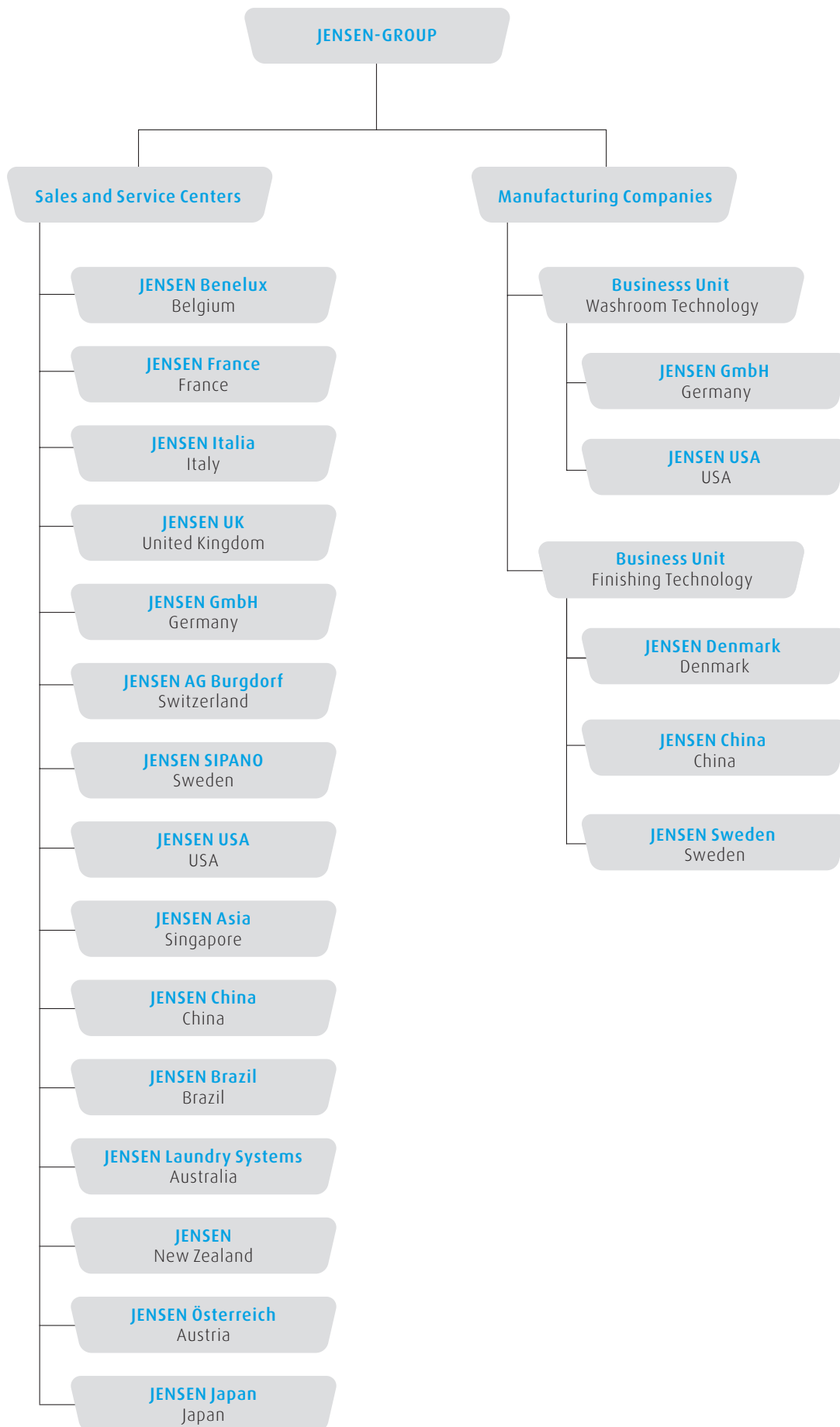
JENSEN Technology Centers

Washroom Technology

- ⑨ Panama City, USA
- ⑩ Harsum, Germany

Finishing Technology

- ⑫ Rønne, Denmark
- ⑬ Borås, Sweden
- ⑰ Xuzhou, China



Profile

JENSEN-GROUP is present with its own Sales and Service Centers in the most important markets and sells a range of single machines, systems, turnkey projects and services and spare parts.

JENSEN-GROUP produces equipment and solutions in the following manufacturing companies:

- JENSEN GmbH in Harsum, Germany and JENSEN USA in Panama City, FL, USA – Washroom Technology
- JENSEN Denmark in Rønne, Denmark, JENSEN China in Xuzhou, China and JENSEN Sweden in Borås, Sweden – Finishing Technology

We think globally and act locally

JENSEN-GROUP sells equipment and solutions through own sales and service centers (SSCs) and through independent distributors. The relative share of sales through our own SSCs has increased in recent years because they operate in the most important heavy-duty markets like Benelux, Germany, United Kingdom, Sweden, France, Italy, Switzerland, Austria, Middle East, Singapore, China, Australia, New Zealand, Japan, Brazil and North America. Sales and service centers play a critical coordination role for the increasing number of complex installation projects involving several of our production companies simultaneously. Local presence enables us to deliver after-sales services on demand to our customers. On top of that, we have an experienced distributor network base in more than 40 countries.

Activities 2014

In million euro	2014	2013
Revenue	239.6	221.4
EBIT	19.7	15.0
Investments	3.1	4.5
Number of employees	1,224	1,130

Revenue increased thanks to a high order intake throughout the year and the realization of several large projects.

The Group benefited from a good order intake throughout the year. Also during the third quarter, the Group had a high order intake and this is rather exceptional. The Group enjoyed the benefit of flexible employment systems in various countries and of a very flexible workforce.

The own sales and service centers (SSC) continue to generate the majority of our turnover, confirming the importance of having our own local presence in the main markets. We further increased our presence by opening new Sales and Service Centers in Brazil and in New Zealand.

JENSEN-GROUP is a credible one-stop supplier for large turnkey projects worldwide.

Because of a higher activity level, leading to higher revenues to absorb overheads, profitability is significantly higher than in 2013.

For 2014, JENSEN-GROUP reports net investment of 3.1 million euro, mainly in equipment. The net investment of 4.5 million euro in 2013 was mainly related to the acquisition of its Austrian distributor and investment in equipment.

Outlook 2015

The order backlog is 33% higher; taking into account equipment already produced by year-end the order backlog is 13% higher than at December 31, 2013. JENSEN-GROUP considers the order backlog adequate to get off to a good start in 2015. The main business risks have not changed materially from last year. Major risk factors are the volatility in the financial markets that affects our customers' investment decisions and their capacity to find financing, as well as competitive pressure. Other risks are exchange rate volatility and fluctuating raw material prices, energy and transportation costs. We refer to the separate section in the report of the Board of Directors, setting out the risk factors associated with our business and industry.

The operational objectives for 2015 are to continue the growth in Asia, North and South America and to keep our sales and market share stable in Europe. In product development we are focusing our activities on further automation and on efficiency gains for our customers when using our products or systems. Our internal processes are another continuous area of improvement. Examples are the development of a new quotation process and improved project management processes.

Information for shareholders and investors

The JENSEN-GROUP share has been quoted on the Euronext Stock Exchange under the ticker JEN (Reuters: JEN.BR Bloomberg JEN.BB) since June 1997. The price of the JENSEN-GROUP shares can be found online on the following websites:

- JENSEN-GROUP: <http://www.jensen-group.com>
- Euronext: <https://europeanequities.nyx.com>.

Share price evolution

The JENSEN-GROUP stock price increased from 13.15 euro at the end of 2013 to 15.95 euro at the end of 2014, with an average daily trading volume of 4,163 shares compared with 3,692 in 2013 (see graph page 5).

Communication strategy

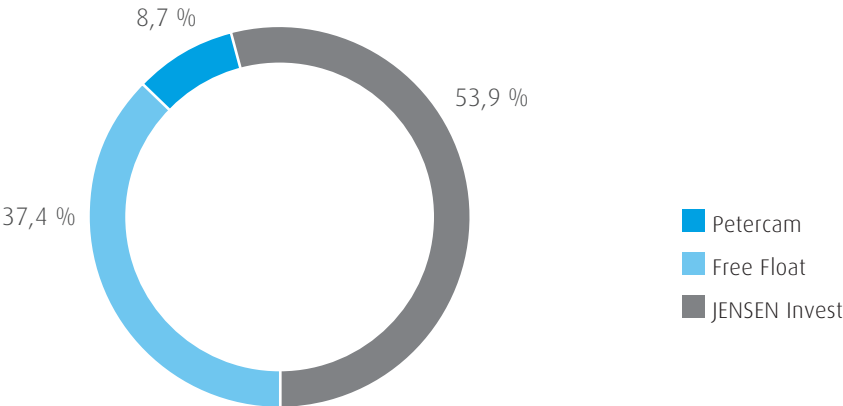
The JENSEN-GROUP will maintain its communication strategy based on the following principles:

- Organizing two analysts’ meetings per year, following publication of the half year and the full year results;
- Communicating quarterly updates during the first and second half year;
- Communicating any major changes in the financial position and earnings of the Company;
- Distributing its press releases to professional and private investors and posting them on its corporate website;
- Posting the votes and minutes of the Shareholders’ Meetings on its corporate website;
- Providing all communication, including the corporate website, in English and Dutch;
- Making information on shareholdings, the financial calendar and share transactions by Board members and management available on the corporate website;
- Attending small cap investor events on request.

Change in ownership structure

There were no changes in ownership during 2014.

The ownership structure as per December 31, 2014 is set out below:



Shareholders' calendar

- May 18, 2015 (evening): Publication of the trading update, covering the period from January 1, 2015
- May 19, 2015: 10 a.m. General Shareholders' Meeting at the JENSEN-GROUP Headquarters, Ghent
- August 2015: Half year results 2015 (analysts' meeting)
- November 2015: Publication of the trading update, covering the period from July 1, 2015
- March 2016: Full year results 2015 (analysts' meeting)

The Investor Relations Manager is also available to meet individual shareholders, analysts, specialized journalists and institutional investors and enable them to see the JENSEN-GROUP's short and long-term potential, in respect of both the business as a whole and/or specific activities. Presentations, meetings and site visits are organized on request.

The JENSEN-GROUP's Annual Report, press releases and other information are available on the corporate website (<http://www.jensen-group.com>).

Shareholders wishing to convert registered shares into dematerialized shares can contact the Investor Relations Manager.

Shareholders and investors who want to receive the Annual Report, the financial statements of JENSEN-GROUP NV, press releases or other information with respect to the JENSEN-GROUP can also contact the Investor Relations Manager.

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Litigation

Provisions have been set up in respect of all claims that, based on prudent judgment, are reasonably founded. We keep track of all potential litigation and pending legal cases at a central level. In this chapter, we only cover cases against the Company or one of its subsidiaries. Pending issues per major category are:

Product liability claims:

- 2 product liability claims in the USA
- 7 product liability claims in the EU
- 1 product liability claim in Australia

Claims from employees:

- 1 claim from employees in the USA
- 1 claim from employees in the EU

Public liability:

- 1 public liability claim in Asia
- 1 public liability claim in Australia

Environmental risk:

- One pending matter in the USA

Most of these claims are covered by insurance. Based on legal advice taken, management does not expect these claims to significantly impact the Group's financial position or profitability.

Human Resources

The number of employees at year-end has developed as follows:

2014	1,224
2013	1,130

Product Development

The JENSEN-GROUP's key technologies encompass the entire laundry process, including the washroom itself, the logistics of moving linen and textiles, finishing with feeders, ironers and folders, as well as software technology to control the overall process. In short, a large number of different technologies are used in the process of recycling soiled linen and textiles into clean linen.

Given the wide range of technologies needed to cater for the needs of our customer base, we do not focus on fundamental research and development. Our task is to take existing technologies and incorporate them into our industry processes.

In recent years we have invested in further upgrading and expanding our product range and in particular in new software applications for our industry and in environmentally friendly products. Many developments that target resource savings for our customers are grouped under our CleanTech brand. Process control and production monitoring software are crucial in offering the customer a total laundry-operation solution.

Our Group has numerous patents on features of our machinery, and our product development teams in our various competence centers are continuously examining the possibility of protecting our developments.

Patents and notarial depositions are used primarily to prove prior art. We protect our patents on a case-by-case basis and primarily in the larger markets.

Generally the JENSEN-GROUP invests in the range of 2% to 3% of its turnover in Product Development every year. We believe this figure represents more or less the industry average.

Investments and Capital Expenditures

During 2014, JENSEN-GROUP invested 3.1 million euro, mainly in in equipment and vehicles.

During 2013, JENSEN-GROUP invested 4.5 million euro, mainly in the acquisition of its Austrian distributor and in equipment.

Outlook 2015

The Group expects capital expenditure to be higher than depreciation charges. The Group will invest primarily in IT, machinery and leasehold improvement.

FINANCIAL REPORT 2014

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Report of the Board of Directors

JENSEN-GROUP's net profit from continuing operations increased from 9.9 million euro in 2013 to 13.0 million euro reflecting a higher annual turnover and high activity levels in the plants. The economic conditions remain uncertain and we experience strong competition for projects and market position all around the world.

The financial result was in line with prior year. JENSEN-GROUP recorded a currency loss as compared to a gain in 2013. This is compensated by lower interest charges thanks to a better net cash position during the year.

On the balance sheet, working capital at closing date increased by 7.4 million euro compared to last year because of the higher activity during the year. The cash flow generated by the business resulted in a higher net cash position. Compared to December 2013, net cash increased by 3.7 million euro, from 2.7 million euro to 6.4 million euro. Also at the end of 2014, JENSEN-GROUP remains debt-free and is in full compliance with its bank covenants.

Headcount increased from 1,130 to 1,224 because of the higher activity level.

Results 2014

Revenue and operating profit increased by 8% and 31% respectively as compared to 2013.

Net financial result remained stable: in 2014, JENSEN-GROUP reported a currency loss compared to a currency gain in 2013. This is compensated by lower interest charges thanks to a better net cash position during the year.

The above-mentioned factors together resulted in an increase in net profit from 9.8 million euro to 13.0 million euro.

Outlook 2015

The order backlog is 33% higher; taking into account equipment already produced by year-end the order backlog is 13% higher than at December 31, 2013. JENSEN-GROUP considers the level of orders adequate to get off to a good start in 2015.

The main business risks have not changed materially from last year. Major risk factors are the volatility in the financial markets that affects our customers' investment decisions and capacity to find financing, as well as competitive pressure. Other risks are exchange rate volatility and fluctuating raw material prices, energy and transport costs. The Group is also receiving more requests for financing from specific customers. This increases our exposure to having to take back machinery over the life time of the financing.

Risk factors

Net profit depends on reaching a certain level of sales to absorb overhead costs.

Any major drop of activity has an immediate effect on operating profits.

The Group has 5 production sites, in the following countries:

- Sweden

- Denmark
- Germany
- USA
- China

Each production and engineering center (“PEC”) is specialized in a specific part of the laundry operation (Washroom, Finishing Technology) or in a specific type of linen (flatwork, garment or special applications such as mats, continuous roller towels or wipers).

The Group has its own distribution channels (Sales and Service Centers – or “SSC”) in the most important markets:

- Benelux
- Germany
- Sweden
- France
- Italy
- USA
- UK
- Australia
- Singapore
- China
- Switzerland
- Austria
- Brazil
- Japan
- New Zealand

Next to the SSCs, JENSEN-GROUP has sales representatives in:

- Poland
- Czech Republic
- Dubai

On top of that, JENSEN-GROUP has an experienced distributor network in more than 40 countries.

Each SSC is staffed to handle turnkey projects and systems as well as single machine sales and after sales services.

In each PEC and SSC we have the supporting functions needed to administer the legal entity. In order to absorb these overheads, sufficient volume is needed. The activity level determines production volume and can be influenced by factors beyond our control. Since our products are investment goods, the international investment climate, be it in healthcare but especially in hospitality (hotels and restaurants) and in industrial clothing, can have a significant influence on the overall market and sales opportunities. The impact of a sudden decrease in turnover cannot be fully offset by a decrease in overheads and infrastructure costs and as such can have a negative impact on our activity level, our financial condition and our operating results.

Largest customers are getting larger as they consolidate and become increasingly international.

An important part of the business is to deliver solutions and machines to the textile rental industry. The ongoing consolidation and internationalization in this industry is making a significantly greater part of the business dependent on relations with these larger groups.

Price fluctuations or shortages of raw materials and the possible loss of suppliers could adversely affect the operations.

JENSEN-GROUP purchases a large number of different components as well as raw materials such as black iron, stainless steel and aluminum. The price and availability of these raw materials and components are subject to market conditions affecting supply and demand. In a competitive market, there is no assurance that increases or decreases in raw material and other costs can be translated quickly into higher sales or lower purchase prices. Nor can there be any assurance that the loss of suppliers or components would not have a material adverse effect on our business, financial condition and results of operations. We currently do not undertake commodity hedging.

JENSEN-GROUP operates in a competitive market.

Within the worldwide heavy-duty laundry market, JENSEN-GROUP encounters several competitors. There can be no assurance that significant new competitors or increased competition from existing competitors will not have an adverse effect on our business, financial condition and results of operations.

In addition, the Group may face competition from companies outside of the United States or Europe who have lower costs of production (including labor or raw materials). These companies may pass on these lower production costs as price decreases to customers and as a result, our revenues and profits could be adversely affected.

Currency risks and the economic and political risks of selling products in foreign countries.

Sales of equipment and projects to international customers represent a major part of the net revenues. Demand for our products is and may be affected by economic and political conditions in each of the countries in which we sell our products and by certain other risks of doing business abroad, including fluctuations in the value of currencies (which may affect demand for products priced in euro). We do hedge exchange rate fluctuations between the major currencies for our operations, these being the EUR, USD, CHF, GBP, DKK, SEK, SGD, CNY, JPY, AUD and NZD.

Vendor financing

In the aftermath of the banking crisis many customers experience difficulties in obtaining financing to invest in expansion or renewal. Under specific conditions JENSEN-GROUP is offering financing solutions to customers. This creates exposure for the Company in terms of having to take back machinery over the life time of the financing contract. We manage our exposure by aligning the price for take-back to the second-hand market values as much as possible.

