JAARVERSLAG
ANNUAL REPORT
2010



1. IFRS KEY FINANCIAL DATA MIKO GROUP

a) KEUR	31.12.2010	31.12.2009	Variation 2010/2009
Turnover	117.817	111.160	5,99%
EBIT	10.329	11.252	- 8,20%
Current cash-flow	17.204	17.835	- 3,54%
Profit attributable to the Miko-shareholders	7.683	7.929	- 3,11%

b) Per share (in EUR)	31.12.2010	31.12.2009	Variation 2010/2009
Ordinary profit per share (*)	6,19	6,39	- 3,11%
Diluted profit per share (*)	6,19	6,40	- 3,28%

(*) For the calculation we refer to note 9.14

2. IFRS KEY FINANCIAL DATA PER SEGMENT

a) COFFEE (KEUR)	31.12.2010	31.12.2009	Variation 2010/2009
Turnover	59.416	55.941	6,21%
EBIT	4.400	4.067	8,17%

b) PLASTICS (KEUR)	31.12.2010	31.12.2009	Variation 2010/2009
Turnover	60.148	57.102	5,33%
EBIT	6.018	7.290	- 17,44%

Foreword by the managing directors

2010 has been a special year for the Miko group. On the one hand, our company has achieved good performance almost across the board in both the plastics and coffee service divisions. On the other, our results show a decline in relation to 2009.

It is important to bear in mind that the group experienced an explosive growth in profits in 2009, with an increase in EBIT of 65% and in EBITDA of 26% in relation to 2008. This increase was due mainly to the exceptional decrease in raw materials prices in that year as a result of the worldwide economic crisis.

In 2010 the global economy picked up again, resulting in a sharp increase in the price of raw materials. This trend was further fuelled by the fact that speculators sought refuge in this sector. All the above can be seen in the graphs on pages 8 and 14. It was not possible to pass on these exponential increases to customers fully and immediately. Nevertheless, we have sufficient reasons to be satisfied with 2010.
Within the coffee service division our large subsidiaries – both in Belgium and in France, the Netherlands and Germany – were able to make a leap forwards. For example, our division in the Netherlands concluded a contract for the supply of coffee to Shell service stations along the motorways.

In the United Kingdom things were more difficult. The economy has not yet got into its stride. In the fourth quarter of 2010, GNP fell another 0.5%. This has consequences for expenditure in the hotel and catering industry, particularly in the luxury sector which our coffee service primarily targets. The integration of our three subsidiary companies in the north of England (Manchester, Leeds and Newcastle) also proceeded more slowly than expected.

The plastic processing division also grew, one reason for this being that the healthcare business that was started up in 2009 flourished in 2010 with a considerable increase in the quantities produced. This relates to plastic boxes into which the individual "blocks" or "bubbles" of washing products are packed, which serve as a replacement for the classic bottles with dosing caps. Sales of dishes for ready meals also increased, particularly in the Scandinavian market. This led, amongst other things, to the decision to invest in a new deep-drawing line. A contract with a Belgian meat processor gave us access to the market for pates.

So there was growth, despite the loss of a number of contracts by subsidiary Grispa in Houthalen and despite the poor spring that affected the sale of ice cream containers in Germany. Germany is and remains an important sales market for the ice cream tubs.

Of course, we also attach great importance to our ecological footprint. The laying of the foundation stone for a new distribution centre with 12,000 pallet spaces for the plastic processing division was followed by the installation of the first solar panel on the roof, where as many as 9,000 m^2 of solar panels have now been installed. We have also performed our first successful experiments with biodegradable plastic and with the complex procedure of "extra thin" production. The contract for the production of pate packagings prompted us to purchase an extra injection moulding machine. We chose a machine that consumes 60% less energy than the classic machines.

For the coffee service division we will increase our focus upon our sustainable coffee brand and growth product "Puro", with increased marketing efforts and an expansion of the range. Within the plastic processing division we will focus more upon innovation, with the testing of new shapes and new raw materials.

The price of our shares grew from 43.70 euros at the end of 2009 to 50.99 euros at the end of 2010, an increase of 16.7%.

2011 will be a very challenging year for both divisions. The recent political developments in the Middle East have led to increased speculation and greater uncertainty in the raw material markets both for coffee and for plastics.

In these circumstances, only a fortune teller without any scruples at all would dare to make any predictions about specific prospects.

We wish to take this opportunity to thank all our staff. As always, your dedication and loyalty have made an important contribution to our performance. The economic recovery remains very fragile. We hope we can continue to count on your dynamism in 2011. Thank you.

Jan Michielsen

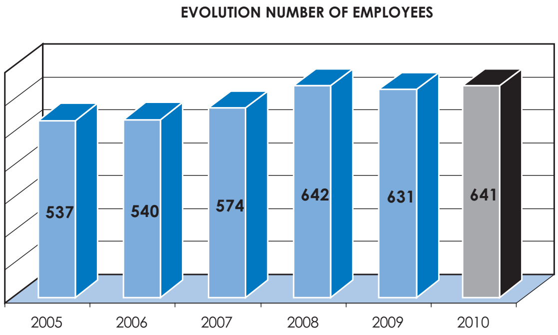
Managing director

Frans Van Tilborg

Managing director
CEO

ACTIVITIES REPORT

1. PROFILE OF THE MIKO GROUP



In 2010 the Miko group achieved a turnover of 117.8 million euros with 641 employees. The company is listed on Euronext Brussels.

The group concentrates upon two core activities: coffee service and plastic packaging.

Miko (from Michielsen Koffie) was established in 1801 as a coffee dealer. Since the 1970s, Miko has focussed entirely upon the out-of-home market rather than investing large advertising budgets in order to spar with the multinational players who dominate the coffee racks in warehouses.

This out-of-home market consists of two segments: the hotel and catering market on the one hand and the offices and companies market on the other. Miko delivers custom solutions for hot and cold drinks. A professional coffee machine is provided to the client, in exchange for which the client purchases a minimum quantity of coffee. A well organised customer service and technical service ensures consistent quality.

This formula has been a success; Miko can confidently state that it doesn't sell kilos, but cups of coffee. This formula for success was quickly exported to other countries. Miko currently has subsidiaries in the United Kingdom, France, the Netherlands, Germany, Poland, the Czech Republic, Slovakia and Australia.

coffee service

B	Miko NV
	Miko Coffee Service NV
NL	Miko Koffie Service BV
F	Miko Café Service SA
UK	Miko Coffee Ltd
	Miko Coffee South West Ltd
	Miko Coffee North West Ltd
	Cornish Coffee Ltd
	Espresso Adesso Ltd
D	Leo Coffee GmbH.
	Miko Kaffee GmbH.
PL	Miko Kawa Sp. z o.o.
CZ	Miko Kava s.r.o.
SK	Miko Kava s.r.o.
AUS	Beverage Marketing Australia Ltd

plastic packaging

B	Miko Pac NV
	Mepaco NV
D	Miko-Hordijk Verpackungen GmbH.
PL	Miko Pac Sp. z o.o.

Miko also sells its coffee concepts via independent distributors in countries including Ireland, Finland, Hungary, Romania, Bulgaria, Slovenia, Estonia, Greece, Turkey, Canada, South Africa, Surinam and the Dutch Antilles.

At the world exhibition in Brussels in 1958 Miko launched the one-cup coffee filter. The plastic filter had to be able to resist the temperature of boiling water with which coffee is made. Since no suitable technology yet existed, Miko developed this itself. The material polypropylene was chosen. The new expertise that Miko thus gathered was soon applied to the production of plastic packaging. Thus the plastics division grew to be the second core activity of the group..

In 2008, the share of Miko Pac (the new name for the plastics division since 2010) in group turnover exceeded that of the coffee service division for the first time. Miko Pac uses two different technologies for the production of packaging.

In the ultra-modern **injection moulding plant**, plastic granules are melted and sprayed into moulds at high pressure. To produce attractively printed packaging, Miko Pac developed the "in-mould labelling" technique (IML). With the aid of a robot, a plastic label is placed in the mould and the same plastic is then squirted around this. This leads to a high-quality end product.