Policy choices can affect the healthcare sector

JENSEN-GROUP sells to industrial laundries which handle, amongst others, linen for the healthcare sector. Policy choices can affect the standards of hygiene or the financial capability of hospitals. This may influence product development in order to find solutions for the most stringent hygiene requirements.

JENSEN-GROUP is dependent on key personnel.

JENSEN-GROUP is dependent on the continued services and performance of the senior management team and certain other key employees. The employment agreements with senior management and key employees are for an indefinite period of time. The loss of any key employee could have a material adverse effect on the business, financial condition and results of operations because of their experience and knowledge of our business and customer relationships.

The nature of the business exposes JENSEN-GROUP to potential liability for environmental claims and JENSEN-GROUP could be adversely affected by new, more stringent environmental, health and safety requirements.

The Group is subject to comprehensive and frequently changing federal, state and local environmental, health and safety laws and regulations, including laws and regulations governing emissions of air pollutants, discharges of waste and storm water and the disposal of hazardous wastes. We cannot predict the environmental liabilities that may result from legislation or regulations adopted in the future, the effect of which could be retroactive. The enactment of more stringent laws or stricter interpretation of existing laws could require additional expenditures by us, some of which could have an adverse effect on our business, financial condition and results of operations.

The Group is also subject to liability for environmental contamination (including historical contamination caused by other parties) at the sites it owns or operates. As a result, the Group is involved, from time to time, in administrative and judicial proceedings and inquiries related to environmental matters. There can be no assurance that we will not be involved in such proceedings in the future, and we cannot be sure that our existing insurance or additional insurance will provide adequate coverage against potential liability resulting from any such administrative and judicial proceedings and inquiries. The aggregate amount of future clean-up costs and other environmental liabilities could have a material adverse effect on our business, financial condition and results of operations.

For the past several years, JENSEN has strictly followed an environmental remediation plan relating to our former Cissell manufacturing facility. The last sampling tests done by a third party environmental-engineering company each year, with an exhaustive review every five years, are in line with expectations. The latest projected end date for this remediation plan is 2025. However, there can be no complete assurance that significant additional civil liability or other costs will not be incurred by us in the future with respect to the Cissell facility or other facilities.

The operations are also subject to various hazards incidental to the manufacturing and transportation of heavy-duty laundry equipment. These hazards can cause personal injury and damage to and destruction of property and equipment. There can be no assurance that as a result of past or future operations, there will not be injury claims by employees or third parties. Furthermore, we also have exposure to present and future claims with respect to worker safety, workers' compensation and other matters. There can be no assurance as to the actual amount of these liabilities or the timing of them. Regulatory developments requiring changes in operating practices or influencing demand for, and the cost of providing, our products and services or the occurrence of material operational problems, including but not limited to the above events, may also have an adverse effect on our business, financial condition and results of operations.

JENSEN-GROUP may incur product liability expenses.

The Group is exposed to potential product liability risks that arise from the sale of our products. In addition to direct expenditures for damages, settlements and defense costs, there is a possibility of adverse publicity as a result of product liability claims. We cannot be sure that our existing insurance or any additional insurance will provide adequate coverage against potential liabilities and any such liabilities could adversely affect our business, financial condition and results of operations.

JENSEN-GROUP is subject to risks of future legal proceedings.

At any given time, JENSEN-GROUP is a defendant in various legal proceedings and litigation arising in the ordinary course of business. Although we maintain insurance coverage, there is no assurance that this insurance coverage will be adequate to protect us from all material expenses related to potential future claims for personal and property damage or that these levels of insurance coverage will be available in the future at economical prices or for that matter, available at all. A significant judgment against us, the loss of a significant permit or other approval or the imposition of a significant fine or penalty could have an adverse effect on our business, financial condition and future prospects.

Interest rate fluctuations could have an adverse effect on our revenues and financial results.

The Group is exposed to market risk associated with adverse movements in interest rates. JENSEN-GROUP maintains long term interest rate hedges in order to limit this risk, but a general increase in interest rates might have an unfavorable effect on the overall investment climate and as such on our business, financial condition and results of operations.

The use of debt could adversely affect our financial health if covenants are not met.

The JENSEN-GROUP's major financial institution partners are Nordea and KBC. The Group's borrowing agreements include financial covenants with one of the financial institutions. These covenants could have a restricting effect on our financial capacity.

To service the indebtedness, JENSEN-GROUP will require a certain amount of cash flow. The ability to generate cash depends on many factors beyond our control.

The ability to make scheduled payments of principal and interest with respect to our indebtedness, to fund our planned capital expenditures and our research and development efforts and to finance our expansion in capacity, will depend on our ability to generate cash, on future financial results and the development of the major financial institutions we work with. These institutions, to a certain extent, are subject to the risk factors mentioned above.

Conflict of interest

Under Belgian company law, the members of the Board of Directors are required to give the Chairman prior notice of any agenda items in respect of which they have a conflict of interest with the Company, either direct or indirect, whether of a financial or other nature and to refrain from participating in the discussions of and voting on those items. This is also a standard item on the agenda of each Board meeting. No potential conflicts arose in the course of 2014.

Investments and capital expenditures

Capital expenditures in 2014 amounted to 3.1 million euro (4.5 million euro in 2013), consisting primarily of equipment. Capital expenditures in 2013 consisted primarily of the acquisition of the group's Austrian distributor and of equipment.

Use of financial instruments

The Company uses derivative financial instruments to reduce its exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Company's policy not to hold derivative instruments for speculative and trading purposes.

At December 31, 2014, currency bought forward hedges existed in an amount of 2.8 million euro and currency sold forward hedges existed in an amount of 15.9 million euro. The Company also had Interest Rate Swaps (IRS) outstanding in amounts of 18.9 million DKK with maturities from 2022 to 2024 and fixed rates ranging from 4.86% to 5.11%.

Product Development

The JENSEN-GROUP does not perform fundamental research, but undertakes continuous product development. These expenses in respect of the continued operations amounted to 4.5 million euro in 2014 (6.3 million euro in 2013). The JENSEN-GROUP does not capitalize development expenses since its business reality makes it very difficult to distinguish product enhancements from adaptations to specific circumstances, and to define the future cash flows that will originate from these efforts. Since furthermore the development expenses are relatively stable and are a continuous process, the JENSEN-GROUP does not capitalize these efforts but expenses them as incurred.

Corporate Governance Statement

Statement on Corporate Governance

JENSEN-GROUP has adopted the Belgian Corporate Governance Code in its revised 2009 version as its reference Code. The Code 2009 is available on www.corporategovernancecommittee.be. The Group has implemented the Belgian Corporate Governance Code since 2004, reviewing the major requirements of and evolution in the Code and evaluating the degree of compliance within the JENSEN-GROUP. To the best of our knowledge and belief, JENSEN-GROUP is compliant with the Corporate Governance Code.

As a result of these efforts, the Board of Directors of JENSEN-GROUP has adopted and has published the following charters:

- Charter of the Board of Directors, including standards of independence and requirements for Directors;
- Charter of the Remuneration Committee;
- Charter of the Audit Committee;
- Communication Policy;
- Role and Responsibilities of the Chairperson of the Board of Directors; and
- Role and Responsibilities of the Executive Management.

These Charters can be found on our website www.jensen-group.com under Investor Relations/Corporate Governance. They are regularly reviewed and evaluated by the Board of Directors. The Charters are part of the day-to-day proceedings of the JENSEN-GROUP Board of Directors and Board Committees, and are to the best of our knowledge and belief compliant with the Code.

According to the “comply or explain” principle, the Company may deviate from the Code provided it duly explains the reasons for such deviation. Reasons could be linked to the Company’s nature, organization and/or size. Based on its internal risk assessment as well as on the size of its operations, JENSEN-GROUP has outsourced the internal audit function to external parties. JENSEN-GROUP does not have an internal audit manager because:

- The JENSEN-GROUP consists of multiple smaller entities with limited turnover, which are closely monitored by local management teams;
- The management teams are further monitored by the JENSEN-GROUP headquarters through quarterly operational and financial reviews as well as regular site visits by the management of JENSEN-GROUP headquarters;
- All JENSEN-GROUP subsidiaries are aware of the JENSEN-GROUP policies and procedures, and the relative size of the JENSEN-GROUP continues to allow for regular communication and face-to-face meetings with all local management teams;
- All JENSEN-GROUP companies are audited by the same accounting firm and significant risk factors are consistently reviewed in the external audit scopes of the different subsidiaries.

The JENSEN-GROUP Audit Committee has concluded that an in-house internal audit function would not be an effective function. As an alternative, in consultation with the external auditor and on the basis of a risk analysis, the Audit Committee develops internal audit priorities and retains an independent outside audit firm for specific internal audit projects. It is considered that this approach is more effective than an in-house internal audit function. The Audit Committee can outsource the internal audit activity to a locally competent audit service provider.

Because of a change in the composition of the Board of Directors in the course of 2013, the Remuneration Committee and the Audit Committee consist temporarily of two members. The composition of the Committees will be adjusted to three members as soon as the proposed changes in the Board of Directors are approved and implemented which is expected to be at the next annual shareholders meeting on May 19, 2015.

The professional qualifications and duties of the Director(s) to be (re)-appointed were not stipulated in the invitation and notices to the next annual shareholders' meeting, given that these qualifications are already published in several press releases and annual reports and include broad international experience, operational knowledge and adequate financial knowledge in order to function in an audit committee.

The information found in the Corporate Governance Charter is provided "as is" and is solely intended for clarification purposes. The recommendations and policies found in the Charters are in addition to and are not intended to change or interpret any law or regulation, or the Certificate of Incorporation or Bylaws of the Company. By adopting these Charters, attachments and possible sub-charters, the Company does not enter into any obligation or contractual or unilateral commitments whatsoever. The Charters are intended as a guideline in the day-to-day proceedings of the Company. Competences and tasks attributed to the Board of Directors are to be seen as enabling clauses, not as mandatory rules or a compelling line of conduct.

Risk Management and Internal Control

In accordance with the provisions on corporate governance in the Law of December 17, 2008 and in the so-called Corporate Governance Law of April 6, 2010 (hereinafter referred to as "the Law"), JENSEN-GROUP has adopted and implemented a risk management and internal control process.

The following description of risk management and internal control is based on the Integrated Internal Control Framework and the Enterprise Risk Management Framework as published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Board of Directors supervises the proper functioning of risk management and internal control through the Audit Committee. The Board of Directors has delegated to the Executive Management Team the task of implementing a risk management process and an internal control system and of reporting back to the Board on both topics at regular intervals.

Risk management

Based on a framework model prepared by an external consultant, the Executive Management Team has developed a risk map describing the financial, operational, strategic and legal risks. This risk map was prepared for the first time in 2008 and is now reviewed on a regular basis. The map outlines both the probability of the different risks occurring, and the impact of their occurrence on the results. Measures to mitigate the risk exposure are evaluated. The Executive Management Team has presented the conclusions of this risk management exercise to the Audit Committee and to the Board of Directors. The Board discusses the major risks with management on an as needed basis, but at least once a year.

The Executive Management Team discloses quarterly a certain number of risk areas as perceived by the Executive Management Team. The Executive Management Team then re-examines those risks and formulates approaches to mitigate the risk and looks at various forms of transferring these risks to third parties in the areas in which a material risk exposure to the Company remains.

Internal control

Definition

Internal control is a process, effected by the Board of Directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: a) Effectiveness and efficiency of operations; b) Reliability of financial reporting; and c) Compliance with laws and regulations.

Control environment

The Board of Directors and the Executive Management Team have approved and adopted the JENSEN-GROUP Ethical Business Statement (hereinafter referred to as “the Statement”). The Statement sets forth the JENSEN-GROUP’s mission as well as the Group’s ethical values; it describes its rules of conduct as well as the transactions that are permissible between JENSEN-GROUP and third parties to the extent that these transactions are not covered by the legal provisions on conflict of interest. Implementation and application of the JENSEN-GROUP Ethical Business Statement is mandatory for all of the companies of JENSEN-GROUP. The review of the Statement is integrated in every training session that is organized. The Statement is available on the corporate website www.jensen-group.com under Investor Relations/ Corporate Governance.

JENSEN-GROUP consists of several entities which are closely monitored by local management teams. JENSEN-GROUP headquarters further monitors the local management teams through quarterly operational and financial reviews. In addition, the Company’s Group Control and Reporting reviews the different entities on a quarterly basis.

JENSEN-GROUP monitors its business with a view toward achieving a certain level of ROCE (Return on Capital Employed).

Control activities and monitoring

Conformity with reporting requirements

All IFRS accounting principles, guidelines and interpretations are grouped in the accounting manual, which is part of the JENSEN-GROUP Procedures and Guidelines. The JENSEN-GROUP Procedures and Guidelines are available on the JENSEN intranet and accessible by all local management and staff of the Group. The accounting manual is updated on a regular basis. Additional reporting is undertaken as requested by management and/or the Audit Committee and where appropriate is included in the accounting manual.

The Financial Managers of the Group meet at regular intervals. During each such seminar, the Financial Managers are informed of relevant changes in IFRS. Training is provided on an as needed basis to ensure correct implementation of such changes.

A majority of the Group companies use the same ERP system. The policy has been adapted to move all of the Group companies to the same ERP system over time. All companies of the Group use the same software to report the financial data for consolidation purposes.

Group management has introduced, after discussion with the Audit Committee, a set of key controls to provide reasonable assurance about the reliability of financial reporting and of the financial statements made available to external parties starting in 2009. Local management has implemented these key controls. The set of key controls is reassessed from time to time and amended if necessary.

Financial Reviews

Group Control and Reporting reviews every quarter all data submitted for consolidation for financial accuracy, consistency with and any deviations from budgets and the explanations given, in order to ensure the accuracy of the reported data. Group Management then ensures proper follow up and actions on deviations from budget.

Operational reviews

Monitoring is performed during the Business Board Reviews. These quarterly reviews include a financial review which specifically focuses on major changes in P&L and balance sheet items, deviations from budgets as well as consistency in applying IFRS rules. The internal control system is monitored on a quarterly basis.

Management's monitoring of internal control is performed on a continuous basis. The performance of the individual companies is measured and compared to budgets and previous years' figures which may identify anomalies indicative of a control failure. Failures are promptly remedied.

All JENSEN-GROUP companies are audited or reviewed by the same accounting firm and significant risk factors are reviewed consistently in the external audits of the different subsidiaries. The external auditor reports to the Audit Committee twice a year on their findings and on significant issues.

Relevant findings by the Internal Audit (which is outsourced as described above) and/or by the Statutory Auditor are reported to both the Audit Committee and to the related management. Periodic follow-up is performed to ensure that corrective action has been taken.

All relevant financial information is presented to the Audit Committee and to the Board of Directors so as to enable them to analyse the financial statements. Prior to external reporting, all press releases and other financial information is subject to:

- Appropriate review and controls by JENSEN-GROUP headquarters,
- Review by the Audit Committee
- Approval of the Board of Directors.

The JENSEN-GROUP Audit Committee has decided that an in-house internal audit function would not be an effective function. In consultation with the external auditor and on the basis of a risk analysis, the Audit Committee has worked out an internal audit plan and retains an independent outside audit firm for specific internal audit projects.

It is considered that this approach is more effective than an in-house internal audit function. The Audit Committee can outsource the internal audit activity to a locally competent audit service provider.

In 2014, an independent audit firm performed an internal audit at JENSEN USA. The audit findings were discussed during the Audit Committee meeting of November 13, 2014. Control systems were rated as generally appropriate and functioning. Recommendations for improvement related mostly to suggestions for gains in efficiency and effectiveness for the production planning system, the cost calculation used in the quotation phase and the post-production cost variance analysis.

Information and communication

Group Controlling provides management with transparent and reliable management information in a form and time-frame that enables them to effectively carry out their responsibilities.

Every year, Group Controlling prepares a financial calendar for reporting in consultation with the Board of Directors and the Executive Management Team. The financial calendar is designed to allow accurate and timely reporting to external stakeholders.

In the first and third quarters, a trading update is released. At half-year, condensed consolidated interim information is reported and at year-end the full annual report is published. Prior to external reporting, all press releases and other financial information are subject to appropriate controls by JENSEN-GROUP headquarters and to review by the Audit Committee and require approval of the Board of Directors.

Composition of the Board of Directors

Composition of the Board of Directors

The members of the Board of Directors are appointed by the shareholders, voting by simple majority, during the general meeting of shareholders.

The Company's bylaws allow for appointment by cooptation. If cooptation occurs, it is considered as a transitional arrangement whereby the director-elect completes the mandate of the outgoing director as opposed to taking on a new mandate. For this reason the transition period is not considered as a mandate in the independence rule review, where the Company looks at total years of service on the Board of Directors.

The Company's bylaws require the Board of Directors to have at least three but not more than eleven members. Board members are elected for terms of office of no more than four years.

The Company's bylaws are supplemented by the Charter of the Board of Directors. This Charter outlines and details the Board's role and responsibilities and is revised from time to time. This Charter includes 4 major chapters:

1. Functioning of the Board: directors' responsibilities, number of Board and Committee meetings, Company Secretary, setting the agenda of Board meetings, director compensation, orientation and education, CEO evaluation, management succession, director access to officers and employees, use of independent advisors.

2. Board structure: size of the Board, selection of directors, required qualifications, including the criteria of independence, resignation from the Board and term limits.
3. Committees of the Board: establishment of the Audit Committee and of the Remuneration Committee.
4. Other Board practices: directors' roles and responsibilities, terms of reference of the Chairman of the Board and of the Executive Management Team, interaction with institutional investors, analysts, media, customers and members of the public at large, limitation of liability, policy to prevent insider trading and market abuse, conflict of interest policy and code of conduct and evaluation of Board performance.

For more details please consult our website on www.jensen-group.com under Investor Relations / Corporate Governance.

As in the past, the JENSEN-GROUP selects its Board members in a manner that allows for a balance in the profiles of the different members. A balance is sought between executive and non-executive directors, directors representing shareholders and independent directors, and also in respect of directors' professional backgrounds experience and gender. A majority of the members of the Board of Directors are not related to the Company's controlling shareholders.

Currently, JENSEN-GROUP has no female board members. The Remuneration Committee is well aware of the requirements of the Law of July 28, 2011 on gender diversification and anticipates complying within the deadlines required. In the interim, the Remuneration Committee recommended the appointment of a new board member with specific experience in setting up and managing business in China. Although the Remuneration Committee looked around, they did not find as of today a female candidate that fits the requirements of background and experience for this Board function.

The Company opts not to change the composition of the Board of Directors in the current set up; there is a balance in respect of skills and capability. When a vacancy on the Board occurs and a proposal for a new member needs to be made, the Remuneration Committee will see to it that the Law of July 28, 2011 on gender diversity is taken into account in order to ensure a due and timely compliance by the Company with the deadline imposed by the Law.

The composition of the Board of Directors of the JENSEN-GROUP, the attendance records of the individual Directors, as well as their remuneration packages, is as follows:

Name	Function	Independent	"Term" Expiry	Attendance Board meetings	Committees	Attendance committees	Remuneration
GOBES c.v. ¹	Chairman	V	2016	100%	AC	100%	94.000
represented by Mr. Raf Decaluwé					RC	100%	
Hans Werdelin ¹	Director	V	2016	100%	RC	100%	37.500
SWID AG ²	Director		2017	100%			-
represented by Mr. Jesper Munch Jensen							
TTP bvba ¹	Director	V	2017	100%	AC	100%	40.500
represented by Mr. Erik Vanderhaegen							
Mr. Peter Rasmussen ¹	Director	V	2018	100%			27.000
Total							199.000

1: Non-executive director

2: Executive director, CEO, representing the reference shareholder

AC: Audit committee

RC: Remuneration Committee



From left below: Jesper Munch Jensen, Hans Werdelin and Peter Rasmussen.
From right below: Raf Decaluwé and Erik Vanderhaegen.

Gobes Comm.V., represented by Mr Raf Decaluwé. Mr. Decaluwé is the former CEO of the Bekaert Group. He held senior positions at Black & Decker and Fisher Price Toys prior to joining the Bekaert Group. Mr. Decaluwé is a Board member in various companies.

Mr. Hans Werdelin is the former CEO of Sophus Berendsen A/S. Mr. Werdelin holds positions as chairman or member of the Board in various companies.

TTP bvba, represented by Mr. Erik Vanderhaegen. Mr. Vanderhaegen is the former CFO of the JENSEN-GROUP and is currently Managing Director of NIBC Bank NV. Prior to that, he was M&A manager at Univeg NV/SA and corporate tax, audit and M&A manager at Bekaert NV/SA.

SWID AG, represented by Mr. Jesper Munch Jensen. Mr. Jensen is the CEO of the JENSEN-GROUP.

Mr. Peter Rasmussen is General Manager of Asia Base, a company specialized in market studies, establishments and acquisitions in China. Mr. Rasmussen holds positions as member of the Board in various companies in China.

The Board of Directors held five meetings in 2014. The topics of discussion included:

- JENSEN-GROUP overall strategy, strategic plans and budgets;
- Economic and market developments;
- JENSEN-GROUP financial structure and performance and external reporting;
- Call of the annual meeting of shareholders;
- Investment projects;
- Shareholder value creation and return;
- Corporate Governance;
- Status of internal controls and risk management.

Depending on the items on the agenda, members of senior management were invited to the meetings of the Board of Directors and to the meetings of the Board Committees. Mrs. Scarlet Janssens is the Company Secretary. Mr. Werner Vanderhaeghe, a Senior Counsel with Morgan, Lewis & Bockius LLP in Brussels and Frankfurt, acts as General Counsel of the Group.

Evaluation of the Board of Directors

The Board of Directors and the Board Committees conduct from time to time a self-evaluation exercise to determine whether the Board and its Committees are functioning effectively. This process includes the completion by all members of a self-evaluation questionnaire. The Group General Counsel or an external party summarizes the results, trends and comments from the individual replies. The results, trends and comments are discussed within the Board and focus on the Board's and the Board Committees' contribution to the Company and specifically on areas in which the Board or Executive Management believes that the Board or its Committees could improve. Action points are derived and implemented.

Individual assessments of the Board members are made on an ongoing basis during Board meetings in an informal way.

In 2014, an external party was retained to undertake an assessment of the Board of Directors. The results of this exercise and the proposed action plans will be discussed during the Board meeting of March 2015.

Committees established by the Board of Directors

Remuneration Committee

The Remuneration Committee consists of Gobes Comm.V. represented by Mr. Raf Decaluwé, who acts as Chairman of the Committee and Mr. Hans Werdelin. Because of a change in the composition of the Board of Directors in the course of 2013, the Remuneration Committee consists temporarily of two members. The composition of the Remuneration Committee will be adjusted to three members as soon as the proposed changes in the Board of Directors are approved by the annual shareholders' meeting in May 2015 and implemented.

The two current members of the Committee qualify as independent directors. The Remuneration Committee met twice in the course of 2014. The Committee analyzed and reviewed the remuneration and the bonuses of the Executive Management of the Group, discussed and approved the remuneration report and the contract of a new EMT member. Further, the Remuneration Committee motivated the exemption with respect to deferred bonus payments and discussed the composition of the Board of Directors, including gender diversification within the Board of Directors. The Remuneration Committee conducted a search for new independent board members and proposed to the Board to request the shareholders at the Annual Shareholders' meeting of May 19, 2015 to nominate two new board members Mr. Wagner and Mrs. Buyse for election to the Board of Directors as an independent director.

In 2013, the Remuneration Committee conducted a self-assessment exercise. The results of the Remuneration Committee's self-assessment and the proposed action points for improvement were discussed at the Remuneration Committee meeting and at the meeting of the Board of Directors held in March 2014. The self-assessment report concluded that it would be better to have three members again and the Remuneration Committee therefore submitted a recommendation to the Board with a view towards returning to a six Board members structure in order to make it possible again for having three members serve on the Board Committees.

The Remuneration Committee uses its Charter as terms of reference. The Charter can be found on our website www.jensen-group.com under Investor Relations/Corporate Governance. The Charter covers:

- Authority;
- Objectives;
- Composition;
- Role of the Chairperson;
- Responsibilities;
- Meetings;
- Attendance;
- Non-consensus;
- Objectivity;
- Access to members of management;
- Reporting and appraisal;
- Remuneration report;
- Performance Evaluation.

Audit Committee

The Audit Committee consists of TTP bvba, represented by Mr. Erik Vanderhaegen (Chairman) and Gobes Comm. V., represented by Mr. Raf Decaluwé. Because of a change in the composition of the Board of Directors in the course of 2013, the Audit Committee consists temporarily of two members. The composition of the Audit Committee will be adjusted as soon as the proposed changes in the Board of Directors are approved by the annual shareholders' meeting in May 2015 and implemented.

The two current members of the Committee qualify as independent directors. The Audit Committee met four times in the course of 2014. Two meetings were held in the presence of the external auditor PwC, represented by Mr. Filip Lozie. Items on the agenda of the Audit Committee included:

- Discussion of the findings of the external auditor on the financial statements as at December 31, 2013;
- Discussion of the findings of the specified procedures on the financial statements as at June 30, 2014;
- Discussion of the financial statements and condensed financial statements;
- Self-assessment;
- Review of accounting treatments;
- Internal audit plan and internal audit findings;
- Financial structure and
- The Risk Management and Internal Control System.

In 2014, the Audit Committee conducted a self-evaluation exercise to determine whether the Committee is functioning effectively. As a result of the self-assessment the Committee organized a better flow of information for itself on regulatory changes and accounting and reporting updates. The Committee recommended organizing an audit of IT-related security in 2015.

The Audit Committee uses its Charter as terms of reference. The Charter is published on our website www.jensen-group.com under Investor Relations/Corporate Governance. The Charter includes such items as:

- Roles and responsibilities;
- Number of meetings;
- Composition of the Audit Committee;
- Role of the Chairperson;
- Presence of the external auditor;
- Performance evaluation.

Senior management attends each Audit Committee meeting in part, with the remainder of the meeting reserved for an executive session with the external auditor and for the Audit Committee members only.

Conflicts of Interest within the Board of Directors

As required under Belgian Company law, the members of the Board of Directors are expected to give the Chairman prior notice of items on the agenda in respect of which they have a direct or an indirect conflict of interest with the

Company, either of a financial or other nature, and to refrain from participating in the discussion and vote on those items. The Chairman and the Board monitor constantly potential conflicts of interest that do not fall within the definition as set forth by Company Law. The review of a potential conflict of interest is a standard item on the agenda of each Board meeting.

No potential conflicts arose in the course of 2014.

In case of doubt, written confirmation is sought from the director or the senior executive involved, stating the reasons for the absence of a conflict of interest as more broadly defined.

Policy to prevent Insider Trading

To prevent privileged information from being used unlawfully by Directors or members of senior management, all persons involved have signed a policy to prevent insider trading.

The Company defines two periods during which trading in the Company's shares by Directors, by members of the Executive Management Team or by local management is restricted. These two restricted periods are between mid-January and the reporting of the annual results and between mid-July and the reporting of the half-year results.

All trading in JENSEN-GROUP shares requires prior authorization from the Compliance Officer. In addition, all Directors and members of the Executive Management Team are required to inform the Compliance Officer on a quarterly basis of any trading respectively to confirm any non-trading in the Company's shares. Mrs. Scarlet Janssens is the Compliance Officer of JENSEN-GROUP NV. As of December 31, 2014, the members of the Board of Directors and senior management together held 210 shares. Next to this, Mr. Jesper M. Jensen owns indirectly shares in JENSEN-GROUP NV, see Note 8 – Equity. No warrants are outstanding.

The policy to prevent insider trading is included in the Charter of the Board of Directors. The Charter can be found on our website www.jensen-group.com under Investor Relations/Corporate Governance.

Executive Management

In 2005 the Bylaws of the Company were amended so as to authorize the Board of Directors to delegate its powers of day-to-day management to an executive committee in conformity with art. 524 bis of the Company Law. The Board of Directors has not acted on that authorization to date.

In the course of 2009, an Executive Management Team (EMT) was appointed. The EMT consists since 2012 of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Executive Director Sales and Innovations, the Executive Director Washroom Technology and the Executive Director Finishing Technology. The CEO chairs the Executive Management Team meetings.

The Executive Management Team is responsible for:

- The development of the overall Group strategy;
- The introduction and implementation of an internal control framework and risk management processes, in line with

the nature, organization and size of the Group;

- The implementation and the deployment of the Ethical Business Statement;
- The preparation of the financial statements and disclosures;
- The report of the CEO and CFO to the Board of Directors with respect to the financial situation of the Group;
- The presentation at regular intervals to the Board of Directors of all information necessary for the Board to carry out its duties;
- Evaluation of the adequacy of the manufacturing footprint.

The Executive Management Team meets at least every quarter and consists of:

- Jesper Munch Jensen, Chief Executive Officer,
- Christoph Ansoerge, Executive Director Washroom Technology,
- Steen Nielsen, Executive Director Finishing Technology
- Martin Rauch, Executive Director Sales and Innovations and
- Markus Schalch, Chief Financial Officer.



From left to right: Steen Nielsen, Christoph Ansoerge, Jesper Munch Jensen, Markus Schalch, Martin Rauch.

Jesper Munch Jensen, permanent representative of SWID AG, started his career at Swiss Bank Corporation and worked as a stockbroker on the Swiss Stock Exchange (1984-1987). After obtaining an MBA degree from Lausanne Business School, he joined the JENSEN-GROUP as an assistant general manager of JENSEN Holding (1991). Mr. Jensen became CEO of the JENSEN-GROUP in 1996.

Christoph Ansoerge is former Vice President at Agfa-Gevaert and former Member of the BOM Agfa-Gevaert Aktiengesellschaft für Altersversorgung. He held senior positions in Strategy, Finance & Administration and Operations within Agfa-Gevaert Group. Prior to that, he was Manager at Bayer AG Germany. Mr. Ansoerge served as a board member of JENSEN-GROUP NV from November 2011 until December 2013. As from October 1, 2013, Mr. Ansoerge became general manager at JENSEN GmbH. Mr. Ansoerge joined the Executive Management Team in January 2014 as Vice President of Washroom Technology.

Steen Nielsen holds a degree in Civil Engineering and a Bachelor of Commerce & Finance. Between 1978 and 1987 he worked for F.L. Smidth & Co. as a sales and divisional manager. Mr. Nielsen joined the JENSEN-GROUP in 1987 as sales and marketing director and has been Director of Flatwork Technology since 2006.

Martin Rauch holds a Bachelor of Science degree in Electrical Engineering. After his studies in 1989, he joined JENSEN AG Burgdorf and held various positions in the technical and commercial areas. Mr. Rauch became General Manager of JENSEN AG Burgdorf in 2003 and Managing Director of JENSEN SWEDEN AB following the formation of the Garment Technology Business Unit in 2006. Mr. Rauch joined the JENSEN-GROUP Management Team as Director of Garment Technology that year and is, as per January 1, 2014, Executive Director of Sales and Innovations.

Markus Schalch has a Master of Arts in Finance and Accounting from the Hochschule St. Gallen. He started his career in an audit firm for two years prior to joining the Alstom Group in various finance positions. In 2000, Mr. Schalch joined a leading Swiss telecommunication firm where he became CFO of Swisscom Systems Ltd. (2002-2004) and was then appointed CFO of Swisscom Solutions AG (2005 till August 2007). Mr. Schalch joined the JENSEN-GROUP in September 2007 as CFO.

Remuneration Report

The remuneration policy is intended to attract and retain the qualified and talented employees that are needed to support the long term development and growth of the Company.

By offering a competitive compensation package, the Company intends to stimulate individual performance and to align the employees' individual interests with those of the shareholders and other stakeholders.

The compensation of the Board, the CEO and the Executive Management Team are reviewed by the Remuneration Committee and approved by the Board of Directors. The shareholders approve the Remuneration Report.

The market conformity of compensation packages of the Board of Directors and of the Executive Management Team is periodically checked with the support of external, independent advisors.

Remuneration of the Board of Directors

The remuneration of the non-executive Directors is based on their responsibility and their specific tasks within the Board of Directors. The fees for non-executive Directors, with the exception of the Chairman, consist of a fixed remuneration of 17,000 euro and an attendance fee of 2,000 euro per Board meeting and 1,000 euro if the Board meeting is by telephone. Members of Board Committees receive a fixed fee of 7,500 euro per year and an attendance fee of 1,500 euro per meeting. This does not apply to the Chairman of the Board of Directors. The Chairman of the Board of Directors receives a fixed fee of 94,000 euro per year. Directors do not receive any variable compensation. The CEO does not receive any compensation as a member of the Board. The total fees paid to Board members and members of the Board Committees amount to 199,000 euro, which is within the amount of 350,000 euro approved by the shareholders. The amount paid out during 2014 was lower because of a change in the composition of the Board of Directors which numbered five members in 2014. During the next shareholders meeting on May 19, 2015 the Board will suggest to revert to six members, thereby allowing to adjust the composition of the Board Committees to three members.

The following Director received additional compensation for services and assistance rendered in connection with specific projects and assignments as an advisor to the Company, on top of his Board fees: Asia Base Research Suzhou Co. Ltd, a company of which Mr. Peter Rasmussen is the shareholder delivered consultancy services for 315,652.97 CNY to JENSEN-GROUP.

Mr. Jesper M. Jensen owns indirectly shares in JENSEN-GROUP NV, see Note 8 – Equity.

Remuneration of the Executive Management Team

The Remuneration Committee prepares all recommendations relating to the appointment and the remuneration of the Executive Management Team based on proposals by the Chief Executive Officer. The Committee discusses in detail the remuneration policy, pay levels and the individual performance evaluations of members of the Executive Management Team. The external auditor reviews the conformity of the remuneration paid out to the Executive Management Team with the amounts proposed by the Remuneration Committee and approved by the Board of Directors. The Remuneration Report is approved by the Shareholders.

Executive Management remuneration is composed of a base salary and variable compensation that are paid out in cash, pension plans depending on managers' country of residence, life insurance, other customary insurances and benefits. Appointments to the board of directors of certain subsidiaries can also be remunerated. Executive managers are provided with all resources needed to perform their duties.

The variable compensation is in a range of 20% to 30% of the total remuneration, except for the Chief Executive Officer, whose variable compensation is targeted to amount up to 50% of total remuneration. There is a cap above and a minimum target below which no variable compensation is paid. The variable remuneration of Executive Management (CEO and EMT) is based on performance against the following objectives:

- Individual, qualitative objectives for 20% to 30% of the total target amount (important projects and actions to be realized during the year);
 - Quantitative objectives for 70% to 80% of the total, divided between:
 - The financial results against target of the Group in terms of profitability, capital employed, specific elements of capital employed and/or cash flow;
 - The financial results against target of the unit for which the individual manager is accountable.

The Group targets that are to be achieved are defined by the Board of Directors, as part of the annual budget review process, whereby the budget is first evaluated in the context of the strategic plan.

For the year 2014 the Group targets were operating profit and working capital performance.

The shareholders approved during the annual meeting of May 2014 an extension of the exemption from the Law on Corporate Governance of April 6, 2010 and in particular of its provision requiring the spread of objectives and variable compensation payments over several years during a term of five years expiring at the annual meeting of May 2019.

Where pension plans are customary, Executive Management participates in such pension plans.

As set forth in the section on Remuneration of the Board of Directors, the CEO does not receive any compensation as a member of the Board.

The CEO invoices his services through a separate company 'SWID AG'. The other Executive Management Team members are salaried employees.

Total gross salaries paid to the Executive Management Team, including the CEO, in the course of 2014 amounted to 1,856,800 euro. The amount is higher than prior year because of the composition of the Executive Management Team: the Executive Management Team was composed of 5 members compared to 4 members in 2013. The amount is composed as follows:

	2014	2014	2013	2013
In euro	CEO	EMT, excluding CEO	CEO	EMT, excluding CEO
Basic remuneration		980,446		721,350
Invoiced services	449,100		449,100	
Variable remuneration	178,000	173,369	182,560	202,697
Fixed expenses		19,760		19,495
Fringe benefit		40,820		29,204
Pension plan		15,305		15,066
Total	627,100	1.229,700	631,660	987,812

The basic remuneration includes the salaries of the salaried EMT members. It represents their total fixed compensation before local taxes and obligatory pension contributions. The basic remuneration includes the remuneration received for appointments to the Board of Directors of certain subsidiaries.