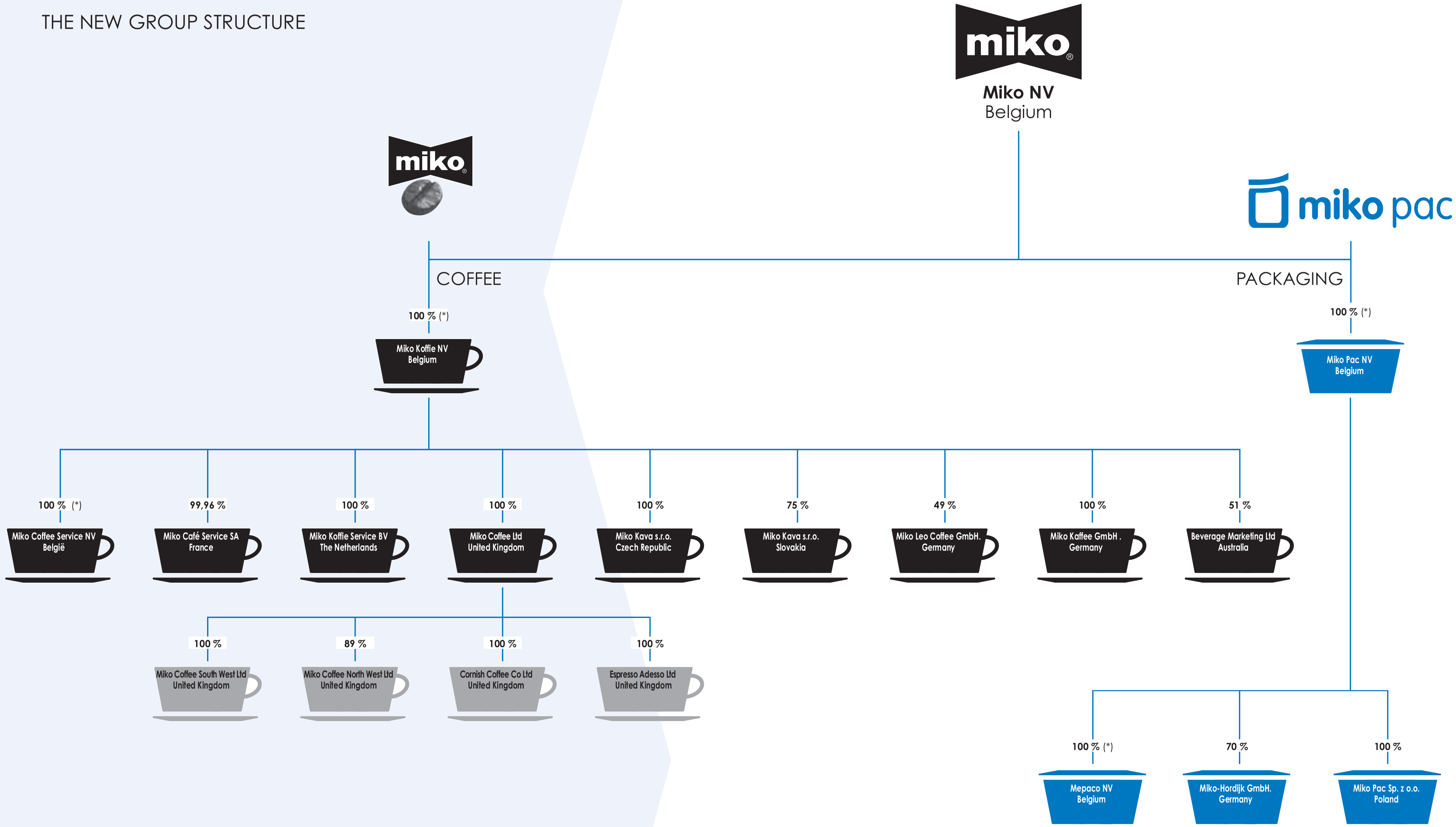
In the **thermoforming department** the granules are extruded to form a sheet, which is then heated and pressed into a definitive shape in a mould. All offcuts from the sheet are reprocessed for further production so that this technique is completely waste-free. This procedure is primarily used to produce trays and containers for ready meals.

The steady growth of Miko Pac made it necessary to increase the production capacity. Because central and eastern Europe already represented important sales markets, Miko Pac chose to take over the Polish company MCO. Now there is a modern injection moulding factory on the site which, just like its Belgian counterpart, is experiencing steady growth and expansion.

In 2008 the Belgian injection moulding plant Grispa in Houthalen was taken over.

In Germany a subsidiary was established that looks after sales in the enormous German market.

THE NEW GROUP STRUCTURE



(*) Wherever relevant legislation requires more than 1 shareholder, 1 share has been transferred to the family holding MIKO Holding NV, thus functioning as second shareholder of the company.

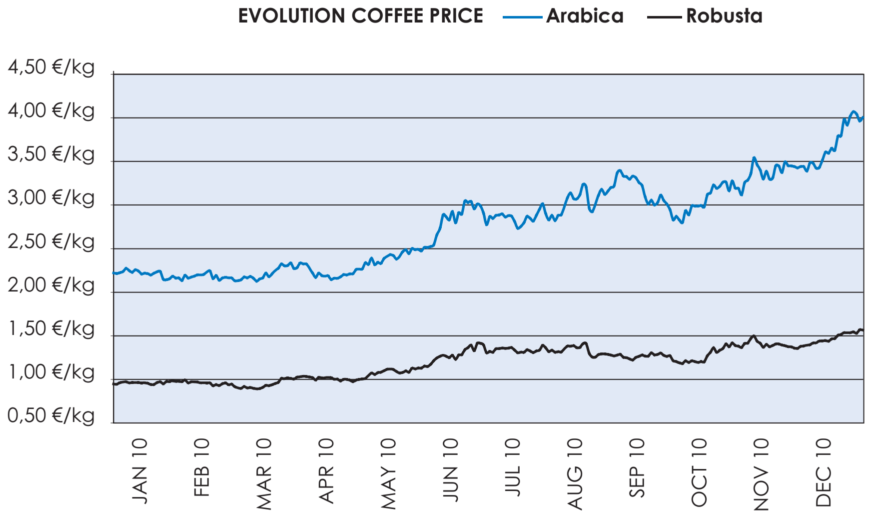
2. EVALUATION OF THE COFFEE SERVICE DEPARTMENT

2.1. Growth of turnover – influence of raw materials prices

The turnover of the coffee service division rose in 2010 by around 6% in relation to 2009.

This is a very respectable result in view of the unfavourable economic climate in general and the situation in the coffee business in particular.

The price of raw coffee on the world market rose sharply in 2010.



Miko chose to strive resolutely to retain its market share. As a result, the price increases were neither fully nor immediately passed on to clients. This naturally had a considerable impact upon profit margins.

2.2. Investments

The total investments for the coffee service division amounted to 4.6 million euros in 2010. As in previous years, this amount primarily consisted of the purchase of coffee machines destined for installation on our clients' premises on a hire or loan basis.

2.3. Important events

2.3.1. Takeovers in the United Kingdom

ESPRESSO ADESSO

In June, Miko took over the Scottish coffee service company Espresso Adesso Ltd. Espresso Adesso primarily targets the hotel and catering industry and in 2009 realised a turnover of 1.5 million euros with six employees. This takeover fits into Miko's strategy in the United Kingdom, namely to gradually build up its national presence by means of a network of regional warehouses.

Near London, the smaller Beverages Plus was taken over. This company was fully integrated into Miko Coffee Ltd.

2.3.2. Restructuring of technical services

In Belgium technical services were successfully restructured. A new technical services manager and a new head of technical services were recruited.

Various new initiatives were established within technical services to further increase quality and efficiency. A dynamic dispatch system was introduced for the external technicians and a consistent programme for preventative maintenance was set up. Furthermore, a telemetry project was launched, as was a database holding all Miko's technical expertise.

2.3.3. Introduction of baristas

Miko introduced the job of "barista", with the aim of improving the quality of the cup of coffee served by the client and increasing general knowledge about coffee within the organisation. Baristas are already employed both in Belgium and in the Netherlands and Poland.

The baristas represent Miko at exhibitions and demonstrations and even take part in competitions.

2.3.4. Further expansion of Puro

The volume of the sustainable fair trade coffee Puro (beans & ground coffee) rose by 13% in relation to 2009. Puro already makes up 17.4% of the total kilos of coffee sold. These sales are primarily realised in the United Kingdom, Poland, the Netherlands and Belgium.

With its Puro concept, Miko took an active part in various initiatives by Max Havelaar – the foundation that awards the quality label for fair trade coffee – such as Fairtrade Week and Fairtrade@Work. This prompted Puro clients to set up campaigns around Puro. Miko even arranged for the realisation of a large fair trade artwork at the Grote Markt in Kortrijk.

In the field of marketing, the focus was firmly placed upon the Puro target groups: companies, local government and schools. Advertising campaigns were carried out in collaboration with the magazines Lokaal and Klasse and the newspaper Vers L'Avenir.

This delivered a number of notable new clients, such as the towns of Lommel and Bilzen, various municipalities and the Green party executive.