The CEO invoices his services through a separate company SWID AG. The amounts disclosed above include the amounts, totaling 627,100 euro (631,660 euro in 2013) that SWID AG invoiced to the Company. Invoiced services include basic remuneration, variable remuneration, fixed expenses, fringe benefits and pension plans.

The variable remuneration is based on performance against objectives as described above. The amount paid out in 2014 is based on the performances of 2013. The variable remuneration is paid out in cash or in the employees' pension plan depending on the applicable legislation and on the preference of the employee.

Fixed expenses relate primarily to representation allowances.

The fringe benefits include the value of the company cars of the employees as well as the related car insurance premiums.

The pension plan is the contribution of the employer to a pension plan above contributions required by law. One manager participates in a defined contribution pension plan. Two managers participate in a defined benefit plan.

As required by law, salaries of the Executive Management Team members are disclosed on a global basis. The Remuneration Committee discusses all individual salaries and checks whether the remuneration paid is in line with market conditions. The market conformity of compensation packages is periodically checked with the assistance of external,

independent advisors. The Board of Directors approves the remuneration amounts. The last remuneration report was approved by the shareholders.

The agreements with respect to termination of senior managers vary from country to country, subject to the applicable legislation. Legal conditions apply in countries where there is a given practice, and for countries where there is no such practice, a severance payment of up to, but not exceeding, two years' salary is granted. Mr. Steen Nielsen has a 24 months termination agreement, Mr. Jesper Munch Jensen and Mr. Christoph Ansorge have an 18 months termination agreement. There are no change of control clauses included in the management contracts. Three managers have two-year non-competition clauses exercisable at the request of the Company. No special compensation is given in the event of voluntary departure.

No loans have been granted to members of the Executive Management Team. No unusual transactions or conflicts of interest have occurred.

The Executive Management Team holds a total of 210 shares:

- Jesper M. Jensen owns indirectly shares in JENSEN-GROUP NV, see Note 8 – Equity.
- Christoph Ansorge: no shares
- Steen Nielsen: 210 shares
- Martin Rauch: no shares
- Markus Schalch: no shares

No warrants are outstanding. There are no stock option plans.

Policy with respect to the appropriation of the result

The Company has adopted a policy of distributing 0.25 euro per share annually unless the results or the financial situation do not allow such dividend.

Shareholding structure

The major shareholders are:

JENSEN INVEST (including treasury shares): 53.9%
Petercam: 8.7%
Free float: 37.4%

The voting rights are described in note 8 - equity.

Acquisition of own shares

The Board of Directors of November 14, 2013 decided to implement a share repurchase program to purchase a maximum of 800,300 treasury shares or 10% of the Company's shares. The shares are bought at the stock exchange by an investment bank mandated by the Board of Directors. The buy-back mandate expires on October 4, 2017. As per December 31, 2014, JENSEN-GROUP holds 183,969 treasury shares.

Relationships among shareholders

There is no agreement between the reference shareholders listed above.

Statutory Auditor

The statutory auditor is PwC Bedrijfsrevisoren, represented by Mr. Filip Lozie.

The statutory auditor received worldwide fees of 327,795 euro (excl. VAT) for auditing the statutory accounts of the various legal entities of the Group and the consolidated accounts of the JENSEN-GROUP. Apart from his mandate, the statutory auditor received during 2014 additional fees of 60,506 euro (excl. VAT). Of this amount, 9,100 euro was invoiced to JENSEN-GROUP NV and relates to tax advice. The JENSEN-GROUP has appointed a single audit firm for the audit of the consolidated financial statements.

Issued capital

At December 31, 2014, the issued share capital is 30.7 million euro, represented by 8,002,968 ordinary shares without nominal value.

There are no preference shares.

The Bylaws allow for the purchase of own shares. The Board of Directors of November 14, 2013 decided to implement a share buyback program to purchase a maximum of 800,300 treasury shares or 10% of the Company's shares. The shares are bought at the stock exchange by an investment bank mandated by the Board of Directors. The buy-back mandate expires on October 4, 2017. As per December 31, 2014, JENSEN-GROUP holds 183,969 treasury shares. Pursuant to article 74, §6, of the Law of April 1, 2007, JENSEN INVEST A/S disclosed to both the FSMA and to JENSEN-GROUP NV that, at September 1, 2007, it held in concert more than 30% of the shares with voting rights in JENSEN-GROUP NV.

Further details of the shareholders' notification are disclosed in note 8 - equity.

Dividend proposal

JENSEN-GROUP has a dividend policy of distributing 0.25 euro per share annually unless the results or the financial statement do not allow such dividend. Based on the excellent results for 2014, the Board of Directors proposes to add a one-time dividend of 0.15 euro per share. The dividend pay out will amount to 3,112,873.85, based on the number of shares as per December 31, 2014. No dividend will be distributed to the treasury shares.

Appropriation of results

JENSEN-GROUP NV, the parent Company, reported in its statutory accounts a net profit of 1,945,606.77 euro. The Board proposes to appropriate this result as follows:

In euro	
Profit of the year	1,945,606.77
Treasury shares	1,731,032.08
Dividend	3,112,873.85
Withdrawals from retained earnings	-2,898,299.16

This brings the total amount of retained earnings to 69,016,851.66 euro.

Significant post-balance sheet events

There are no significant post-balance sheet events.

Ghent, March 4, 2015

Statement of the Responsible Persons

We hereby certify, to the best of our knowledge, that the consolidated financial statements as of December 31, 2014, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the Company and the entities included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

FREE TRANSLATION

Jesper M. Jensen
Chief Executive Officer

Markus Schalch
Chief Financial Officer

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our opinion on the consolidated financial statements, as well as the required additional statement. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Report on the consolidated financial statements - Unqualified opinion

We have audited the consolidated financial statements of Jensen-Group NV ("the Company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. The consolidated accounts of the Group are set forth on pages 54 to 107. The total of the consolidated statement of financial position amounts to KEUR 157.743 and the consolidated statement of comprehensive income shows a profit for the year of KEUR 12.982.

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

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

Statutory auditor's responsibility

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

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

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

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

Unqualified Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and consolidated financial position as at 31 December 2014 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

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

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not impact our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Antwerp, 4 March 2015

The Statutory Auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Filip Lozie*
Partner

A handwritten signature in black ink, appearing to read 'Filip Lozie', enclosed within a circular scribble.

*Filip Lozie BVBA
Board Member, represented by its fixed representative,
Filip Lozie

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in thousands of euro)	notes	December 31, 2014	December 31, 2013
Total Non-Current Assets		33.651	30.592
Intangible assets	4.1	5.755	6.121
A. Land and buildings		10.215	10.766
B. Plant, machinery and equipment		4.758	4.288
C. Furniture and vehicles		2.748	2.493
D. Other tangible fixed assets		1.155	1.185
E. Assets under construction and advance payments		116	98
Property, plant and equipment	4.2	18.992	18.830
A. Trade debtors		1.652	198
B. Other amounts receivable		773	625
Trade and other long term receivables	7	2.425	823
Deferred taxes	5	6.479	4.818
Total Current Assets		124.092	106.837
A. Raw materials and consumables		18.001	15.429
B. Goods purchased for resale		11.066	10.287
C. Advance payments		2.201	765
Inventories		31.268	26.481
A. Trade debtors		50.012	46.192
B. Other amounts receivable		3.829	2.622
C. Gross amounts due from customers for contract work	6	25.550	16.917
D. Derivative Financial Instruments	20	12	233
Trade and other receivables	7	79.403	65.964
Cash and cash equivalents	18	13.009	14.029
Assets held for sale	21	412	363
TOTAL ASSETS		157.743	137.429

The notes on pages 61-107 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Liabilities

(in thousands of euro)	notes	December 31, 2014	December 31, 2013
Equity attributable to equity holders	8	70.100	62.210
Share Capital		34.068	35.799
Other reserves		-5.612	-4.222
Retained earnings		41.644	30.633
Non-Current Liabilities		20.746	15.107
Borrowings	9	4.599	3.441
Deferred income tax liabilities	5	319	205
Provisions for employee benefit obligations	10	15.309	11.006
Derivative financial instruments	20	519	455
Current Liabilities		66.897	60.112
Borrowings	9	2.028	7.795
Finance lease obligations	9		73
Provisions for other liabilities and charges	11	9.869	11.619
A. Trade debts		16.359	14.075
B. Advances received for contract work	6	14.853	7.262
C. Remuneration and social security		10.513	9.624
D. Other amounts payable		1.711	1.158
E. Accrued expenses		6.635	5.022
F. Derivative financial instruments	20	737	44
Trade and other payables	12	50.808	37.185
Current income tax liabilities		4.192	3.440
TOTAL EQUITY AND LIABILITIES		157.743	137.429

The notes on pages 61-107 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euro)	notes	December 31, 2014	December 31, 2013
Revenue	6	239.632	221.416
Raw materials and consumables used		-113.739	-102.223
Services and other goods		-26.082	-25.307
Employee compensation and benefit expense		-77.023	-74.668
Depreciation, amortisation, write downs of assets, impairments	13	-3.161	-4.430
Total expenses		-220.005	-206.628
Other Income / (Expense)		53	213
Operating profit before tax and finance (cost)/ income		19.680	15.001
Financial income		1.722	3.123
Interest income		1.122	1.444
Other financial income		600	1.679
Financial charges		-3.173	-4.601
Interest charges		-1.327	-2.198
Other financial charges		-1.846	-2.403
Net financial charges	14	-1.451	-1.478
Profit before tax		18.229	13.523
Income tax expense	15	-5.185	-3.649
Income taxes		-5.180	-3.638
Deferred taxes		-5	-11
Profit for the year from continuing operations		13.044	9.874
Result from discontinued operations	21	-62	-72
Consolidated profit for the year		12.982	9.802

The notes on pages 61-107 are an integral part of these consolidated financial statements.

(in thousands of euro)	notes	December 31, 2014	December 31, 2013
Other comprehensive income:			
Items that may be subsequently reclassified to Profit and Loss			
Financial instruments		-403	939
Currency translation differences		2.270	-1.276
Items that will not be reclassified to Profit and Loss			
Actual gains/(losses) on Defined Benefit Plans		-4.826	1.667
Tax on OCI		1.569	-782
Other comprehensive income for the year		-1.390	548
Total comprehensive income for the year		11.592	10.350
Profit attributable to:			
Equity holders of the company		12.982	9.802
Total comprehensive income attributable to:			
Equity holders of the company		11.592	10.350
Basic and diluted earnings per share (in euro's)	16	1,65	1,23
Weighted average number of shares		7.868.170	7.999.536

The notes on pages 61-107 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of euro)	Capital	Share premium	Reclassification of Treasury shares	Total Share Capital	Translation differences	Hedging Reserves	Actuarial gains and losses on Defined Benefit Plans	Total other Reserves	Retained earnings	Total Equity
December 31, 2012	30.710	5.813	0	36.523	1.009	-977	-4.802	-4.770	22.832	54.585
Result of the period	0	0	0	0	0	0	0	0	9.802	9.802
Other comprehensive income										
Currency Translation Difference	0	0	0	0	-1.276	0	0	-1.276	0	-1.276
Financial instruments	0	0	0	0	0	939	0	939	0	939
Defined Benefit Plans	0	0	0	0	0	0	1.667	1.667	0	1.667
Tax on OCI	0	0	0	0	0	-282	-500	-782		-782
Total other comprehensive income/ (loss) for the year, net of tax	0	0	0	0	-1.276	657	1.167	548	0	548
Dividend paid out	0	0	0	0	0	0	0	0	-2.001	-2.001
Treasury shares	0	0	-724	-724	0	0	0	0	0	-724
December 31, 2013	30.710	5.813	-724	35.799	-267	-320	-3.635	-4.222	30.633	62.210

The notes on pages 61-107 are an integral part of these consolidated financial statements.

(In thousands of euro)	Capital	Share premium	Reclassification of Treasury shares	Total Share Capital	Translation differences	Hedging Reserves	Actuarial gains and losses on Defined Benefit Plans	Total other Reserves	Retained earnings	Total Equity
December 31, 2013	30.710	5.813	-724	35.799	-267	-320	-3.635	-4.222	30.633	62.210
Result of the period	0	0	0	0	0	0	0	0	12.982	12.982
Other comprehensive income										
Currency Translation Difference	0	0	0	0	2.270	0	0	2.270	0	2.270
Financial instruments	0	0	0	0	0	-403	0	-403	0	-403
Defined Benefit Plans	0	0	0	0	0	0	-4.826	-4.826	0	-4.826
Tax on OCI	0	0	0	0	0	121	1.448	1.569	0	1.569
Total other comprehensive income/ (loss) for the year, net of tax	0	0	0	0	2.270	-282	-3.378	-1.390	0	-1.390
Dividend paid out	0	0	0	0	0	0	0	0	-1.971	-1.971
Treasury shares	0	0	-1.731	-1.731	0	0	0	0	0	-1.731
December 31, 2014	30.710	5.813	-2.455	34.068	2.003	-602	-7.013	-5.612	41.644	70.100

The notes on pages 61-107 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euro)	notes	December 31, 2014	December 31, 2013
Cash flows from operating activities		21.861	19.110
Profit for the year from continuing operations		13.044	9.874
Adjusted for			
- Current and deferred tax		3.638	4.074
- Interest and other financial income and expenses		1.451	1.478
- Depreciation, amortization and impairments	14	3.267	3.192
- Write downs of trade receivables	14	695	-153
- Write downs of inventory	14	591	345
- Changes in provisions		-825	300
Changes in working capital		-7.709	7.278
Changes in stocks		-5.378	1.583
Changes in long- and short-term amounts receivable		-15.736	13.918
Changes in trade and other payables		13.405	-8.223
Corporate income tax paid		-4.433	-2.795
Corporate income tax paid		-4.433	-2.795
Net cash generated from operating activities - continuing operations		9.719	23.593
Net cash generated from operating activities - discontinued operations		-111	-56
Net cash generated from operating activities - total		9.608	23.537
Net cash used in investing activities		-3.063	-4.460
Purchases/sales of intangible and tangible fixed assets		-3.063	-3.220
Acquisition of subsidiaries (net of cash acquired)	24		-1.240
Cash flow before financing		6.545	19.077
Net cash used in financing activities		-8.294	-5.738
Treasury shares	8	-1.731	-724
Net other financial charges	14	-1.246	-724
Dividend	8	-1.971	-2.001
Repayments of borrowings	-	-3.141	-1.535
Interest paid	14	-1.327	-2.198
Interest received	14	1.122	1.444
Net Change in cash and cash equivalents		-1.749	13.339
Cash, cash equivalent and bank overdrafts at the beginning of the year		11.087	-976
Exchange gains/(losses) on cash and bank overdrafts		2.270	-1.276
Cash, cash equivalent and bank overdrafts at the end of the year	18	11.608	11.087
The notes on pages 61-107 are an integral part of these consolidated financial statements.			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Summary of significant accounting policies

Basis of Preparation

The JENSEN-GROUP (hereafter “the Group”) is one of the major suppliers to the heavy-duty laundry industry. The Group markets its products and services under the JENSEN brand and is the leading supplier to the heavy-duty market. The product range varies from transportation and handling systems, tunnel washers, separators, feeders, ironers and folders to complete project management for fully-equipped and professionally managed industrial laundries. The JENSEN-GROUP has operations in 20 countries and distributes its products in more than 40 countries. Worldwide, the JENSEN-GROUP employs 1,224 people.

JENSEN-GROUP NV (hereafter “the Company”) is incorporated in Belgium. Its registered office is at Bijenstraat 6, 9051 Sint-Denijs-Westrem, Belgium.

The JENSEN-GROUP shares are quoted on the Euronext Stock Exchange.

The Board of Directors approved the present consolidated financial statements for issue on March 4, 2015.

These consolidated financial statements are for the 12 months ended December 31, 2014 and are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These annual financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective as at December 31, 2014 and which have been adopted by the European Union.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

These consolidated financial statements are prepared on an accrual basis and on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the accounting policies.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2014 and are applicable for the Group:

- IFRS 10 'Consolidated financial statements'.
- IFRS 12 'Disclosure of interests in other entities'.
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 11 'Joint arrangements' and IFRS 12 'Disclosure of interests in other entities'.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2014 but are not applicable for the Group:

- IAS 27 Revised 'Separate financial statements'.
- IAS 28 Revised 'Investments in associates and joint ventures'.
- IFRS 11 'Joint arrangements'.
- Amendments to IAS 32 'Offsetting financial assets and financial liabilities'.
- Amendments to IAS 36 'Impairment of assets'.
- Amendments to IAS 39 'Financial instruments: Recognition and measurement'.
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 12 'Disclosure of interests in other entities' and IAS 27 'Separate financial statements' for investment entities.

The following new interpretation and amendments to standards have been issued and have been endorsed by the European Union, but are not mandatory for the first time for the financial year beginning 1 January 2014. We expect that following of them will be applicable for the Group:

- IFRIC 21 'Levies'.
- 'Annual improvements (2010-2012 cycle)' with minor amendments to eight standards. The amendments relate to IFRS 2 'Definition of vesting condition', IFRS 3 'Accounting for contingent consideration in a business combination', IFRS 8 'Aggregation of operating segments', 'IFRS 8 'Reconciliation of the total of the reportable segments' assets to the entity's assets', IFRS 13 'Short-term receivables and payables', IAS 7 'Interest paid that is capitalised', IAS 16/IAS 38 'Revaluation method—proportionate restatement of accumulated depreciation' and IAS 24 'Key management personnel'.
- 'Annual improvements (2011-2013 cycle)'. The amendments include IFRS 1 'Meaning of effective IFRSs', IFRS 3 'Scope exceptions for joint ventures', IFRS 13 'Scope of paragraph 52 (portfolio exception)' and IAS 40 'Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property'.
- Amendment to IAS 19 'Defined benefit plans'.

The following new standards and amendments to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2014 and have not been endorsed by the European Union. We expect that following of them will be applicable for JENSEN-GROUP:

- 'Annual Improvements (2012-2014 cycle)'. The amendments include IFRS 5, 'Non-current assets held for sale and discontinued operations', IAS 19, 'Employee benefits', IFRS 7, 'Financial instruments: disclosures' and IAS 34, 'Interim financial reporting'.

- IFRS 15 'Revenue from contracts with customers'.
- IFRS 9 'Financial instruments'.
- Amendment to IFRS 9 'financial instruments' on general hedge accounting,
- Amendments to IAS 1 'Presentation of financial statements'.

The following new standards and amendments to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2014 and have not been endorsed by the European Union. We don't expect that following of them will be applicable for JENSEN-GROUP:

- IFRS 14 'Regulatory deferral accounts'.
- Amendment to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' on depreciation and amortisation.
- Amendment to IAS 16 'Property, plant and equipment' and IAS 41 'Agriculture' on bearer plants.
- Amendment to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation.
- Amendments to IAS 27 'Separate financial statements' on the equity method.
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'.
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 12 'Disclosure of interests in other entities' and IAS 28, 'Investments in associates and joint ventures'.

The Group is currently assessing the impact of these standards.

The main accounting policies defined by the Group are as follows:

Consolidation Methods

The consolidated financial statements are presented in euro and rounded to the nearest thousand.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Use of estimates

The preparation of the financial statements involves the use of estimates and assumptions, which may have an impact on the reported values of assets and liabilities at the period-end as well as on certain items of income and expense for the period. Estimates are based on economic data, which are likely to vary over time, and are subject to a degree of uncertainty. They mainly concern pension liabilities. We refer to note 10 – provision for employee benefit obligations.

Translation of Foreign Currency

The consolidated financial statements presented in this report have been prepared in euro.

The conversion of assets, liabilities and commitments which are denominated in foreign currencies is based on the following guidelines:

- monetary assets and liabilities are translated at closing rates;
- transactions in foreign currencies are converted at the foreign exchange rate prevailing at the date of the transaction;
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges;
- non-monetary assets and liabilities are translated at the foreign exchange rate prevailing at the date of the transaction.

Foreign currency translation - Group companies

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates of the dates of the transactions); and
- all resulting translation differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

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

Revenue Recognition

Contract costs are recognized when incurred.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).

Royalties and rentals are recognized as income when it is probable that the economic benefits associated with the transaction can be sufficiently measured and will flow to the Group. The income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

Intangible assets

Research and development expenses

Research costs are charged to the income statement in the year in which they are incurred.

The JENSEN-GROUP does not capitalize development expenses since its business reality makes it very difficult to distinguish product enhancements from adaptations to specific circumstances, and to define the future cash flows that will originate from these efforts. Since furthermore the development expenses are relatively stable and are a continuous process, the JENSEN-GROUP does not capitalize these efforts but expenses them as incurred.

Concessions, patents, licenses, know-how and other similar rights etc.

Investments in licenses, trademarks, etc. are capitalized with a minimum amount of 50.000 euro and amortized over 5 years.

Goodwill

On the acquisition of a new subsidiary, the difference between the acquisition price and the Group share of the identifiable assets, liabilities and contingent liabilities of the consolidated subsidiary, after adjustments to reflect fair value, is recorded in the consolidated balance sheet under assets as goodwill. Goodwill is not amortized but tested for impairment annually, or more frequently, if events or changes in circumstances indicate a possible impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to a cash-generating unit for the purpose of impairment testing.

Property, plant and equipment

Property, plant and equipment are recorded at their acquisition value or construction cost less accumulated depreciation and impairment losses and increased, where appropriate, by ancillary costs.

The Group has broken down the cost of property plant and equipment into major components. These major components, which are replaced at regular intervals, are depreciated over their useful lives.

The cost of property, plant and equipment does not include any borrowing costs.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives from the month of acquisition onwards. If necessary, tangible fixed assets are considered as a combination of various units with separate useful lives.

The annual depreciation rates are as follows:

Annual Depreciation rates

Buildings	3.33%	30y
Infrastructure	10%	10y
Roof	10%	10y
Installations, plant and machinery	10% - 33%	3y - 10y
Office equipment and furnishings	10% - 20%	5y - 10y
Computer	20% - 33%	3y - 5y
Vehicles	20% - 33%	3y - 5y

Impairment of assets

Assets other than inventories, deferred tax assets, employee benefits and derivative financial instruments and assets arising from construction contracts are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount (being the higher of its fair value less cost to sell and its value in use), an impairment loss is recognized in the profit and loss statement. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the assets belong.

Reversal of impairment losses recognized in prior years is recorded in income up to the initial amount of the impairment loss, when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. Goodwill is tested for impairment at least once a year. Impairment on goodwill can never be reversed at a later date.

Financial Leases

A financial lease is a lease that transfers substantially all risks and rewards incident to ownership of an asset to the lessee. When a fixed asset is held under a financial lease, its value is recorded as an asset at the present value, at the beginning of the lease term, of the future minimum lease payments during the lease term. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in order to obtain a constant rate of interest on the debt over the lease term.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Finance lease (the Group is a lessor).

When assets are leased out under a finance lease, the amount due from the lessee should be recognized in the balance sheet as a receivable at an amount equal to the Group's net investment in the lease, and the same amount is reflected in turnover. Over the lease term, rentals are apportioned between a reduction in the net investment in the lease and finance income. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Group's net investment. The net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment in the lease is equal to the minimum lease payments plus any unguaranteed residual accruing to the Group as lessor.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Inventories and contracts in progress

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method. For produced inventories, cost means the full cost including all direct and indirect production costs required

to bring the inventory items to the stage of completion at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and variable selling expenses.

Provisions for liabilities and charges

A provision is recognized in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount of the provision is the best estimate of the expenditure required to settle the present value of the obligation at the balance sheet date. The provisions are discounted when the impact of the time value of money is material.

Employee benefits

Some of the Group's employees are eligible for retirement benefits under defined contribution and defined benefit plans.

An external, independent actuarial prepares the calculation of the provision for employee benefit plans. The calculation is based on the projected unit credit method.

Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the income statement as incurred.

Defined benefit plans

For defined benefit plans, the amount recorded in the balance sheet is determined as the present value of the benefit obligation less the fair value of any plan assets. All past service costs are recognized in P&L.

The actuarial gains and losses are recognized in the period in which they occur outside profit and loss, in the consolidated statement of comprehensive income.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the value of assets and liabilities for tax purposes and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Accrued charges and deferred income

Accrued charges are costs that have been charged against income but not yet disbursed at balance sheet date. Deferred income is revenue that will be recognized in future periods.

Financial instruments

Financial instruments are recorded at trade date. The fair value of the financial instruments is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

Accounts and notes receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Cash and cash equivalent

Cash and cash equivalent includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Payables (after one year and within one year)

Amounts payable are carried at nominal value at the balance sheet date

Derivative financial instruments

The Company uses derivative financial instruments to reduce the exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Company's policy not to hold derivative financial instruments for speculative or trading purposes.

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Recognition of any resulting gain or loss depends on the nature of the item being hedged. Derivative financial instruments that are either hedging instruments that are not designated or do not qualify as hedges are carried at fair value, with changes in value included in the income statement.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income. When the firm commitment or forecasted transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Otherwise the cumulative gain or loss is removed from other comprehensive income and recognized in the income statement at the same time as the hedged transaction. The ineffective part of any gain or loss is recognized in the income statement immediately. Any gain or loss arising from changes in the time value of the derivative financial instrument is excluded from the measurement of hedge effectiveness and is recognized in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss recognized in other comprehensive income is recognized in the income statement immediately.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

Consolidated statement of cash flows

The consolidated cash flow statement reports the cash flow during the period classified by analyzing the cash flow from operating, investing and financing activities.

Business combination

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Segment reporting

The Company is operating in a single business segment: Heavy-Duty Laundry Division.

Closing date and length of accounting period

All accounting periods presented represent 12 months of operations starting on January 1 of each year.

Change in valuation rules

There are no changes in the accounting policies compared with the accounting policies used in the preparation of the consolidated financial statements as per December 31, 2013.

Note 2 - Scope of consolidation

The parent Company, JENSEN-GROUP NV, and all the subsidiaries that it controls are included in the consolidation.

On February 20, 2014 JENSEN New Zealand was incorporated.

On June 11, 2013 JENSEN Brasil and on July 3, 2013 JENSEN Japan Co. have been incorporated. On August 16, 2013 JENSEN-GROUP took over its Austrian distributor ÖWM.

Note 3 - Segment reporting

The total laundry industry can be split up into Consumer, Commercial and Heavy Duty laundry. The JENSEN-GROUP entities serve end-customers in the Heavy Duty laundry segment. They follow the same process. The JENSEN-GROUP sells its products and services under the JENSEN brand through own sales and service companies and independent distributors worldwide. In this way the JENSEN-GROUP operates only in one single segment.

The following table presents revenue and certain asset information based on the Group's geographical areas. The basis for attributing revenues is based on the location of the customer:

(in thousand of euro)	Europe + CIS		America		Middle East, Far East and Australia		TOTAL OPERATIONS	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from external customers	140.055	132.069	52.509	44.044	47.068	45.303	239.632	221.416
Other segment information								
Non-current assets	21.984	20.548	2.606	2.581	2.582	2.645	27.172	25.774
Non allocated assets							130.571	111.655
Total assets							157.743	137.429
Capital expenditure:	-2.284	-4.402	-387	-11	-392	-47	-3.063	-4.460

The difference between non-current assets in the table above (27.2 million euro) and the non-current assets as per the consolidated statement of financial position (33.7 million euro) relates to the deferred tax assets (6.5 million euro).

Note 4 – Non - current assets

4.1 Intangible assets

(in thousands of euro)	Know how	Goodwill	Other intangibles	Licenses	TOTAL
Gross carrying amount January 1, 2013	345	6.677	0	329	7.351
Translation differences	-2	-60	0	32	-30
Additions	0	852	432	251	1.536
Gross carrying amount December 31, 2013	343	7.470	432	612	8.857
Translation differences	0	-47	0	0	-47
Additions	0	0	0	0	0
Disposals	0	0	0	-166	-166
Gross carrying amount December 31, 2014	343	7.423	432	446	8.644
Accumulated amortization, write-downs, impairments January 1, 2013	308	1.946	0	232	2.486
Additions	35	0	150	65	250
Accumulated amortization, write-downs, impairments December 31, 2013	343	1.946	150	297	2.736
Additions	0	0	115	39	154
Accumulated amortization, write-downs, impairments December 31, 2014	343	1.946	265	336	2.890
Net carrying amount December 31, 2013	0	5.524	283	315	6.121
Net carrying amount December 31, 2014	0	5.477	168	110	5.754

Know-how

The know-how relates to the technology for specific folding equipment, purchased in the acquisition of JENSEN Italia s.r.l.

Goodwill

The goodwill arises mainly from the acquisitions of JENSEN France, JENSEN Switzerland, JENSEN Australia, JENSEN SIPANO (Sweden), JENSEN Benelux, JENSEN Italia and ÖWM, Austria.

JENSEN-GROUP identifies the cash flow-generating units as being the Group. JENSEN-GROUP assists the heavy-duty laundry industry worldwide by designing and supplying sustainable single machines as well as systems and integrated solutions. The success of JENSEN-GROUP results from combining the global skills with the local presence. The non-current assets of the plants are managed together and the cash flows generated by the usage of these plants come from one group of global customers that are approached with same deliverable, being the optimization of the heavy duty laundry activity. Therefore the non-current assets of the plants are allocated to one CGU for impairment testing purposes.

Goodwill is subject to a yearly impairment test that is based on a number of critical judgments, estimates and assumptions, based on fair value and applying a discounted free cash flow approach. JENSEN-GROUP believes that its estimates are very reasonable; they are based on the past experience, external sources of information (such as long-term growth rate and discount rate) and reflect the best estimates by management. The recoverable amount of the goodwill is determined based on a calculation of its value in use to the cash-generating unit to which it is allocated.

The main judgments, assumptions and estimates for the cash-generating unit are:

- The first three years of the model is based on management's best estimate of the free cash flow outlook for the coming years;
- In the fourth and fifth year of the model, cash flows are based on the previous year cash flows taking into account a growth rate of 2% per year;
- Cash flows beyond the first five years are extrapolated, usually with a growth rate of 2% of free cash flows;
- Projections are discounted at the weighted average cost of capita (WACC), which lies between 7% and 10%;
- This calculated enterprise value is compared to the book value.

The test includes a sensitivity analysis on key assumptions used, among them the WACC, free cash flow and long-term growth percentage: The occurrence of any of the following individual less favorable assumptions would not lead to an impairment of goodwill: WACC of 11%, free cash flow of 95% of the projections of free cash flows used for the calculation of the impairment test and a long term growth of 1%.

Although JENSEN-GROUP believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions.

Other intangible fixed assets

The other intangible fixed assets amounting to 0.2 million euro relate to the acquisition of ÖWM.

Licenses

The licenses relate to the capitalization of the license costs of the ERP system and for other IT tools.

Development costs of 4.5 million euro (6.3 million euro in 2013) were expensed during the year. These costs are accounted for in the lines 'services and other goods', 'employee compensations and benefit expense' and 'depreciation, amortization, write down of assets'.

4.2. Property, plant & equipment

(In thousands of euro)	Land & Buildings	Plant machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction	TOTAL
Gross carrying amount January 1, 2013	26.575	17.847	4.562	1.986	0	50.970
Translation differences	-363	-272	48	-24	0	-611
Additions	405	1.180	1.936	4	98	3.623
Disposals	0	-548	-369	0	0	-917
Transfers	10	0	-10	0	0	0
Gross carrying amount December 31, 2013	26.627	18.207	6.167	1.966	98	53.065
Translation differences	485	393	143	-56	-95	870
Additions	170	1.389	1.248	22	170	2.999
Disposals	-131	-80	-138	-150	0	-499
Transfers	0	39	18	0	-57	0
Gross carrying amount December 31, 2014	27.151	19.948	7.438	1.782	116	56.435
Accumulated depreciation, write down and impairment January 1, 2013	15.138	13.435	2.982	597	0	32.152
Translation differences	-246	-38	-81	13	0	-352
Depreciation	959	637	1.078	171	0	2.845
Disposals	0	-115	-295	0	0	-410
Transfers	10	0	-10	0	0	0
Accumulated depreciation, write down and impairment December 31, 2013	15.861	13.919	3.674	781	0	34.235
Translation differences	257	245	115	-170	0	447
Depreciation	939	1.104	1.022	166	0	3.231
Disposals	-121	-78	-121	-150	0	-470
Transfers	0	0	0	0	0	0
Accumulated depreciation, write down and impairment December 31, 2014	16.936	15.190	4.690	627	0	37.443
Net carrying amount December 31, 2013	10.766	4.288	2.493	1.185	98	18.830
Net carrying amount December 31, 2014	10.215	4.758	2.748	1.155	116	18.992

During 2014, the net carrying amount of tangible fixed assets remained stable. Excluding depreciation charges in the income statement of 3.3 million euro, tangible fixed assets increased by 3.4 million euro.

The investments in 2014 related mainly to equipment upgrades and vehicles.

The investments in 2013 related mainly to equipment upgrades and to the acquisition of the Austrian distributor ÖWM.

The financial leasing covers mainly machinery and equipment of JENSEN GmbH.

Machinery includes the following amounts where the Group is a lessee under a finance lease:

(in thousands of euro)	December 31, 2014	December 31, 2013
Cost capitalized finance leases	1.512	1.502
Accumulated depreciation	-1.126	-1.020
Net book amount	386	482

The carrying value of the property, plant and equipment pledged as security for liabilities amounts to 3.8 million euro (21.7 million euro at December 2013).

Note 5 - Deferred taxes

Deferred tax assets and liabilities are attributable to the following items:

(In thousands of euro)	December 31, 2012	Charged/credited to the income statement	Charged/ credited to equity	Exchange differences	December 31, 2013
Inventories	550	84	0	0	634
Fixed assets	755	-304	0	0	451
Provisions	3.272	360	-500	0	3.132
Tax losses	431	-12	0	368	787
Deferred taxes on differences between tax and local books	237	-208	0	0	29
Currency result in other comprehensive income	-214	-155	0		-369
Change in tax rate	65	-65	0		0
Financial instruments	-58	289	-282	0	-51
Total deferred tax assets (net)	5.038	-11	-782	368	4.613

(In thousands of euro)	December 31, 2013	Charged/credited to the income statement	Charged/ credited to equity	Exchange differences	December 31, 2014
Inventories	634	101	0	0	735
Fixed assets	451	198	0	0	649
Provisions	3.132	129	1.448	0	4.709
Tax losses	787	-236	0	-17	534
Deferred taxes on other differences between tax and local books	29	25	0	0	54
Currency result in other comprehensive income	-369	-211			-580
Financial instruments	-51	-11	121	0	59
Total deferred tax assets (net)	4.613	-5	1.569	-17	6.160

The split between long term and short term deferred taxes is as follows:

(in thousands of euro)	Deferred taxes
Long term	3,119
Short term	3,041
Total deferred tax assets	6,160

The deferred tax assets originate mainly from JENSEN GmbH (1.7 million euro), JENSEN USA (1.4 million euro), JENSEN AG Burgdorf (0.7 million euro) and JENSEN Italia (0.5 million euro).

Deferred tax assets have been recorded because Management and the Board are convinced that, in accordance with the Company's valuation rules, the assets can be realized within a reasonable time frame.

The deferred tax assets increased because of additional deferred tax assets recognized on timing differences.

Note 6 - Contracts in progress

(in thousands of euro)	December 31, 2014	December 31, 2013
Contract revenue	239.632	221.416
Balance sheet information of pending projects:		
Gross amounts due from customers for contract work	25.550	16.917
Advances received	14.853	7.262

Construction contracts are valued based on the percentage of completion method. At December 31, 2014 gross amounts due from customers for contract work included 5.7 million euro of accrued profit (3.1 million euro at December 31, 2013).