Puro had a very eye-catching stand at the Horeca Expo in Ghent.

Puro fruit tea and Puro Chocosticks were amongst the products added to the Puro range.

2.4. National development

2.4.1. Belgium

2.4.1.1. Office Coffee Service (OCS)

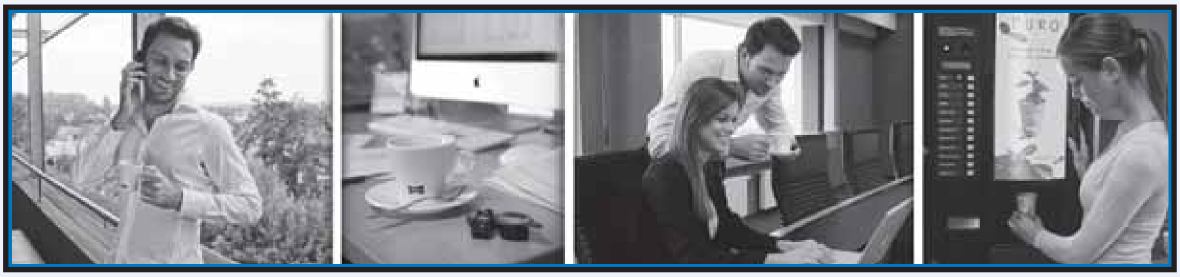
Despite the economic crisis, which affected the growth of turnover within the OCS segment, MCS was neverthe-less able to acquire some rather presti-gious new clients, including De Morgen, D'Ieteren, Estée Lauder and Kenwood Electronics.

This was thanks to an intensive approach to the market via a broad advertising and direct mail campaign plus periodic newsletters to the existing client base.

Thanks to these extra efforts, a growth in turnover of 3% was realised within the segment in relation to 2009.

Specific campaigns were undertaken with a view to increasing the profitability of the division: less profitable devices were systematically replaced in the market, efforts were made to deepen the existing client base in order to increase the drop value per client, and the telesales team was further professionalised with a view to the generation of larger orders.

Finally the healthy snacks and cold drinks range for schools and business clients was substantially expanded.



2.4.1.2. Hotel and catering

The turnover of the hotel and catering division rose by 1.3% in relation to 2009. This was partly thanks to the considerable growth of the GrandMilano coffee concept. This concept is based upon loan contracts with a specific credit system and targets the top end of the hotel and catering market. The marketing efforts surrounding GrandMilano were increased and the website further expanded. A specific GrandMilano range of chinaware was also developed.

Creative savings campaigns were created for hotel and catering managers, with a view to increasing the sale of spin-off products.

By the implementation of a promotion system, the focus was placed upon more selective, long-running and exclusive collaborations with the hotel and catering wholesale trade.

The collaboration with brewery Alken-Maes was further expanded: Miko will be the exclusive coffee for each new hotel and catering business of Alken-Maes and the sales teams of the two companies will be encouraged to collaborate.

We introduced our barista at the Horeca Expo in Ghent, with the aim of increasing quality perception and product awareness by means of demonstrations and training sessions for client groups.

Specific sales efforts were made to put the relatively high stock of second hand devices on the market. At the end of 2010 this stock was almost completely disposed of.

Miko was present at the most important national and regional hotel and catering exhibitions: Ghent Horeca Expo, Horecatel Marche-en-Famenne, Ostend Horeca Boulevard and the National Congress of Beer Traders. In the specialist press, too, there was intensive promotion by means of advertising and customer testimonials. Furthermore, our own Catering Newsletter was issued, reinforcing our bond with the end client by means of articles about new products, campaigns and events.

A number of important events were sponsored by Miko: Winterland Hasselt, Ghent Christmas market, Bruges Ice Sculpture Festival, Blankenberge Sand Sculpture Festival, Diegem Super-prestige Cyclocross, etc. The job of catering & event manager was introduced, which will focus upon the opening up of new markets (hotels, catering, etc.) and even better support for sponsored events.

2.4.2. United Kingdom

As in most countries, 2010 was a very difficult year for the United Kingdom in economic terms, which was not without consequences for the profits of Miko UK. In the context of the economic situation, the performance of the company was nevertheless encouraging.

Extreme weather conditions in January resulted in a poor start to the year, particularly in the north of England where almost no work could be done for two weeks. The northern region (including the East and West Midlands) also suffered the worst of the economic crisis. When the United Kingdom finds itself in a recession, the North is invariably hit first and hardest. Moreover, Miko UK attempted to integrate the three separate companies in the northern region into a single entity in 2010. This process was slower than expected and was associated with considerable exceptional costs.

Good sales figures were recorded in other regions. In the south-east, the most important region for Miko UK, an increase of 15% was realised. This result was achieved by a combination of strong account management and effective efforts to expand the client base.

The takeovers of Espresso Adesso (Scotland) and Beverages Plus (southern England) enhanced Miko's national network in the United Kingdom. This extensive infrastructure gives Miko a competitive advantage compared to other players and puts it in a position to offer an excellent coffee service to both national and regional clients.

Miko wants to play these trump cards in two ways.

Firstly, a strategy of approaching the OCS market more intensively has been developed. To this end, two experienced telemarketing specialists have been recruited to make agreements for our sellers. The results of this will be seen in 2011.

Secondly, Miko UK wants to focus upon important "key accounts", from individual sites such as universities, luxury hotels or tourist attractions to chains of coffee shops and restaurants. This approach has already rapidly achieved success. Deals have been reached with Gourmet Burger Kitchen (65 hamburger and grill restaurants in the luxury segment), O'Briens (70 sandwich bars & coffee shops) and Newbury Leisure (10 recreation sites). Furthermore, Miko reeled in a number of attractive individual clients such as the Weston Super Mare Pier, one of the historic attractions of Victorian England, and the Ritz Hotel Club and Casino, one of the most famous hotels in London.

2.4.3. France

Sales in France are organised via partnerships with various networks of distributors. These networks have been seriously affected by fluctuations in the world market for agricultural products, and in particular by a hefty increase in coffee prices.

Nevertheless, turnover in France increased by almost 4% (more than 5% if account is taken of the previous year-end discounts that are now deducted directly on the invoice in line with new French legislation).

In an extremely competitive market, priority was given to keeping sales up by honouring previous commitments and continuing to ensure the high quality of our services.

It was thus possible to maintain sales of 1kg and 250g packs, despite the loss of an important client. At the same time an excellent increase of more than 11% was realised in the "coffee + machine" concepts.

Both the fair trade coffee Puro and the bio coffee make up an important part of the range that is available from our distributors.

2.4.4. Germany

After the poor economic year of 2009, 2010 was a year of growth in Germany. The German subsidiary LEO Coffee GmbH realised extra sales of 36 tonnes of coffee in 2010, resulting in a total of 137 tonnes. Most of these sales were to coffee wholesale businesses and operators.

Agreements for the production of private label coffees were concluded with four new partners, resulting in a total volume of around 70 tonnes. From 2011, sales to these partners will get under way properly, meaning that a further increase in volumes sold can be expected.

LEO Coffee was able to get its clients to accept the price increase that was necessary due to the continuously rising raw materials.

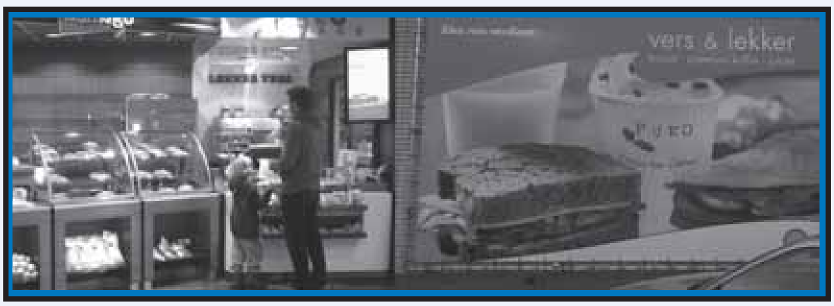
In the summer, solar panels were installed on the roof of the commercial building in Uedem, meaning that Miko did its bit for the environment in Germany, too.

On 23 November 2010, Miko Kaffee GmbH was established as a full subsidiary of Miko Koffie NV. The assets of LEO Coffee were then transferred to this new company. This operation fits in with the policy of the Miko group of owning the majority of voting rights in all entities that belong to the group.

2.4.5. The Netherlands

Despite the factored-in loss of a few large contracts and a number of unexpected client bankruptcies, MKS achieved a growth in turnover of 7%. In 2010 a few excellent accounts were added to the customer base, including CAOP, a services centre of the Dutch government, and NEN, the Dutch standardisation institute.