Note 7 - Trade and other receivables

(in thousands of euro)	December 31, 2014	December 31, 2013
Trade debtors	55.660	50.012
Provision for doubtful debtors	-3.996	-3.622
Taxes	892	310
Other amounts receivable	2.436	1.897
Gross amounts due from customers for contract work	25.550	16.917
Deferred charges and accrued income	1.274	1.040
Derivative financial instruments	12	233
Total trade and other receivables	81.828	66.787
Less non-current portion		
Trade debtors	1.652	198
Other amount receivable	773	625
Non-current portion	2.425	823
Current portion	79.403	65.964

Non-current portion

The increase in non-current trade debtors relates to certain customer contracts with longer payment terms.

The other amounts receivable include cash guarantees in an amount of 0.6 million euro.

Current portion

Advances received from customers, mainly on project activities, are recognized in "Accounts and notes payable" in accordance with the accounting principle whereby receivables and payables may not be netted off.

The increase in the trade and other receivables relates to the higher activity level.

Note 8 – Equity

Issued capital

At December 31, 2014, the issued share capital was 30.7 million euro, represented by 8,002,968 ordinary shares without nominal value. There were no preference shares. All shares are fully paid.

At December 31, 2013, share capital was 30.7 million euro, represented by 8,002,968 ordinary shares without nominal value. There are no preference shares. All shares are fully paid.

Detailed information on the capital statement as per December 31, 2013 and 2014 is set out below.

CAPITAL STATEMENT (position as at December 31, 2014)	Amounts (in thousand of euro)	Number of shares
A. Capital		
1. Issued capital		
- At the end of the previous year	30.710	
- Changes during the year	0	
- At the end of this year	30.710	
2. Capital representation		
2.1 Shares without nominal value	30.710	8.002.968
2.2 Registered or bearer shares		
- Registered		4.141.342
- Bearer/dematerialized		3.861.626
B. Own shares held by		
- the company or one of its subsidiaries	2.455	183.969
C. Commitments to issue shares		
1. As a result of the exercise of CONVERSION RIGHTS		
	0	0
2. As a result of the exercise of WARRANTS		
	0	0
D. Authorized capital not issued	42.715	

The following declarations have been received of holdings in the company's share capital:

JENSEN Invest A/S, JF Tenura ApS, the heirs of Mr. Jørn M. Jensen, Mr. Jesper M. Jensen, The Jørn M. Jensen and Lise M. Jensen Family Trust, Mrs. Anne M. Jensen and Mrs. Karine Munk Finser

JENSEN INVEST A/S, Ejnar Jensen Vej 1, 3700 Rønne, Denmark

	Number of shares	Total shares	%
- number of shares	4.131.576	8.002.968	51,63%
- Voting rights	4.131.576	7.818.999	52,84%

The chain of control is as follows: 51,6% of the shares in JENSEN-GROUP are held by JENSEN Invest A/S and 0,02% by the heirs of Mr. Jørn M. Jensen. JF Tenura ApS holds 100% of the shares in Jensen Invest A/S. SWID AG, represented by Mr. Jesper M. Jensen holds and controls 51% of the shares in JF Tenura ApS. The other 49% of the shares in JF Tenura ApS are held by Mrs Anne Munch Jensen and Mrs Karine Munk Finser as the ultimate beneficial owners of the Jørn Munch Jensen and Lise Munch Jensen Family Trust.

Petercam NV

Petercam NV, Place Sainte Gudule 19, 1000 Brussel, Belgium

	Number of shares	Total shares	%
- number of shares	693.344	8.002.968	8,66%
- Voting rights	693.344	7.818.999	8,87%

The chain of control is as follows: Petercam NV has 100% participation in PMS. Petercam NV has 100% participation in Petercam Luxembourg.

CAPITAL STATEMENT (position as at December 31, 2013)

Amounts
(in thousand of euro)

Number of shares

A. Capital

1. Issued capital

- At the end of the previous year	30.710	
- Changes during the year	0	
- At the end of this year	30.710	

2. Capital representation

2.1 Shares without nominal value	30.710	8.002.968
2.2 Registered or bearer shares		
- Registered		4.141.218
- Bearer/dematerialized		3.861.750

B. Own shares held by

- the company or one of its subsidiaries	724	59.768
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C. Commitments to issue shares

1. As a result of the exercise of CONVERSION RIGHTS	0	0
2. As a result of the exercise of WARRANTS	0	0

D. Authorized capital not issued 42.715

The following declarations have been received of holdings in the company's share capital:

JENSEN Invest A/S, JF Tenura ApS, the heirs of Mr. Jørn M. Jensen, Mr. Jesper M. Jensen, The Jørn M. Jensen and Lise M. Jensen Family Trust, Mrs. Anne M. Jensen and Mrs. Karine Munk Finser

JENSEN INVEST A/S, Ejnar Jensen Vej 1, 3700 Rønne, Denmark

	Number of shares	Total shares	%
- number of shares	4.131.576	8.002.968	51,63%
- Voting rights	4.131.576	7.943.200	52,01%

The chain of control is as follows: 51,6% of the shares in JENSEN-GROUP are held by JENSEN Invest A/S and 0,02% by the heirs of Mr. Jørn M. Jensen. JF Tenura ApS holds 100% of the shares in Jensen Invest A/S. SWID AG, represented by Mr. Jesper M. Jensen holds and controls 51% of the shares in JF Tenura ApS. The other 49% of the shares in JF Tenura ApS are held by Mrs Anne Munch Jensen and Mrs Karine Munk Finser as the ultimate beneficial owners of the Jørn Munch Jensen and Lise Munch Jensen Family Trust.

Petercam NV

Petercam NV, Place Sainte Gudule 19, 1000 Brussel, Belgium

	Number of shares	Total shares	%
- number of shares	693.344	8.002.968	8,66%
- Voting rights	693.344	7.943.200	8,73%

The chain of control is as follows: Petercam NV has 100% participation in PMS. Petercam NV has 100% participation in Petercam Luxembourg.

Each share has one vote. The voting rights are in line with the Companies' Code. The articles of association do not include other regulations with respect to voting rights.

The regulations with respect to transfer of shares are in line with the Companies' Code. The articles of association do not include other regulations with respect to transfer of shares.

Share premium

The share premium results primarily from the merger of LSG, which then took the name of JENSEN-GROUP.

The ending balance of the share premium is 5.8 million euro.

Treasury shares

The articles of association (art. 11) allow the Board of Directors to buy back own shares.

The Board of Directors of November 14, 2013 decided to implement a share repurchase program to buy back a maximum of 800,300 or 10% of its shares. The shares are bought at the stock exchange by an investment bank mandated by the Board of Directors. The buy-back mandate expires on October 4, 2017. As per December 31, 2014, JENSEN-GROUP holds 183,969 treasury shares.

Translation differences

In this annual report the consolidated financial statements are expressed in thousands of euro. All balance sheet captions of foreign companies are translated into euro, which is the Company's functional and presentation currency, using closing rates at the end of the accounting year, except for capital and reserves, which are translated at historical rates. The income statement is translated at average rates for the year. The resulting translation difference, arising from the translation of capital and reserves and the income statement, is shown in a separate category of equity under the caption 'translation differences'.

The exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. In total, 0.6 million euro of currency losses are transferred from financial result to other comprehensive income.

The exchange rates used for the translation were as follows:

Currency	Average rate (per euro)		Closing rate (per euro)	
	2014	2013	2014	2013
USD	1.3285	1.3281	1.2141	1.3791
DKK	7.4548	7.4579	7.4453	7.4593
GBP	0.8061	0.8493	0.7789	0.8337
SEK	9.0985	8.6515	9.3930	8.8591
SGD	1.6823	1.6619	1.6058	1.7414
CHF	1.2146	1.2311	1.2024	1.2276
AUD	1.4719	1.3777	1.4829	1.5423
NZD	1.5995	1.6206	1.5525	1.6762
CNY	8.1857	8.1646	7.5358	8.3491
JPY	140.31	129.66	145.23	144.72
BRL	3.1211	2.8687	3.2207	3.2576

Hedging reserves

The Group designates foreign exchange contracts and interest rate swaps as 'cash flow hedges' of its foreign currency and interest exposure. Any change in fair value of the hedging instrument and the hedged item (attributable to the hedged risk), as of inception of the hedge, is deferred in OCI if the hedge is deemed effective (note 20).

At year-end, an amount of 0.6 million euro was deferred in equity.

Gains and losses recognized in the hedging reserve in OCI on forward foreign exchange contracts as of December 31, 2014 will be released to the income statement at various dates between one and six months.

Gains and losses recognized in the hedging reserve in equity on interest rate swap contracts as of December 31, 2014 will be continuously released to the income statement until the repayment of the bank borrowings.

Actuarial gains and losses on Defined Benefit Plans

The JENSEN-GROUP has four defined benefit plans. In line with prior years, the Group adopted the amended IAS 19 'Employee Benefits' and to recognize all actuarial gains and losses directly in OCI. The accumulated loss of the four plans amounts to 7.0 million euro.

Dividend

JENSEN-GROUP has a dividend policy of distributing 0.25 euro per share annually unless the results or the financial statement do not allow such dividend. Based on the excellent results for 2014, the board proposes to add a one-time dividend of 0.15 euro per share. The dividend will amount to 3,112,873.85 euro. No dividend will be distributed to the treasury shares.

The shareholders' meeting of May 2014, decided to distribute a dividend of 0.25 euro per share on the results of 2013, amounting to 1,985,800.00 euro. No dividend was distributed to the treasury shares.

Capital risk management

JENSEN objectives when managing capital are to safeguard JENSEN's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

Note 9 – Financial debt

The non-current and current borrowings can be summarized as follows:

(in thousands of euro)	December 31, 2014	December 31, 2013
Finance lease obligations	0	0
LT loans with credit institutions	3.113	3.441
LT factoring	1.486	
Total non-current borrowings	4.599	3.441

(in thousands of euro)	December 31, 2014	December 31, 2013
Current portion of LT borrowings	331	3.771
Finance lease obligations	0	73
Credit institutions	1.401	2.942
Payments received (factoring)	296	1.082
Total current borrowings	2.028	7.868

Total borrowings	6.627	11.309
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Total borrowings decreased from 11.3 million euro at December 31, 2013 to 6.6 million euro at December 31, 2014. The cash and cash equivalents decreased from 14.0 million euro to 13.0 million euro. All this together resulted in an increase in net cash of 3.7 million euro, from 2.7 million euro to 6.4 million euro. JENSEN-GROUP remains debt-free at the end of 2014.

The Group factored trade receivables in a total amount of 1.8 million euro (1.5 million euro long term and 0.3 million euro short term). As the risks and rewards are not substantially transferred to the related party, the factoring arrangement does not result in the derecognition of any amount from the balance sheet.

The following table gives the maturities of the non-current debt:

(in thousands of euro)	December 31, 2014	December 31, 2013
Between 1 and 2 years	629	331
Between 2 and 5 years	1.908	1.000
Over 5 years	2.062	2.110
Total non-current borrowings	4.599	3.441

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates before and after the effect of the IRS (interest rate swaps) at balance sheet date is as follows:

(In thousands of euro)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	TOTAL
Credit institutions	1.732	332	1.005	1.776	4.845
Payments received (factoring)	296	297	903	286	1.782
Total	2.028	629	1.908	2.062	6.627
IRS covered	0	283	848	1.417	2.548
Total	2.028	346	1.060	645	4.079

Management believes that the carrying value of the loans at fixed rate approximates to the fair value.

For details on the IRS we refer to note 20.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(in thousands of euro)	December 31, 2014	December 31, 2013
EUR	3.747	8.384
USD	0	106
DKK	2.470	2.819
CHF	0	0
Other	410	0
Total	6.627	11.309

With respect to the Group's borrowings, debt covenants are in place (equity ratio and EBITDA multiple). During the year, there were no breaches of these covenants.

DEBT COVERED BY GUARANTEES

(in thousands of euro)	December 31, 2014	December 31, 2013
Mortgages	1.995	2.265
Pledges on assets	0	106
Guarantee by parent company	1.401	6.192
Total	3.396	8.563

The carrying value of the property, plant and equipment pledged as security for liabilities amounts to 3.8 million euro.

Note 11 – Provision for employee benefit obligations

(in thousands of euro)	December 31, 2014	December 31, 2013
Provisions for Defined Benefit Plan	14.842	10.280
Provisions for other employee benefits	467	726
Total provisions for employee benefit obligations	15.309	11.006

The provision for other employee benefits relate to a defined contribution plan in Austria and pre-pensions in Germany and in the Benelux.

BENEFIT PLAN

JENSEN GmbH, JENSEN France, JENSEN Italia and JENSEN AG Burgdorf maintain defined retirement benefit plans. These plans generally provide benefits that are related to an employee's remuneration and years of service.

The weighted average duration of the defined benefit obligation is 18 years.

The Group recognizes all actuarial gains and losses directly in Other Comprehensive Income (OCI). The accumulated actuarial loss of the 4 plans amounts to 7.0 million euro.

At December 31, 2014, the total net liability amounted to 14.8 million euro. The net liability increased because of changes in the assumptions, especially a decrease in the discount rate.

For the defined benefit plans, the net outcome for 2014 was 0.7 million euro.

(in thousands of euro)	2014	2013
Current service cost	337	402
Interest cost	441	411
Interest income on plan assets	-112	-83
Administrative expenses and taxes	14	19
Pension expenses	680	749

The change in net liability recognized during 2014 and 2013 is set out in the table below:

(in thousands of euro)	2014	2013
Net (liability)/assets at the start of the year		
Unfunded status	-10.280	-11.770
Pension expenses recognized in the income statement	-680	-749
Employer contribution or benefits paid by employer	217	181
Benefits paid directly by the company	485	493

Amounts recognised in OCI	-4.448	1.532
Net transfer in	-87	0
Translation differences	-48	33
Net (liability) at December 31	-14.841	-10.280

The changes in defined benefit obligations and plan assets can be summarized as follows:

(in thousands of euro)	2014	2013
Change in Defined Benefit Obligation (DBO)		
DBO at January 1	14.582	15.939
Current service costs	337	402
Interest cost	441	411
Benefits paid	-418	-1.061
Premiums paid	-78	-69
Participants' contribution	177	152
Effect of changes in demographic assumptions	0	9
Effect of changes in financial assumptions	4.316	-1.205
Effect of experience adjustments	108	-294
Curtailment (gain) / loss	0	0
Business combinations	87	397
Plan settlements	0	0
Exchange rate differences	144	-99
DBO at December 31	19.694	14.582

(in thousands of euro)	2014	2013
Change in Plan Assets		
Fair value of plan assets at January 1	4.302	4.170
Contributions	879	826
Actuarial gains/(losses)	-19	37
Interest income on plan assets	112	83
Benefits paid	-418	-1.061
Premiums paid	-78	-69
Plan settlements	0	0
Business combinations	0	397
Administrative expenses	-20	-12
Translation differences	95	-69
Fair value of plan asset at December 31	4.853	4.302

(in thousands of euro)	2014	2013
Defined Benefit Obligation at the end of the period	-19.694	-14.582
Fair value of plan assets at the end of the period	4.853	4.302
Unfunded status	-14.842	-10.280

The major assumptions made in calculating the provisions can be summarized as follows:

	Discount rate		Rate of price inflation	
	2014	2013	2014	2013
Switzerland	1,10%	2,60%	0,80%	0,80%
France	1,60%	3,40%	2,00%	2,00%
Germany	1,90%	3,40%	2,00%	2,00%
Italy	1,90%	3,40%	2,00%	2,00%

	expected rates of salary increases	
	2014	2013
Switzerland	1,50%	1,50%
France	2,00%	3,00%
Germany	3,00%	3,00%
Italy	0,00%	0,00%

For the Swiss plan, the assets match the liabilities.

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit.

The sensitivity of the defined benefit obligation to changes in the assumptions is:

(in thousands of euro)	Change in assumption	Impact on DBO
Discount rate	-25bp	919
	+25bp	-866
Salary increase rate	-20bp	-315
	+24bp	-16
Pension increase rate	-18bp	-281
	+23bp	296
Mortality	-1	-508
	+1	514

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

The percentage of plan assets by asset allocation is as follows:

Equity securities: 3.6%

Debt securities: 56.9%

Real estate: 17.2%

Other: 22.3%

The contributions expected to be paid to the plan during the annual period beginning after the reporting period is estimated to 0.8 million euro.

There is one pension plan in place in Belgium that is legally structured as a Defined Contributions plan. The cost of this plan for JENSEN-GROUP NV amounted to 0.06 million euro for accounting year 2014.

Because of the Belgian legislation applicable to 2nd pillar pension plans (so-called "Vandenbroucke Law"), all Belgian Defined Contribution plans have to be considered under IFRS as Defined Benefit plans. The Vandenbroucke Law states that in the context of defined contribution plans, the employer must guarantee a minimum return of 3.75% on employee contributions and 3.25% on employer contributions.

Because of this minimum guaranteed return for Defined Contributions plans in Belgium, the employer is exposed to a financial risk (there is a legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods). These plans should therefore be classified and accounted for as a Defined Benefit plans under IAS 19.

In the past the Company did not apply the Defined Benefit accounting for these plans because higher discount rates were applicable and the return on plan assets provided by insurance companies was sufficient to cover the minimum guaranteed return. As a result of the continuously low interest rates offered by the European financial markets, employers in Belgium effectively assumed a higher financial risk related to the pension plans with a minimum fixed guaranteed return than in the past, requiring them to measure the potential impact of Defined Benefit accounting for these plans.

We made an estimate of the potential additional liabilities as at December 31, 2014 and these are assessed as not significant.

Note 11 - Provisions for other liabilities and charges

(in thousands of euro)	December 31, 2014	December 31, 2013
Provisions for warranties	7.533	8.203
Provisions for take-back obligations	666	270
Other provisions	1.670	3.146
Provisions for other liabilities and charges	9.869	11.619

Changes in provisions can be analyzed as follows:

(in thousands of euro)	December 31, 2013	Additions	Reversals (Utilizations)	Translation Differences	December 31, 2014
Provisions for warranties	8.203	2.473	-3.457	314	7.533
Provisions for take-back obligations	270	407	-13	2	666
Other provisions	3.146	140	-1.508	-108	1.670
Total provisions	11.619	3.020	-4.978	208	9.869

Warranties

A provision is recorded for expected warranty claims on products sold during the year. Assumptions used to calculate the provision for warranty claims are based on current sales levels and current information on warranty calls under the standard warranty period (up to 18 months) for the main products.