At the end of the year, work got under way on the establishment of coffee corners in the new "Deli2go" fresh concept in Shell filling stations. Puro fair trade coffee will play a prominent role in this.



2.4.6. Czech Republic and Slovakia

The economic situation in eastern European countries remains very difficult and rising raw materials prices do not help the situation of the coffee service companies.

Sales in the Czech Republic remained below expectations for the first half of the year. During the summer the entire sales team was therefore reorganised. Although the new team made a good start, it was not possible to entirely put right the results. Turnover fell by 8% in relation to 2009.

In Slovakia slight growth was recorded.

2.4.7. Australia

The Miko team Down Under were again able to record excellent growth in 2010. This growth was primarily thanks to the provision of espresso concepts at the top end of the hotel and catering industry.

2.4.8. Export

Miko is still looking for new markets both in Europe and abroad.

In 2010 considerable success was achieved in Ireland, Finland, Estonia and the Dutch Antilles.

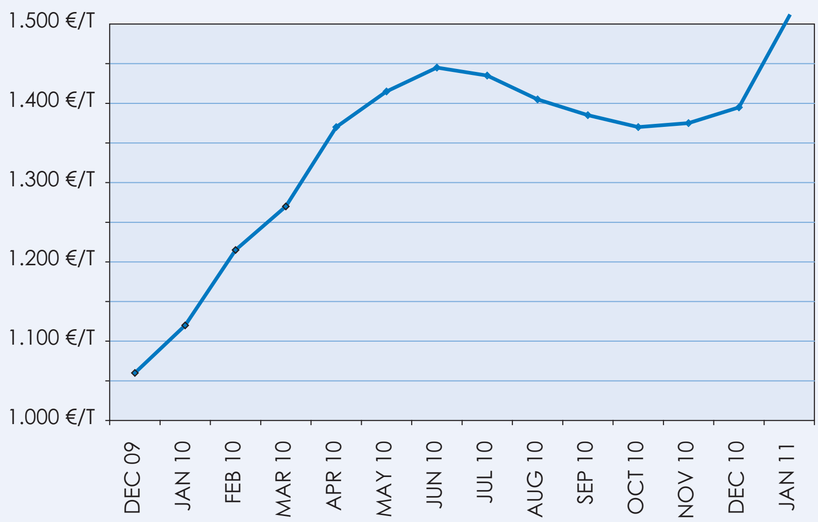
In the other Baltic states (Latvia and Lithuania), Puro was launched.

3. EVALUATION OF THE PLASTICS DIVISION

3.1. Growth of turnover – influence of raw materials prices

It was no simple matter to equal the excellent company results of 2009. Whilst in 2009 raw material prices fell drastically, in 2010 Miko Pac was confronted with strong growth in the prices for polypropylene on the world market.

EVOLUTION PRICE PP



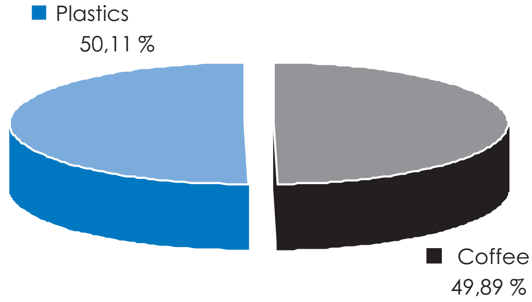
Since the plastic granules represent 40% of total turnover it is no wonder that such an increase makes itself felt in the results. Miko Pac is doing everything it can to cushion the volatility of raw material prices by agreeing favourable contractual conditions with its clients, but despite this it was not possible to pass on the increases immediately and fully. However, all clients do accept some system of price corrections.

Nevertheless, the plastics division stood its ground very well.

Growth in turnover of 4.5% was realised. If account is taken of the loss of the invoicing on of over a million euros in transport costs for a large client (which organised its own transport in 2010), Miko Pac can be satisfied with the growth in turnover.

The share of the plastics division in the group remained almost constant at 50%.

COMPOSITION TURNOVER



3.2. Investments

Investments amounted to 8.3 million euros.

These investments related primarily to the construction of the logistics centre and the purchase of machines and moulds.

3.3. Important events

3.3.1. MPC-DG Plastics becomes Miko Pac

On 29 March 2010 MPC-DG Plastics changed its rather unwieldy name to Miko Pac. The new name gives a clearer indication of what the company stands for and also emphasises the link with the Miko group.

At the same time, the new slogan "Thinking outside the box" and the new logo were introduced. The slogan shows that Miko Pac not only wants to provide quality and service, it wants above all to work with the client to produce creative solutions to packaging problems.

The foreign subsidiaries followed suit: MPC-MCO (Poland) became Miko Pac and MPC-Hordijk Verpackungen (Germany) became Miko-Hordijk Verpackungen.

3.3.2. Miko Pac-Grispa merger

The integration into the Miko group of the injection moulding company Grispa in Houthalen that was taken over in 2008 was continued by the absorption of Grispa NV in the parent company Miko Pac NV.

Within the Miko group there was no operational reason at all to retain two Belgian companies within the plastics division.

The merger will lead to a reduction in general costs and to greater efficiency. It will also simplify internal control and reporting. Finally, the streamlined, more transparent structure simplifies contact with other stakeholders, such as personnel and financial institutions.

3.3.3. Construction of logistics centre

In 2010 a start was made on the construction of the fully automated warehouse.

The most important objective is to further increase efficiency by the full automation of the logistical cycle: from the finished product to conditioning in cardboard boxes, transport to the winding zone and from there automatic transport to the right place in the warehouse via robotic fork-lift trucks. Furthermore, the transport from the warehouse to the loading quays will also be automated.

In the course of 2011, after an extensive test phase, the logistics centre will become operational.

3.4. Development of the thermoform division

In 2010 the thermoform division had a particularly busy year due to the increase in orders, particularly for dishes and trays for the ready meal market. A partnership was established with a Swedish client that was translated into the realisation of various new models.

The number of units produced rose from 115 million in 2009 to 156 million in 2010 (+35.6%). The quantity of raw materials used rose from 4,500 tonnes to 5,500 tonnes (+22%).

In order to satisfy the increased demand, considerable investment was necessary. The production capacity of the extrusion lines was substantially expanded by the purchase of an additional extruder. The decision was also made to procure a new thermoform machine. These investments totalled 1.5 million euros.

In 2010 we also started to produce packaging in biomaterials. The demand for such products is still relatively limited, but Miko Pac wants to be ready in technical terms to respond to specific demands from the market.

Miko Pac is thereby striving to make its contribution to the protection of the environment, and at the same time to cope with the ever more intense price competition, particularly in the very important sales market of Germany.

3.5. Development of the injection moulding division

The injection moulding division was also able to record an increase in production quantities: from 623 million units in 2009 to 658 million units in 2010 (+5.6%).

A number of new projects were brought in, such as a contract for the production of 24 million tubs and lids for the packaging of pate with an important player on the Belgian market for meat processing, and a project for the packaging of cheese in Poland and Germany.

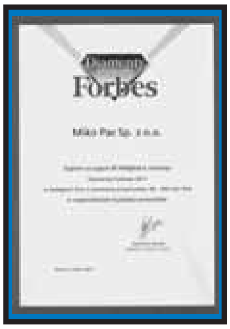
There was also very clear growth in the quantities of packaging produced for the healthcare sector. Miko Pac benefits here from the trend towards offering each product to the customer in as user-friendly a form as possible.

Otherwise, the focus this year was primarily on the optimisation of the production process. A system was implemented that makes it possible to monitor the circulation of coolant, compressed air and oil cooling for all machines. Since quality remains a top priority, an investment was made in camera systems that, in the space of a millisecond, analyse the quality of each product, allow the compliant products through for stacking and remove the defective products as waste. To increase efficiency, various stackers were equipped with a system for "hands-free" stacking, allowing the production of packaging to be fully automated, from the plastic granules right through to the cardboard box.

3.6. Miko Pac Bydgoszcz (Poland)

Turnover increased by more than 14% in relation to 2009, meaning that the share of the Polish branch in the plastics sector as a whole ended up as 25%.

Two fully electrical injection moulding machines, which consume 60% less energy than the hydraulic injection moulding machines, were purchased for the injection moulding division of Miko Pac Poland.



Miko Pac Poland received a "Forbes Diamond" award from the magazine of the same name as the third best company in the region (81st in Poland) in the category of companies with a turnover from 50 to 250 million zloty.

The distinction was awarded to companies that have dynamically increased their market value over the last three years. The ranking was drawn up on the basis of the Swiss valuation model and allows the potential of companies to be measured with regard to investments and future sales and profits.

3.7. Miko-Hordijk (Germany)

The turnover of Miko-Hordijk grew by 21% in relation to 2009.

This increase was primarily due to the APET products of our partner Hordijk. The sale of Miko Pac products fell by around 5.9% as a result of the loss of an important client.

However, projects regarding injection moulding products were started up with a few new clients.

3.8. Customer satisfaction

Miko Pac again scored very highly in the annual surveys. This result is without doubt largely due to the personnel meetings that take place on a regular basis to make staff aware of the need for ever higher quality. After all, we build our results of tomorrow upon the quality of our staff.

3.9. Carbon footprint

Miko Pac has for a few years now been very active in the reduction of CO_2 emissions.

Miko Pac achieved a positive report from the Audit Covenant Verification Agency two years in a row for its approach to the reduction of energy consumption Although the participation in the Audit Covenant is voluntary, the measures set down must be performed within the agreed period.

Total energy consumption is calculated each year. Taking 2005 as the reference year, the energy necessary to produce a constant quantity of goods is investigated. The real consumption of electricity in 2009 was 18,006 MWh. If no energy saving measures had been taken, this would have been 20,373 MWh. A saving of 2,307 MWh was thus made. In relation to the base year of 2005 there was a reduction in the total primary energy consumption of 16.5%.

These results were only possible due to efforts on various points. Lighting in the injection moulding plant was successfully reduced by 25%, whilst retaining sufficient lighting intensity at the workstations. These measures resulted in a saving of 15 tonnes of CO_2 every year. This action also reduces the energy bill by 3,200 euros. So consideration for the environment is also felt directly in the purse.

Investment was also made in larger pipework for the cooling installations, resulting in lower pressure losses so that less energy is needed to pump the water around. Because a great deal of energy is necessary for the cooling of water, the raising of the cold water temperature in the cooling systems is an important item. In 2010 the temperature had already been increased by 0.5°C.

At the end of 2010 investment was made in insulation mattresses that ensure that the heat that is generated to prepare the plastic for injection is not lost to the environment. Five injection moulding machines have already been equipped with such mattresses.

Account was also taken of environmental considerations in the design of the products. Various tests were performed with new types of raw materials to investigate whether a weight saving can be realised by the reduction of the wall thickness of the packaging.

In the thermoform division energy was saved by putting machines in stand-by mode. A machine on stand-by consumes around 19 kW less than in its normal mode. Thanks to a programming change, 67,000 kWh per year can be saved. The same principle can be applied to grinding mills. If the thermoforming machine is in stand-by for longer than five minutes, then from an energy point of view it is also worth stopping the grinding mill. A test set-up confirmed that we can save 46,000 kWh in this manner.

4. HUMAN RESOURCES

The Miko group is striving to achieve an informal working environment: being close to personnel, knowing what is going on, taking this into account and acting accordingly.

In 2010 this principle led to a personnel survey to keep a finger on the pulse in a growing family company. Diverse facets of work experience were checked: perception of job content, leadership, remuneration and recognition, working environment, team atmosphere, information flows, etc.

The survey was held in all countries in which the Miko group is active. Hundreds of questionnaires were sent out. The response was very high, with more than 80 percent of staff members taking the time to answer. This told us that staff are very involved and want to share their opinions with the management.

In order to ensure objectivity the results were processed by an external consultancy firm.

In the summer the results were analysed. Satisfaction amongst personnel was found to be very high. The following questions scored very high (>85%): “I like working for Miko”, “In general I am satisfied with my job”, “I am proud of the organisation I work for”, “Miko makes high-quality products” and “I belong to a team than I can work well with”.

These results indicate that we are moving in the right direction.

However, the group does not want to overlook points of criticism: communication between departments could be better, more communication is needed regarding the organisation’s vision for the future, the process of performance interviews needs to be looked at again and more consideration should be given to a regular “pat on the back”.

It was possible to take immediate action on a few of these points. Training sessions focussing on motivating leadership will be organised for 2011, in which consideration will be given to the process of performance interviews and the “pat on the back”.

A decision was made to enquire more deeply into the other points for consideration by drawing up a second survey. This will allow the formulation of plans for a suitable response to shortcomings.

In September the in-depth survey was organised in Belgium. Staff were given the opportunity to state, for each department with which they work, whether the collaboration is working well and if not what could be improved. More information was also requested on the subject of “leadership and communication”.

The results of this survey were obtained in October, meaning that analyses and discussions with the various leaders were able to begin. For each division these meetings gave rise to “good intentions” for 2011. Throughout the entire organisation, company presentations were held in which the new business plan for 2011-2015 was explained, along with the results of the personnel survey and the good intentions for each sector of activity.

Each management team has drawn up a list of points for consideration that will be carefully followed by the entire team. In order to improve internal communication, TV screens will be positioned in public places (refectories, entrance halls) on which all info can be seen: policy info, press reports, vacancies, new staff members, investments, visitors, safety and quality issues.

5. ENVIRONMENT AND SAFETY POLICY

5.1. Environment

One of the waste flows that arises in the roasting of coffee is the dried coffee husks. It has long been known that these have a useful application as a soil improver. Due to the morphology of the husks, however, it is becoming ever more difficult for the processor to process them. Therefore a new solution has been found, which involves using the coffee husks for the production of biogas.

Since we want to maintain our good relationship with the local community, Miko Koffie has, upon its own initiative, invested in a sound damper on the roof of the main building. It's true that this noise source is located at considerable height, but the effect of the wind upon the perception of noise by nearby residents should not be underestimated. Good neighbourliness is something that we are continually working on.

Mepaco's environmental licence has been renewed. Because the amount of machinery has been greatly reduced, Mepaco was licensed as a low nuisance establishment of class III.

5.2. Safety

At Miko Koffie the existing risk analyses were re-evaluated and the filter line and LC production lines given further consideration. The fitting of extra safeguards removed a great many safety risks at the machines.

Critical consideration was also given to the presence of carbon monoxide (CO) in the coffee roasting plant. Measurements had been taken in 1999 showing that there was relatively little CO in the production environment. In the meantime, however, the batch sizes for the coffee roasting have risen and the grinding mills have increased in size. It was thus time to draw up another inventory. Numerous personal measurements were taken to get an idea of the individual CO uptake. The results were below the limit values. A general improvement of the ventilation could improve working conditions at the current workstation even further.

The existing floor made a great exertion of force necessary every time the full coffee silos had to be moved manually. Thanks to the fitting of a new floor with an acrylate top layer, silos can now be moved much more quickly and ergonomically.

In close collaboration with the occupational accident insurance provider, an information meeting was organised for the management of Miko Pac.

The meeting started with an overview of current safety legislation. The financial consequences of an occupational accident were also considered. The overview of the direct and indirect costs of physical injury after an occupational accident was particularly informative.

A standard form was added to the existing occupational accidents procedure at Miko Pac in connection with adapted work. This allows the doctor to immediately seek an ideal balance between rapid recovery and adapted work that fits within the physical capabilities of the victim.

In order to improve safety when working with acetylene, training was organised for a limited group of workers who have to work with this substance. Acetylene is only used occasionally but is highly flammable. At the same time, the existing installation underwent a safety check.

An occupational accident with a knife was an excellent opportunity to promote the use of safer cutting tools (such as scissors or safety knives). At the same time, the proper attitude to safety when performing cutting movements was studied.

Duties in the packing department are marked by the repeated lifting of loads. Since the risk of overload of the upper limbs is high, a number of risky operations were considered from an ergonomic point of view by specialists from the external prevention service Idewe. This resulted in customised training for the department. Where necessary, operations at the workstations of the packaging department were immediately adjusted, with staff being taught an alternative, less taxing working method.

A BA4 course was necessary at Miko Coffee Service. This course involved general safety training for staff who work on or near electrical installations such as coffee equipment and machines. The BA4 course enables employees to acquire knowledge about the hazards of electricity. Since these hazards also exist on an ongoing basis for the technical departments of Miko Koffie and Miko Pac, these departments were also involved in the training.

6. IMPORTANT EVENTS SINCE THE BALANCE SHEET DATE

No important events have occurred since the end of the accounting year 2010.

7. MISSION AND STRATEGY

The Miko group is divided into two core activities, each with its own mission statement.

For the coffee service segment:

"Miko wants to be the partner for the out-of-home client by the supply of trouble-free coffee concepts based upon high-quality products and services."

– your coffee, our care –

For the plastic packaging segment:

"Within the food industry Miko Pac wants to be a long-term recognised partner for the supply of contemporary plastic packaging with high added value."