Take-back obligations

A provision for take-back obligations is recorded when JENSEN-GROUP sells equipment to a customer for which the customer wants to enter into a leasing contract with a Leasing Company. In some cases, the Leasing Company requires a take-back clause.

Other provisions

The other provisions are set up for legal claims that, based on prudent judgment, are reasonably funded. Most of these claims are covered by insurance. Based on legal advice taken, management does not expect these claims to significantly impact the Group's financial position or profitability.

Note 12 - Trade and other payables

(in thousands of euro)	December 31, 2014	December 31, 2013
Trade debts	16.359	14.075
Advances received for contract work	14.853	7.262
Remuneration and social security	10.513	9.624
Other amounts payable	1.711	1.158
Accrued expenses	6.635	5.022
Derivative financial instruments	737	44
Total trade and other payables	50.808	37.185

Note 13 - Depreciation, amortization, write-downs of assets, impairments

(in thousands of euro)	December 31, 2014	December 31, 2013
Depreciation, amortization	3.267	3.192
Write downs on trade debtors	695	-153
Write downs on inventory	591	345
Change in provisions	-1.392	1.046
Total depreciation, amortization, write downs of assets	3.161	4.430

Note 14 – Financial income and financial charges

Financial income and expenses and other financial income and expenses break down as follows:

(in thousands of euro)	December 31, 2014	December 31, 2013
Financial income	1.722	3.123
Interest income	1.122	1.444
Other financial income	247	218
Currency gains	353	1.461
Financial cost	-3.173	-4.601
Interest charges	-1.327	-2.198
Other financial charges	-1.053	-982
Currency losses	-793	-1.421
Total net finance cost	-1.451	-1.478

The revaluation of balance sheet positions and hedging contracts at closing rate results in a currency gain or loss. Depending on the nature of the currency result, it is recorded in operating or financial result.

The other financial charges relate especially to bank charges.

Note 15 - Income tax expense

Income tax expenses can be analyzed as follows:

(in thousands of euro)	December 31, 2014	December 31, 2013
Current taxes	-5.180	-3.638
Deferred taxes	-5	-11
Total income tax expense	-5.185	-3.649

Relationship between tax expense and accounting profit as per December 31, 2014 and December 31, 2013:

Reconciliation of effective tax rate:

(in thousands of euro)	December 31, 2014	December 31, 2013
Accounting profit before taxes	18.229	13.523
Theoretical income tax expense	5.230	3.531
Theoretical tax rate	29%	26%
Tax effect of disallowed expenses	92	531
Tax effect of use of tax losses	-137	-413
Actual tax expenses	5.185	3.649
Effective tax rate	28%	27%

The theoretical tax rate is the weighted average of the theoretical tax rates of the different entities.

The theoretical tax rate increased from 26% in 2013 to 29% in 2014. This is because the percentage is the weighted average of the theoretical tax rates of all the individual entities. Profit increased in countries with high theoretical tax rates and decreased in countries with low theoretical tax rates.

Note 16 - Earnings per share

Basic earnings per share are calculated by dividing the Group share in the profit for the year of 13.0 million euro (9.8 million euro in 2013) by the weighted average number of ordinary shares outstanding during the years ended December 31, 2014 and 2013. The treasury shares acquired during the year are taken into account for the calculation of the weighted average number of shares outstanding.

	2014	2013
Basic earnings per share (in euro)	1.65	1.23
Weighted avg shares outstanding	7,868,170	7,999,536

Note 17 - Operating leases

Most of the JENSEN-GROUP leases relate to buildings, vehicles and computer equipment under a number of operating lease agreements. The future lease payments under these operating leases are due as follows:

(in thousands of euro)	December 31, 2014	December 31, 2013
< 1 year	1.513	1.548
>1 year < 5 years	2.553	2.721
> 5 years	327	453
Total operating leases	4.393	4.722

The profit for the year includes operating lease expenses of 1.6 million euro.

Note 18 - Statement of cash flows

Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

(in thousands of euro)	December 31, 2014	December 31, 2013
Cash and cash equivalent	13.009	14.029
Overdraft	-1.401	-2.942
Net cash and cash equivalents	11.608	11.087

The consolidated statements of cash flows are presented on a consistent basis. As such, they do not isolate the effect of currencies on individual line items but only in total via the 'translation gains/(losses) on cash and bank overdrafts' caption. With respect to the evolution, the following comment can be made:

Cash increased because of the higher operating result, offset by a higher working capital.

Note 19 - Commitments and contingencies

JENSEN-GROUP has given the following commitments.

(in thousands of euro)	December 31, 2014	December 31, 2013
Letters of intent	1.401	6.192
Bank guarantees	9.653	5.516
Mortgages	1.995	2.265
Repurchase agreements	6.638	2.688

Management does not expect these contingencies to significantly impact the Group's financial position or profitability.

Note 20 - Financial instruments – Market and other risks

Exposure to foreign currency, interest rate and credit risk arises in the normal course of the JENSEN-GROUP business. The Company analyzes each of these risks individually and defines strategies to manage the economic impact on the JENSEN-GROUP's performance in line with its internal policies.

Derivative financial instruments are valued by an independent financial institution, based on the interest and currency rates on the liquid markets. The financial instruments have level 2.

Reconciliation of assets and liabilities

(in thousands of euro)	December 31, 2014	December 31, 2013
Assets: Derivative Financial Instruments	12	233
Long term liabilities: Derivative Financial Instruments	-519	-455
Short term liabilities: Derivative Financial Instruments	-737	-44
Total	-1.244	-266
Fair value forex contracts	-725	197
Fair value Interest Rate Swaps	-519	-455
Fair value contracts NZD extended		-8
Total	-1.244	-266

Foreign currency risk

The JENSEN-GROUP incurs currency risks on borrowings, investments, (forecasted) sales, (forecasted) purchases whenever they are denominated in a currency other than the functional currency of the subsidiary. The currencies giving rise to risk are primarily the US Dollar, Swiss Franc, Swedish Krona, Danish Krone, British Pound, Chinese Yuan, Australian Dollar and New Zealand Dollar.

The main derivative financial instruments used to manage foreign currency risk are forward exchange contracts.

It is the company's policy not to hold derivative instruments for speculative or trading purposes.

With respect to currencies, the JENSEN-GROUP adopts the policy of:

- Having hedges on all firm commitments in foreign currencies on a rolling 12 months basis;
- All deviations from the policy need to be approved by the Audit Committee.

As such these hedges are considered as cash flow hedges. They are contracted as a matter of procedure regardless of any expectations with regard to foreign currency developments.

All foreign exchange contracts are centralized within the JENSEN-GROUP treasury department and are contracted purely on the basis of the input of the different subsidiaries.

The currency risks resulting from translations of the financial statements of non-euro based companies are not hedged (note 8 – Equity).

The table below provides an indication of the company's net foreign currency positions per December 31, 2014 and December 31, 2013 as regards firm commitments and forecasted transactions. The open positions are the result of the application of JENSEN-GROUP risk management policy. Positive amounts indicate that the Company has a long position (net future cash inflows) while negative amounts indicate that the Company has a short position (net future cash outflows).

2014 (in thousands of euro)	Total exposure	Total derivatives	Open position
USD/EUR	9.090	-9.930	-840
GBP/EUR	1.243	-660	583
AUD/EUR	2.431	-2.217	214
CNY/EUR	-112	112	0
CHF/EUR	545	-1.800	-1.255
SEK/EUR	-1.895	2.249	354
NZD/EUR	878	-878	0

2013 (in thousands of euro)	Total exposure	Total derivatives	Open position
USD/EUR	1.546	-1.759	-213
GBP/EUR	2.034	-1.900	134
AUD/EUR	4.526	-4.533	-7
CHF/EUR	-685	697	12
SEK/EUR	-2.188	1.670	-518
CNY/EUR	-1.200	1.208	8

Except for a part of the Washroom Technology, all production is generated in European subsidiaries of which the activities are conducted in euro (or euro related currencies) and in Swedish Krone.

The table below gives an overview of the sensitivity analysis as per 2014:

(in thousand of euro)	Change in currency	Impact EBIT ¹
USD	-14,79%	-2.068
	14,79%	2.786
SEK	-9,12%	666
	9,12%	-799
GBP	-8,02%	-684
	8,02%	803
CHF	-2,98%	11
	2,98%	-12
AUD	-13,61%	-1.452
	13,61%	1.910
NZD	-8,24%	-33
	8,24%	39

¹: The estimation is based on the standard deviation of daily volatilities of the foreign exchange rates during the past 360 days at December 31, 2014 and using a 95% confidence interval.

These calculations are a purely theoretical calculation and do not take into account the gain or loss of sales resulting from the increased relative weakness or strength of currencies.

At December 31, 2014, the Group held the following foreign exchange contracts. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

Curr	Sell	Avg exchange rate	Maturity	Fair value (in thousands of euro)
USD	12.818.604	1,29	16-03-15	-620
GBP	520.355	0,79	17-02-15	-7
AUD	3.303.255	1,49	24-02-15	1
NZD	1.452.082	1,65	5-03-15	-51
SEK	4.169.380	9,14	15-04-15	12
CHF	2.175.127	1,21	20-02-15	-10

Curr	Buy	Avg exchange rate	Maturity	Fair value (in thousands of euro)
SEK	25.073.033	9,27	18-03-14	-43
CNY	904.982	8,08	20-04-14	-8

All of these foreign exchange contracts are designated and effective as cash flow hedges. The changes in fair value over 2014 amounting to -0.2 million euro after taxes have been deferred in equity. No ineffectiveness has been recorded.

At December 31, 2013, the Group held the following foreign exchange contracts. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

Curr	Sell	Avg exchange rate	Maturity	Fair value (in thousands of euro)
USD	5.667.592	1,36	4-02-14	68
GBP	1.607.360	0,85	4-03-14	-27
AUD	6.861.306	1,51	10-03-14	111
SEK	1.995.302	8,68	20-01-14	5

Curr	Buy	Avg exchange rate	Maturity	Fair value (in thousands of euro)
CHF	850.000	1,22	6-01-14	-5
SEK	16.991.571	8,94	5-02-14	17
CNY	10.000.000	8,28	30-06-14	15
USD	3.335.703	1,38	14-03-14	13

All of these foreign exchange contracts were designated and effective as cash flow hedges. The changes in fair value over 2013 amounting to -0.07 million euro after taxes were deferred in equity. No ineffectiveness was recorded.

Interest rate risk

The Company uses derivative financial instruments to reduce exposure to adverse fluctuations in interest rates. It is the Company's policy not to hold derivative instruments for speculative or trading purposes.

With respect to interest rates, the JENSEN-GROUP adopts the policy of having:

- between 40 and 70% of the total outstanding loans with long-term maturities;
- between 40 to 70% of the loans with fixed interest rates (this include the combinations of floating rate loans with Interest Rate Swaps (IRS));
- to increase the portion of debt at floating interest rates in times of decreasing interest rates and vice-versa;
- to match the currency of the loans with the operations being funded to improve natural balance sheet hedging.

All financing within the JENSEN-GROUP is centralized in the treasury department. This makes it easier for the JENSEN-GROUP to respect its policy of hedging using IRS.

As per December 31, 2013, JENSEN-GROUP did not reach the internal ratio and had only 30% of the total outstanding loans with long-term maturities. In December 2013, JENSEN-GROUP signed a long-term credit facility that will enable the Group to fulfil this ratio in the future.

In respect of interest-bearing financial liabilities, the table below indicates their effective interest rates at balance sheet date as well as the periods in which they roll over. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

2014 (in thousands of euro)	Effective interest rate	Carrying amount	< 1 month	> 1 month < 3 months	> 3 months < 12 months	1-5 years	> 5 years
Floating rate							
EUR	0,1%-1,52%	989	989	0	0	0	0
DKK	0,1%-1,52%	2.470	22	45	202	1.083	1.118
RMB	6,1%-9,6%	412	412	0	0	0	0
Total		3.871	1.423	45	202	1.083	1.118
Fixed rate							
EUR	1,32%	974	4	11	47	254	658
Factoring							
EUR		1.782	25	49	222	1.200	286
Total		2.756	29	60	269	1.454	944

2013 (in thousands of euro)	Effective interest rate	Carrying amount	< 1 month	> 1 month < 3 months	> 3 months < 12 months	1-5 years	> 5 years
Floating rate							
EUR	0%-1,52%	4.097	4.097	0	0	0	0
DKK	0%-1,52%	2.160	0	52	155	824	1.130
Total		6.257	4.097	52	155	824	1.130
Fixed rate							
EUR	1,32% - 2,8%	4.288	0	16	3.297	253	723
USD	5,76%	106	0	27	80	0	0
DKK	2,5%-5,11%	658	0	37	110	254	257
Total		5.052	0	79	3.486	507	980

The following table sets out the conditions of the interest rate swaps:

2014 Curr	SWAP amount	Fixed interest	Maturity	Fair value (in thousands of euro)
DKK	8.362.335	4,86%	30-12-22	-201
DKK	10.608.509	5,11%	30-12-24	-319
TOTAL in EUR	2.548.029			-519

The interest rate swaps are designated and effective as cash flow hedges. The changes in fair value over 2014 amounting to -0,05 million euro after taxes have been deferred in equity. No ineffectiveness has been recorded.

2013 Curr	SWAP amount	Fixed interest	Maturity	Fair value (in thousands of euro)
DKK	9.204.116	4,86%	30-12-22	-183
DKK	11.531.068	5,11%	30-12-22	-271
Total	2.779.776			-455

The interest rate swaps were designated and effective as cash flow hedges. The changes in fair value over 2013 amounting to 0.7 million euro after taxes were deferred in equity. No ineffectiveness was recorded.

As disclosed in the above table, 3.9 million euro of the Company's interest bearing financial liabilities bear a variable interest rate; 2.5 million euro are covered by an Interest Rate Swap resulting in a net variable interest rate exposure of 1.3 million euro. The Company estimates that the reasonably possible change of the market interest rates applicable to its floating rate debt is as follows:

(in thousands of euro)	Carrying amount	Effective interest rate	Possible rates at December 31, 2013
EURO	1.323	0%-1.5%	0.25% – 1.75%

Applying the reasonably possible increase/decrease in the market interest rate mentioned above to our floating rate debt at December 31, 2014, with all other variables held constant, 2014 profit would have been 0.003 million euro lower/higher.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Under the Group's credit policy, project customers are required to either provide an advance payment or to provide a guarantee (ex. L/C, bank guarantees). We examine the creditworthiness of each new customer and of existing customers that start buying higher amounts.

There are no important concentrations above 15% of the total outstanding receivables with respect to a single (group of) customer(s).

The consolidated ageing balance of the trade receivables is as follows. Balances due within 12 months equal their carrying balances as the impact of the discounting is not significant.

2014 (in thousands of euro)	Current	< 60 days < 90 days overdue	> 60 days < 120 days overdue	> 90 days < 120 days overdue	> 120 days overdue	Total
Outstanding trade receivables	36.158	10.384	1.131	765	7.222	55.660
Collateral held as security	0	0	0	0	0	0
Net exposure	36.158	10.384	1.131	765	7.222	55.660
Provisions accounted for						-3.996
Total						51.664

2013 (in thousands of euro)	Current	< 60 days < 90 days overdue	> 60 days < 120 days overdue	> 90 days < 120 days overdue	> 120 days overdue	Total
Outstanding trade receivables	36.945	4.629	1.403	860	5.977	49.814
Collateral held as security	0	0	0	0	0	0
Net exposure	36.945	4.629	1.403	860	5.977	49.814
Provisions accounted for						-3.622
Total						46.192

Management reviews on a timely basis whether specific provisions are needed based on the ageing list. Trade receivables are recorded at their nominal value, less provision for impairment. The provision for impairment reflects both the likelihood of being paid and the timing of the cash flow. The total provision for doubtful debtors recorded as per December 31, 2014 amounts to 4.0 million euro.

The roll forward of the provision for doubtful debtors is set out below:

(in thousand of euro)

Provision Doubtful Debtors opening balance	3.622
Additions	1.094
Reversals	-80
Exchange difference	-640
Provision Doubtful closing balance	3.996

The bank credit ratings (Moody's) as per December 31, 2014 are as follows:

Nordea: Aa3

KBC: A2

Note 21 – Assets held for sale

The assets held for sale amounting to 0.4 million euro relate to the building in Kentucky (prior CLD activities). The costs related to the building (0.06 million euro) are presented as result from discontinued operations.

Note 22 – Related party transactions

The shareholders of the Group as per December 2014 are:

JENSEN INVEST (including treasury shares): 53.9%

Petercam: 8.7%

Free float: 37.4%

JENSEN INDUSTRIAL GROUP A/S and JENSEN DENMARK A/S are part of a tax consolidation in Denmark together with JENSEN INVEST, the majority shareholder of the group. The tax consolidation regime obliges all Danish resident companies that are members of the same domestic or international group to file a joint group tax return which enables them to manage the impact of tax losses in Denmark within the group. As a result of this, JENSEN INVEST received for 2014 a reimbursement of 0.003 million euro of taxes. This was not to the detriment of the JENSEN-GROUP shareholders in 2014.

Key management compensation can be summarized as follows:

In thousands of euro	2014	2013
Fees paid to Board members	199	230
Gross salaries paid to senior managers	1,857	1,619

Asia Base Research Suzhou Co. Ltd, a company of which Mr. Peter Rasmussen is the shareholder delivered consultancy services for 315,652.97 CNY to JENSEN-GROUP.

Note 23 – Acquisitions

On August 16, 2013 JENSEN-GROUP took over its Austrian distributor ÖWM as from April 1, 2013.

JENSEN-GROUP took over the distribution of JENSEN machinery, the servicing of its equipment in Austria and approximately 12 employees.

Revenues will remain nearly unchanged, as revenues from JENSEN machinery sold in Austria are already included in the consolidated figures.