The corporate strategy to make it possible to realise these missions can be summarised as follows:

Concentration upon our core activities: coffee service and plastic processing
Our strategy is based upon a further expansion of the current two core activities. This will be achieved by both internal and external growth. The strengthening of our market position in our "home countries" remains of prime importance: Belgium, the Netherlands, France, the United Kingdom, Germany, Poland, Czech Republic, Slovakia and Australia. But further internationalisation also remains our ambition.

Remove myopia ... think of the long term
A company that has been in existence for 200 years may not be seduced into opportunism and short-term vision. We must have the courage to invest, to assess possible investments or takeovers and costs on the basis of their strategic long-term contribution to the group, even if this is sometimes at the expense of short-term profits.

Think big ... but act small
We should always strive to play our very important trump card of flexibility in both core activities. In view of our moderate size, customisation, fast response time and specialisation will be crucial to our growth in our very demanding market segments.

200 years of mastery in quality and service
Thanks to sustained research & development efforts we will continuously strive to further improve the already high standard of our products. This applies both for our coffees and for our plastic packaging. Our coffee service department we will continue to critically scrutinise the quality of service provision. We will strive to achieve excellence in this field.

People: the most important factor for success of our company
Excellence can only be realised if staff are prepared to dedicate themselves to it. Motivation is the key word. The Miko group will strive to motivate its employees by giving them the opportunity to offer their own creativity and energy and by recognising these qualities. Miko offers career opportunities to those who pursue and earn them. Knowledge is also a key word. Therefore Miko regularly offers staff the chance to take courses, so that they can remain up-to-date.

"I'm doing something for SE": balance between Profit, People, Planet and Pleasure
In 2005 Miko set up a think tank to study the subject of "Sustainable Enterprise". One result of this think tank was the launch of the Puro concept. The think tank also recommended that the subject "Sustainable Enterprise" be included under the corporate strategy from now on. Under the motto "I'm doing something for SE", Miko is committed to steering its strategy such that a healthy balance is created between Profit, People, People and Planet.

8. PROSPECTS FOR 2011

2011 will be a very challenging year for both divisions. Due in part to recent political developments in the Middle East, speculation in the raw materials markets has increased further, both for coffee and for plastics. It is thus not possible to make any concrete statements about the future.

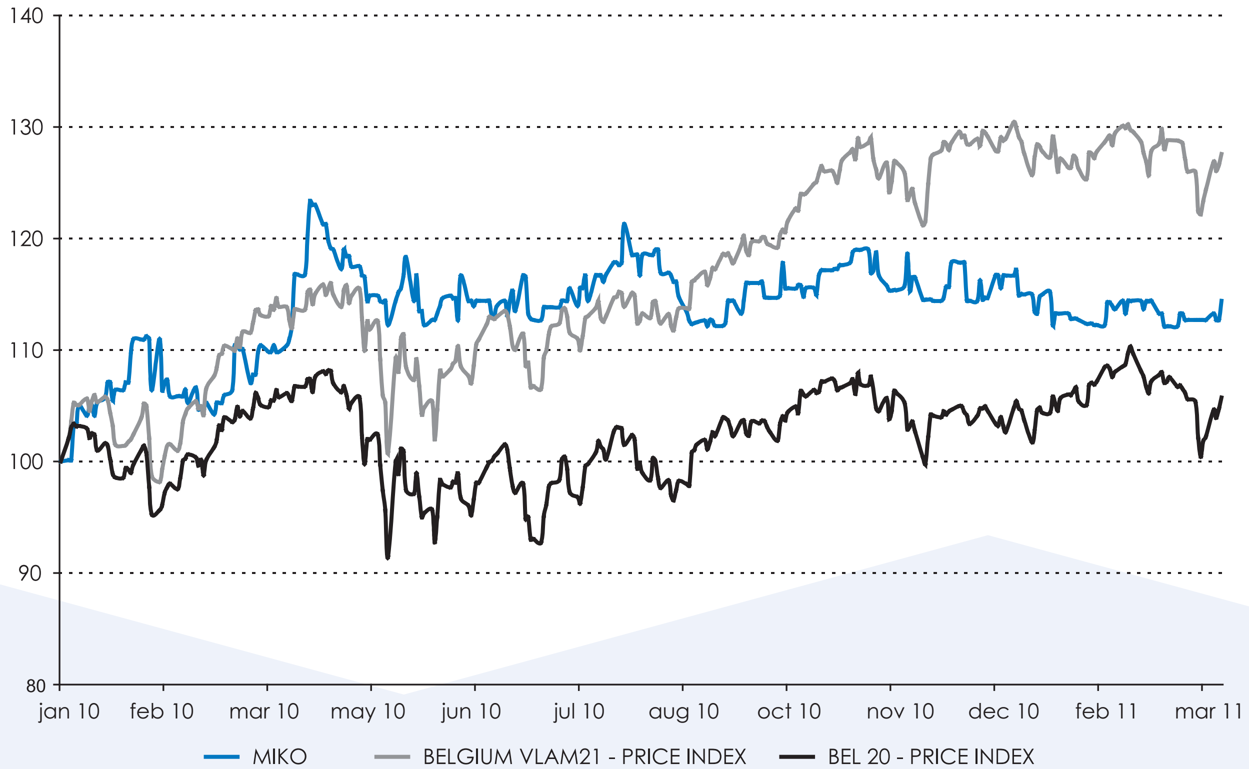
9. PROPOSAL REGARDING PROFIT DISTRIBUTION

The management board proposes to dispose of the results from the accounting year and the transferred results from the previous accounting year, totalling 3,558,086.52 euros, as follows:

1. Repayment of the capital:	1.192.176,00 euro
2. Addition to available reserves:	2,365,000.00 euros
3. Balance to be transferred:	910.52 euros

If this proposal is approved by the general meeting of 11 May 2011 a gross dividend of 0.96 euros per share, i.e. 0.72 euros net, will be paid out by the KBC Bank from 1 June 2011.

10. GROWTH OF THE MIKO SHARE ON EUROLIST BY EURONEXT BRUSSELS



CORPORATE GOVERNANCE DECLARATION

1. INTRODUCTION

In 2010, the Group's new corporate governance structure was applied for the first time and completed at certain points. Thus the amalgamation of the Nomination Committee with the Remuneration Committee into a single Nomination and Remuneration Committee was recorded in an internal regulation.

Particular attention was paid to the legislative innovations in the field of corporate governance, specifically the Act of 6 April 2010 "for strengthening sound management in listed companies and autonomous public undertakings", and the draft bill "concerning the exercise of certain rights of shareholders of listed companies".

The establishment of these new regulations was closely monitored by consultative committees within the Federation of Enterprises in Belgium.

Both legislative regulations will have a significant impact on the Group's corporate governance structure and its reporting. This impact will be fully felt for the first time in 2011.

In 2010, the Group has already taken the necessary measures to be able to comply with the new regulations from the outset. An in-depth analysis was carried out on the internal checking and risk-management systems.

In 2011, the Group intends to examine its corporate governance structure further with regard to the executive management by setting up an internal regulation for the Operating Committee and formalising the external powers of representation for all companies in the Group.

A proposal to amend the Articles of Association will be submitted to the Extraordinary General Assembly on 11 May 2011 for the purpose of updating and adapting these to the new legal criteria.

We remain convinced that the emphasis should lie on enterprise and performance within a responsible framework of risk management.

The company's Corporate Governance Charter is available on the website for consultation at http://www.miko.eu/corporate-governance.html.

2. STATEMENT ON THE APPLICABLE CORPORATE GOVERNANCE CODE

The Miko Group complies with the Belgian Corporate Governance Code 2009. The Code is available for consultation at http://www.corporategovernancecommittee.be/nl/home.

Where the Code is not complied with, due to the specific situation of the company, such non-compliance is justified on the grounds of the "comply or explain" principle.

3. BOARD OF DIRECTORS

3.1. Composition

In accordance with the Articles of Association, Miko NV's Board of Directors should consist of at least six directors. Pursuant to Article 2.3 of the Code, at least half of the members should be non-executive directors and at least three of them should be independent.

Up to the General Assembly of 12th May 2010, the composition of the board of directors was as follows:

DIRECTOR'S NAME	TYPE OF MANDATE	END OF MANDATE	ADDITIONAL INFORMATION
SHMB NV, with Mr Stef Michielsen as permanent representative	Non-executive director	GA 2013	Chairman of the Board of Directors
Frans Michielsen	Executive director	GA 2010	Managing Director and CEO of the Miko Group
Frans Van Tilborg	Executive	GA 2013	Managing Director
Aloïs Michielsen	Non-executive director	GA 2010	
Willy Menève	Non-executive director[1]	GA 2010	
Franky Depickere	Independent director[2]	GA 2013	Chairman of the Audit Committee
Flor Joosen	Independent director[2]	GA 2013	
Chris Van Doorslaer	Independent director[2]	GA 2013	Chairman of the Nomination and Remuneration Committee

[1] Mr Willy Menève was not linked to the main shareholder, but could not be considered an independent director either, as there has been no waiting period between his mandate as managing director of the company and his mandate as a non-executive director.

[2] Messrs Franky Depickere, Flor Joosen and Chris Van Doorslaer met the criteria specified in Article 526ter of the Company Code and were consequently independent directors.

Since the General Assembly of 12th May 2010, the composition of the board of directors has been as follows:

DIRECTOR'S NAME	TYPE OF MANDATE	END OF MANDATE	ADDITIONAL INFORMATION
SHMB NV, with Mr Stef Michielsen as permanent representative	Non-executive director	GA 2013	Chairman of the Board of Directors Miko Group
Frans Van Tilborg	Executive Director	GA 2013	Managing Director and CEO of the
Jan Michielsen	Executive Director	GA 2016	Managing Director
Frans Michielsen	Executive director[1]	GA 2016	
Patrick Michielsen	Non-executive director	GA 2016	

[1] Mr Frans Michielsen ceased to be the Group's Managing Director after the General Meeting of 12th May 2010, but still fulfils a number of executive tasks. He is therefore considered to be an executive director.

DIRECTOR'S NAME	TYPE OF MANDATE	END OF MANDATE	ADDITIONAL INFORMATION
Franky Depickere	Independent director[2]	GA 2013	Chairman of the Audit Committee
Flor Joosen	Independent director[2]	GA 2013	
Chris Van Doorslaer	Independent director[2]	GA 2013	Chairman of the Nomination and Remuneration Committee
Mark Stulens	Independent director[2]	GA 2016	

[2] Messrs Franky Depickere, Flor Joosen, Chris Van Doorslaer and Mark Stulens meet the criteria specified in Article 526ter of the Company Code and are consequently independent directors.

from left to right: Jan Michielsen, Patrick Michielsen, Chris Van Doorslaer, Flor Joosen, Franky Depickere, Frans Van Tilborg, Frans Michielsen, Mark Stulens, Stef Michielsen (Chairman)

Article 2.1 of the Corporate Governance Code stipulates that the composition of the Board of Directors must be based on, among others, gender diversity. The Board of Directors at present consists entirely of men. The Miko Group has noted the recommendations of the Committee on Corporate Governance on "representation of women on Boards of Directors of listed companies" and will aim to follow these recommendations during the next nomination round.

Article 4.6 of the Corporate Governance Code also stipulates that the term of office of directors shall be no longer than four years. The Miko Group deviates from the Code at this point in appointing its directors for six years. This deviation may be justified by the desire not to unnecessarily often repeat the nomination process, which requires a great deal of work, relatively-speaking, by a smaller company with a limited board of directors. Furthermore, a longer term of office gives the directors the opportunity to gain an in-depth knowledge of the workings of the company so that they are able to carry out their mandate as directors as efficiently as possible.

The Secretary to the Board of Directors is Mr Johan Vandervee.

3.2. Activities

The Board of Directors met eight times in 2010.

The interim sales and operating figures are disclosed to the directors beforehand and discussed at the meetings. The managing directors provide an explanation for the figures and the daily workings of the Group.

The following matters were dealt with at the meetings of the Board of Directors in 2010:
– approval of annual accounts for 2009 and proposal for distribution of profits
– approval of annual report for 2009
– discussion and approval of Corporate Governance Charter and internal regulations
– discussion of nominations of candidates for directorships
– election of the Chairman & appointment of managing directors and CEO
– appointment of advisory committees
– discussion of investment projects (including installation of solar panels at the Miko Pac new-build, Miko Koffie & Miko Pac machine park)
– discussion of takeover opportunities (including Espresso Adesso Ltd)
– discussion and implementation of the 2011-2015 strategic plan
– establishment of Miko Kaffee GmbH.
– merger of Miko Pac NV and Grispa NV
– decision-making model for investments and takeovers
– approval of 2011 budgets

In addition, the chairmen of the advisory committees provided the full Board of Directors with an activity report after each meeting and made the necessary recommendations.

There were no unusual transactions in 2010 between the directors and Miko NV, nor were there any Miko NV current accounts or standing securities to, or for the benefit of, these people. There have been no conflicts of interest as defined in Articles 523 and 524 of the Company Code.

3.3. Attendance

DIRECTOR'S NAME	BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
SHMB NV, with Mr Stef Michielsen as permanent Representative	8/8	2/2	2/2
Frans Michielsen	8/8	-	1/1
Frans Van Tilborg	8/8	-	-
Jan Michielsen	5/5	-	-
Willy Menève	3/3	2/2	1/1
Aloïs Michielsen	1/3	-	1/1
Patrick Michielsen	5/5	2/2	-
Franky Depickere	8/8	4/4	-
Flor Joosen	8/8	-	2/2
Chris Van Doorslaer	7/8	-	2/2
Mark Stulens	4/5	2/2	1/1

3.4. Advisory committees

3.4.1. Audit committee

Until the General Assembly of 12th May 2010, the Audit Committee comprised Messrs Franky Depickere (Chairman) and Willy Menève and SHMB NV, with Mr Stef Michielsen as permanent representative.

At the meeting of the Board of Directors on 22nd June 2010, the Audit Committee was re-appointed and comprised Messrs Franky Depickere (Chairman), Patrick Michielsen and Mark Stulens.

The Audit Committee has sufficient relevant expertise in the accounting and audit field. Of the members of the Audit Committee, the Chairman, Mr Franky Depickere, has been acknowledged as having specific experience in the accounting and audits field. Franky Depickere is a graduate in the commercial and financial sciences (HHS-UFSIA) and has a Master's Degree in corporate financial management (VLEKHO). He trained in International Wealth Management at the Swiss Banking School (University of Zurich). Since 2006, he has chaired the Committee for Daily Operations and the Management Committee of Cera and he is Managing Director of Cera and KBC Ancora. He is also a member of the Board of Directors and Chairman of the Audit, Risk and Compliance Committee of the KBC Group.

The composition of the Audit Committee therefore meets the criteria specified in Article 526bis of the Company Code as well as the independence criteria in the Corporate Governance Code.

The Audit Committee met four times in 2010.

The following matters were discussed:
- discussion of the auditor's audit plan
- auditor's report on the audit findings
- check on the auditor's independence
- discussion of risk management and internal monitoring systems
- discussion of the auditor's comments on the interim figures
- discussion of the model for calculating Miko Pac NV investments
- revision of internal regulation

After assessment, the Audit Committee considered that an internal audit function was not necessary.

The Chairman of the committee provided the Board of Directors with a report at the next meeting.

3.4.2. Nomination and Remuneration Committee

Miko NV has opted to make use of the opportunity to merge the Nomination Committee and Remuneration Committee.

Until the General Assembly of 12th May 2010, the Nomination and Remuneration Committee comprised Messrs Chris Van Doorslaer (Chairman), Willy Menève and Aloïs Michielsen.

At the meeting of the Board of Directors of 22nd June 2010, the Nomination and Remuneration Committee was re-appointed and comprised the following: Messrs Chris Van Doorslaer (Chairman), Flor Joosen and Mark Stulens and the NV SHMB with Mr Stef Michielsen as permanent representative.

The composition of the combined Nomination and Remuneration Committee therefore meets the criteria of Article 526quater of the Belgian Company Code, which has been in force since 1st January 2011, and Appendices D and E of the Corporate Governance Code.

The Nomination and Remuneration Committee met twice in 2010.

The following matters were discussed:
- discussions with an evaluation of candidates for directorships, including the re-appointment of the Board of Directors in 2010
- decision to continue the share option plan

- definition of the percentage increase in the payroll for employees and service providers
- discussion of the remuneration of new managing directors
- discussion of the terms of the variable remuneration of the CEO, decision to put forward a proposal at the General Assembly
- discussion of the proposal to provide a differentiated remuneration for directors
- setting the tasks to be carried out by the CEO and the Chairman of the Board of Directors

The chairman of the committee provided a report at the subsequent meeting of the Board of Directors.