The table below gives an overview of the acquisition-date fair value of the total consideration transferred and the remaining amount of goodwill recognized for the acquisition:

(in thousands of euro)	
Non current assets	602
Current assets	1371
Non current liabilities	-325
Current liabilities	-1260
Net assets acquired	388
Group share in net assets acquired	388
Goodwill	852
Purchase price	1240
Net cash out for acquisitions of subsidiaries	1240

Note 24 – Non-audit fees

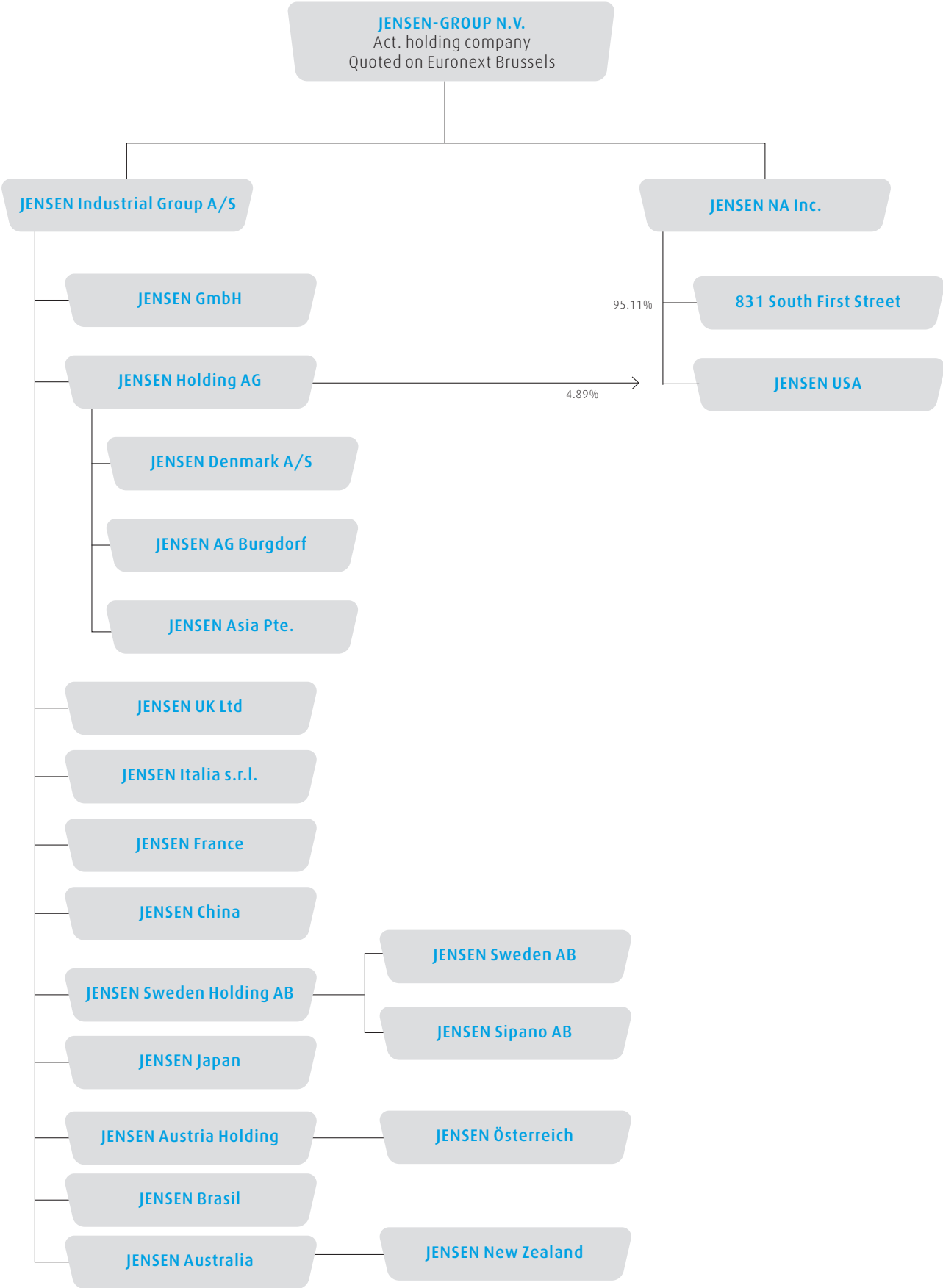
The statutory auditor is Pwc Bedrijfsrevisoren, represented by Mr. Filip Lozie.

The statutory auditor received worldwide fees of 327,795 euro (excl. VAT) for auditing the statutory accounts of the various legal entities of the Group and the consolidated accounts of the JENSEN-GROUP. Apart from its mandate, it received during 2014 additional fees of 60,506 euro (excl. VAT). Of this amount, 9,100 euro was invoiced to JENSEN-GROUP NV and relates to tax advice. The JENSEN-GROUP has appointed a single audit firm for the audit of the consolidated financial statements.

Note 25 - Events after the Balance Sheet date

There are no significant post-balance sheet events.

Note 26- Legal structure



Note 27 - Consolidation scope as at December 31, 2014

Fully consolidated companies	Registered office	Participating percentage
Belgium		
JENSEN-GROUP NV	Bijenstraat 6 9051 Sint-Denijs-Westrem	Parent Company
US		
JENSEN NA Inc.	Corporation Trust Center Orange Street 1209 Wilmington - Delaware	100%
JENSEN USA, Inc.	Aberdeen loop 99 Panama City, FL 32405	100%
831 South 1st Street	831 South 1st Street KU 40203 Louisville	100%
United Kingdom		
JENSEN UK Ltd.	Unit 5, Network 11 Thorpe Way Industrial Estate Banbury, Oxfordshire OX16 4XS	100%
Singapore		
JENSEN Asia PTE Ltd.	No. 6 Jalan Kilang #02-01 Dadlani Industrial House Singapore 159406	100%
Denmark		
JENSEN Industrial Group A/S	Industrivej 2 3700 Rønne	100%
JENSEN Denmark A/S	Industrivej 2 3700 Rønne	100%

Switzerland

JENSEN AG Burgdorf	Buchmattstrasse 8 3400 Burgdorf	100%
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JENSEN AG Holding	Buchmattstrasse 8 3400 Burgdorf	100%
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Sweden

JENSEN Sweden AB	Företagsgatan 68 504 94 Borås	100%
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JENSEN SIPANO AB	P.O. Box 1088 171 22 Solna	100%
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JENSEN Sweden Holding AB	Box 363 503 12 Borås	100%
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France

JENSEN France SAS	2 "Village d'entreprises" ZA de la Couronne des Prés Avenue de la Mauldre 78680 Epône	100%
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Germany

JENSEN GmbH	Jörn-Jensen-Straße 1 31177 Harsum	100%
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Australia

JENSEN Laundry Systems Australia PTY Ltd.	Unit 16, 38-46 South Street Rydalmere NSW 2116	100%
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New Zealand

JENSEN New Zealand Ltd	Minter Ellison Rudd Watts 88 Shortland Street Auckland, 1010	100%
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Italy

JENSEN Italia s.r.l.	Strada Provinciale Novedratese 46 22060 Novedrate	100%
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China

JENSEN Industrial Laundry Technology (Xuzhou) Co., Ltd	Phoenix Avenue, Xuzhou Clean Technology Zone 221121 Xuzhou, Jiangsu Province, P.R. China	100%
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Austria

JENSEN Austria Holding GmbH	Julius-Raab-Platz 4 1010 Wien	100%
JENSEN ÖSTERREICH GmbH	Reinhartsdorfgasse 9 A-2324 Schwechat-Rannersdorf	100%

Japan

JENSEN Japan Co., Ltd.	4-9-1-203 Imagawa, Urayasu-city 279-0022 Japan	100%
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Brazil

JENSEN-GROUP BRASIL COMERCIO E SERVICOS DE EQUIPAMENTOS DE LAVANDERIA LTDA	Rua Riachuelo 460 CEP 18035-330 Sorocaba-SP	100%
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SUMMARY STATUTORY FINACIAL STATEMENTS

JENSEN-GROUP NV

Summary balance sheet of JENSEN-GROUP NV

Assets as at (in thousands of euro)	December 31 2014	December 31 2013
Fixed assets	87.074	89.122
Intangible assets	140	-
Tangible fixed assets	278	232
Financial fixed assets	86.656	88.890
Current assets	32.966	28.764
Stocks and contracts in progress	1.228	986
Amounts receivable within one year	3.086	2.708
Treasury shares	2.455	724
Cash at bank and on hand	26.155	24.314
Deferred charges and accrued income	42	32
TOTAL ASSETS	120.040	117.886

Liabilities as at (in thousands of euro)	December 31 2014	December 31 2013
Capital and reserves	111.067	112.234
Capital	30.710	30.710
Share premium account	5.814	5.814
Reserves	5.527	3.795
Accumulated profits	69.017	71.915
Provisions and deferred taxes	1.270	1.324
Provisions for liabilities and charges	1.270	1.324
Amounts payable	7.703	4.328
Amounts payable within one year	7.353	3.787
Accrued charges and deferred income	349	541
TOTAL LIABILITIES	120.040	117.886

Summary income statement of JENSEN-GROUP NV

Financial year ended (in thousands of euro)	December 31 2014	December 31 2013
Operating income	15.863	18.445
Turnover	15.181	18.398
finished goods and contracts in progress	224	-263
Other operating income	459	310
Operating charges	-14.769	-17.613
Raw materials, consumables and goods for resale	7.828	10.800
Services and other goods	4.696	4.385
Remuneration, social security and pensions	2.074	2.130
Depreciation	115	271
Write-downs	69	40
Provisions for liabilities and charges	-54	-47
Other operating charges	41	34
Operating profit	1.094	832
Financial result	-46	1.679
Financial income	456	2.186
Financial charges	-502	-507
Profit on ordinary activities for the year		
before taxes	1.048	2.511
Extraordinary result	1.013	4
Extraordinary income	1.013	4
Extraordinary charges	0	0
Profit for the year before taxes	2.061	2.515
Taxes	-116	-161
Income taxes	-116	-161
Profit for the year	1.946	2.354

Appropriation Account of JENSEN-GROUP NV

Financial year ended (in thousands of euro)	December 31 2014	December 31 2013
Profit to be appropriated	73.861	73.425
Profit (loss) for the period available for appropriation	1.946	2.354
Profit (loss) brought forward	71.915	71.071
Appropriations to capital and reserves	-1.731	476
to legal reserves	-	1.200
to reserves for own shares	-1.731	-724
Result to be carried forward	-69.017	-71.915
Profit to be carried forward	69.017	71.915
Distribution of profit	-3.113	-1.986
Dividends	-3.113	-1.986

(in euro)	2014 (12 months)	2013 (12 months)
Current profit per share after taxes (1)	0,12	0,29
Number of shares outstanding (average)	7.868.170	7.999.536
Number of shares outstanding (yearend)	7.818.999	7.943.200

(1) The current profit after tax is the same as the net profit excluding extraordinary gains and losses (both adjusted for taxes).

Statutory financial statements of JENSEN-GROUP NV

In accordance with article 105 of the Belgian Companies Act, a summary version of the statutory financial statements of JENSEN-GROUP NV is presented. These have been drawn up in accordance with Belgian Accounting Standards. The management report and statutory financial statements of JENSEN-GROUP NV and the report of the statutory auditor thereon are filed with the appropriate authorities, and are also available at the Company's registered offices.

The statutory auditor has issued an unqualified opinion on the statutory financial statements of JENSEN-GROUP NV.

JENSEN-GROUP NV has both a holding function and a commercial function as the sales and service company for the Benelux area.

The operating result of JENSEN-GROUP NV increased thanks to lower costs.

During 2014, JENSEN-GROUP NV sold its participation in JENSEN Australia to JENSEN Industrial Group A/S. This transaction resulted in an extra-ordinary income of 1 million euro.

The Board of Directors of November 14, 2013 decided to implement a share repurchase program to buy back a maximum of 800,300 or 10% of the company's shares. The shares are bought at the stock exchange by an investment bank mandated by the Board of Directors. The buy-back mandate expires on October 4, 2017. As per December 31, 2014, JENSEN-GROUP holds 183,969 treasury shares.

The full version of the statutory financial statements of JENSEN-GROUP NV is available on the corporate website www.JENSEN-GROUP.com.

Valuation rules

The valuation rules are in accordance with the Royal Decree of January 31, 2001.

Financial fixed assets

Since JENSEN-GROUP NV has a holding function, we emphasize that, in accordance with our valuation rules and accounting legislation in Belgium, financial fixed assets are valued at their initial acquisition price or paid-in capital. Write-offs on the financial fixed assets are taken when they are deemed to be of a permanent nature. If it appears that write-offs taken previously are no longer needed, they are reversed. Financial fixed assets are never valued above acquisition price or paid-in capital.

Intangible fixed assets

The intangible fixed assets consist of goodwill that arises from the acquisitions of the distribution activity in the Benelux. For statutory purposes, goodwill is amortized over a period of five years.

Tangible fixed assets

Tangible fixed assets are recorded at their acquisition value or construction cost, increased, where appropriate, by ancillary costs. Tangible fixed assets are depreciated on a straight-line basis over their estimated useful life from the month of acquisition onwards.

On tangible fixed assets, the depreciation rules are:

Caption	Method	Rate
Infrastructure	Straight line	10%
Installations, machinery and equipment	Straight line	20%
Office equipment and furniture	Straight line	20%
Vehicles	Straight line	20%

Inventories and contracts in progress

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method. For produced inventories, cost means the full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and variable selling expenses.

The Company uses the 'percentage of completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Amounts receivable

Trade amounts receivable and other amounts receivable are carried at nominal value. Allowances are made to amounts receivable where uncertainty exists as to the receipt or payment dates of the whole or a part of the balance. Supplementary write-offs are also recorded where the realizable value at the balance sheet date is lower than the carrying value.

Investments and cash at bank and in hand

Deposits with financial institutions are carried at nominal value. Write-downs are applied where the realizable value at the balance sheet date is lower than the historical cost.

Provisions for liabilities and charges

Provisions for liabilities and charges are assessed on an individual basis to address the risks and future costs which they are intended to cover. They are maintained only to the extent that they are required following an updated assessment of the liabilities and charges for which they were created.

Amounts payable (after one year and within one year)

Amounts payable are carried at nominal value at the balance sheet date. The only elements which are recorded in the accrued charges and deferred income accounts are charges payable at the balance sheet date in respect of past or prior years.

Financial instruments

The Company uses derivative financial instruments to reduce its exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the company's policy not to hold derivative instruments for speculative or trading purposes.

Derivative financial instruments are recognized initially at cost, their premium is amortized pro rata temporis. At year-end, the financial instruments are calculated at market value using the mark-to-market mechanism. The unrealized losses are recognized in the income statement whereas the unrealized gains are deferred.

The hedged balance sheet positions (outstanding receivables and payables) are recorded at the hedging rate.

General Information

1. Identification

- Name: JENSEN-GROUP NV
- Registered office: Bijenstraat 6, 9051 Sint-Denijs-Westrem.
- The Company was founded on April 23, 1990 and exists for an unlimited period of time.
- The Company has the legal form of a “naamloze vennootschap/société anonyme” and operates under Belgian Company Law.
- Purpose: The purpose of the Company consists in the following, both in Belgium and abroad, on its own behalf or in the name of third parties, for its own account or for the account of third parties:
 1. Any and all operations related directly or indirectly or connected with the engineering, production, purchase and sale, distribution, import, export and representation of laundry machines and systems and the manufacture thereof;
 2. Providing technical, commercial, financial and other services for affiliated businesses, including commercial and industrial activities in support;
 3. Obtaining an interest, in any manner, in any and all businesses that pursue the same, a similar or related purpose or that are likely to further its own business or facilitate the sale of its products or services, also cooperating or merging with these businesses and, in general, investing, subscribing, purchasing, selling and negotiating financial instruments issued by Belgian or foreign businesses;
 4. Managing investments and participations in Belgian or foreign businesses, including the standing of sureties, guaranteeing bills, making payments in advance, loans, personal or material sureties for the benefit of these businesses and acting as their proxy holder or representative;
 5. Acting in the capacity of director, providing advice, management and other services for the benefit of the management and other services for the benefit of other Belgian or foreign businesses, by virtue of contractual relations or statutory appointment and in the capacity of external consultant or governing body of any such business.

The Company may undertake both in Belgium and abroad, any and all industrial, trade, financial, bonds and stocks and real property transactions that are likely to extend or further its business directly or indirectly or that are related therewith. It may acquire any and all movable and real property items, even if these are related neither directly nor indirectly to the Purpose of the Company.

It may obtain, in any manner, an interest in any and all associations, ventures, business or companies that pursue the same, a similar or related purpose or that are likely to further its business or facilitate the sale of its products or services, and it may cooperate or merge therewith.

- The Company is registered in the Commercial Register of Ghent and is subject to VAT under the number BE 0440.449.284
- The articles of association of the Company can be consulted at the registered office of the Company and on its corporate website www.jensen-group.com. The annual accounts are filed with the National Bank of Belgium. Financial reports of the Company are published in the financial press and are also available on the website www.jensen-group.com. Other documents that are publicly available and that are mentioned in the reference document can be consulted at the registered office of the Company or on its corporate website www.jensen-group.com. The annual report of the Company is sent every year to the holders of registered shares as well as to any shareholder who wish to receive it.

2. Share Capital

- The registered capital amounts to 30,710,108 euro and is represented by 8,002,968 shares without nominal value. There are no shares that do not represent the share capital. All shares are ordinary shares; there are no preference shares. The shares are dematerialized or registered shares, depending on the shareholder's preference. The dematerialized shares have been issued either by way of an increase of capital or by exchanging existing registered or bearer shares for dematerialized shares. Each shareholder may request the exchange of his/her shares either into registered shares or into dematerialized shares. At least two directors will sign a share certificate. Signature stamps may replace the signatures.
- Evolution of the share capital:

Date	Share Capital	Currency	Number of shares
24/05/2002	42,714,560	euro	8,264,842
20/05/2008	42,714,560	euro	8,252,604
13/01/2009	42,714,560	euro	8,039,842
30/11/2011	42,714,560	euro	8,002,968
04/10/2012	30,710,108	euro	8,002,968

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