3.5. Evaluation of the Board of Directors, advisory committees and the individual directors

The company has decided on the working method for evaluating the governing bodies and the individual directors in the internal regulation of the Nomination and Remuneration Committee:

> *"2.2.2. Evaluation tasks*
>
> *Every three years the committee assesses:*
>
> *– whether every director is making a real contribution to the work of the Board of Directors (the members of the committee are assessed by the Board of Directors as a whole)*
>
> *– whether the scope and composition of the Board of Directors allows them to carry out their tasks properly and whether there is sufficient expertise within the Board of Directors in all areas in which the company requires such expertise.*
>
> *The committee provides the Board of Directors with the appropriate advice in this regard.*
>
> *The committee discusses the work and services provided by the CEO at least once a year. The CEO is not present at this discussion."*

No evaluation was carried out yet in 2010. This is scheduled for the 2011-2012 period with a view to the next partial re-appointment of the Board of Directors in 2013.

In addition, the Board of Directors, the Audit Committee and the Nomination and Remuneration Committee periodically evaluate their own internal regulation. The advisory committees can suggest improvements to be made to the Board of Directors.

4. EXECUTIVE MANAGEMENT

4.1. Operating Committee

The Miko Group has no management board according to the Company Code.

The daily management of the Group is supervised by the two managing directors. They are assisted in their executive tasks by the Operating Committee.

The Operating Committee closely monitors the results of the company's activities, makes policy proposals, draws up the budgets and prepares the annual accounts.

As at 31st December 2010, the Operating Committee consisted of: from left to right Dirk Hermans, Wim Van Gemert, Joël Merens, Jan Michielsen, Marcel Lammerée, Frans Van Tilborg (Chairman), Johan Vandervee and Kristof Michielsen.

Since the General Meeting of 12th May 2010, the meetings of the Operating Committee have been split into monthly meetings at which the recent financial and operational results in particular are discussed and more frequent informal contacts at which all manner of subjects of an operational, technical, commercial, logistical, social, legal, fiscal or accountancy nature are discussed, which may have an impact on the Group's efficient daily operation.

This working method on the one hand enables the company to react quickly to current events and to allow the members of the management team to be informed of each other's activities and on the other hand raises the efficiency of the meetings.

Article 6.1 of the Corporate Governance Code stipulates that an internal regulation must be set up for the executive management. The Miko Group still has no formal regulation of this kind at present; it is currently being prepared. Nevertheless, there have been firm agreements between the Board of Directors and the Operating Committee on the division of powers between the two bodies and the Operating Committee has in practice been assigned the tasks mentioned in Article 6.5 of the Code.

In 2010, there were no unusual transactions between the members of the Operating Committee and Miko NV or any of the other companies in the Miko Group, or current accounts or securities of Miko NV or any of the other companies of the Miko Group to the benefit of these people.

4.2. Export Committee

In the Export Committee, those who are responsible for the major coffee and coffee service divisions in Belgium and abroad meet several times a year to exchange experiences and to make agreements at an international level about marketing and sales techniques, taking the cultural differences of the various countries into account.

At 31st December 2010, the Export Committee comprised: Frans Van Tilborg (Chairman), Luc Antonio, Jacques Grevet, Marcel Lammerée, Joël Merens, Stijn Michielsen, Adrian Stagg, Marc Swinnen and Koen Van Zon.

The Export Committee met four times in 2010.

4.3. Management Teams

The two largest subsidiaries within the pillars of coffee and plastic respectively each have their own management team, which meets regularly to discuss the day-to-day working of their own organisation and the practical implementation of the decisions taken by the Operating Committee. In addition, the management teams notify the Operating Committee of difficulties, opportunities and challenges on the floor.

At 31st December 2010, the Miko Pac NV management team comprised: Jan Michielsen (Chairman), Kristof Michielsen, Paul Cabanier, Wim De Ceuster, Karl Hermans, Lief Jochems, Ludo Michielsen, Patrick Van Zummeren and Katelijne Vos.

At 31st December 2010, the Miko Coffee Service NV management team comprised: Joël Merens, Marc Swinnen, Dirk Vanwynsberghe and Anje Vermeersch.

4.4. Daily management of the subsidiaries in foreign countries

COMPANY	CONTRY	NAME
COFFEE		
Miko Coffee Ltd	United Kingdom	Adrian Stagg
Miko Café Service SA	France	Jacques Grevet
Leo Coffee GmbH.	Germany	Frans Van Tilborg
Miko Kaffee GmbH.	Germany	Marcel Lammerée
Miko Koffie Service BV	Netherlands	Koen Van Zon
Miko Kava s.r.o.	Czech Republic	Pavlina Chvalinova
Miko Kava s.r.o.	Slovakia	Radko Reseta
Beverage Marketing Ltd	Australia	Gary Newcome
PLASTICS		
Miko Pac Sp. z o.o.	Poland	Janusz Olszewski Andrzej Olszewski
Miko-Hordijk Verpackungen GmbH.	Germany	Hans Peters

5. DESCRIPTION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

5.1. General

In accordance with its mission, the Miko Group aims for a policy of “sustainable enterprise” by means of a long-term vision in which people are being regarded as the major success factor.

In its normal course of business, the Group is exposed to a large amount of risks, which can lead to the objectives not being met, or only being met in part. The management of these risks is a key task for each member of management in his or her area.

To assist the management herein, the Group has set up a range of risk management and internal control systems. These systems have been set up based on the principles of the COSO II model.

The major components of these systems and the most relevant risks are briefly discussed below.

5.2. Control environment

The control environment is influenced primarily by the enterprise culture and management style. The mutual adjustment of the organisational structure, risk awareness and the establishment of responsibilities contribute to risk awareness and risk management.

5.3. Corporate Governance

In its quest for sound management, the Group has taken a number of measures, which should help the Group define and achieve its objectives in a socially responsible manner. For further information on this, please see the rest of this corporate governance declaration.

5.4. Administrative bodies

The Board of Directors oversees the proper functioning of the risk management and internal control systems through the Audit Committee. The Audit Committee relies on information provided by the external auditors on the one hand and by the management on the other hand. Every six months the results are discussed with the Audit Committee.

5.5. Risk management within the Miko Group

In order to be able to manage corporate risks in a structured and systematic manner, in the course of 2010 the Group developed and implemented an approach and methodology based on Enterprise Risk Management (ERM).

5.5.1. Targets

The aim on the one hand is to list, monitor and manage the risks to which the Group is exposed and on the other hand, to increase risk awareness, initially among the leadership of the Group. Over the next few years, this attitude should also be rolled out to the rest of the organisation.

5.5.2. Process and methodology

The major risks associated with the Group’s activities are broken down into five categories:

- **strategic risks** such as customer and supplier risks, acquisitions and expenditure of available resources
- **operational risks** such as people and organisation, IT, production, know-how, capacity and fraud
- **financial risks** such as capital structure, financial markets (interest, commodities, exchange rates) and financial reporting
- **legal risks** such as local legislation, contracts and codes of conduct
- **external risks** such as natural disasters, political situations, fire and acts of terrorism.

In order to provide a risk score for the identified risks in a consistent manner, scales were devised for “probability” on the one hand and “impact” on the other hand. A risk matrix was created using these two scales, in which the risks were classified according to their seriousness (high, medium and low).

High risks were given a “risk response”, this is an action plan for bringing the risk score below the acceptable tolerance limit, while medium and low risks are being further monitored. All risks are recorded in a risk register and are being discussed by the Operating Committee on a quarterly basis from August 2010 onwards.

5.5.3. Major risks for the Miko Group

5.5.3.1. Strategic risks

Risks concerning prices on our commodities markets
There is a danger both for the coffee and for the plastics division that rising commodity prices will not be able to be passed on to our customers at all, or only in part. For the coffee division, this is an unavoidable situation given that the Miko Group is not a market leader, needs to protect its market share and can only follow what the market leaders do. Here it is important for the Group to be well-informed about what the competition is doing on the different markets and to react quickly.

The plastics division is making efforts to include more and more customers into the so-called "price serpentine" with automatic price adjustments every 3 or 6 months. This does result in a delayed reckoning, but it brings the risk within acceptable norms.

5.5.3.2. Operational risks

Risks concerning people and organisation
The sudden withdrawal of people in key functions consists a risk for the Group. This is stemmed by keeping individual function maps up-to-date, which describe the various tasks of each member of staff so that they can be rapidly replaced within the organisation.

IT Risks
The failure of the IT systems may have serious consequences for the Miko Group. Back-up systems are in place to guarantee secure data processing.

5.5.3.3. Financial risks

Financial reporting risks
Inaccurate reporting has an impact on the shares of the Miko Group. Given that the Group's result is formed by the sum of the results of the various countries, the Group pays a great deal of attention to internal reporting. Annual forecasts of the expected result, anticipated cash-flow and investment needs are given for each legal entity. Local managers report to the Operating Committee in Belgium each month, including a comparison with the forecasts in terms of profit and loss, cash position and investments made. The foreign entities are visited on a regular basis to check the data they provide. The results provided are presented and explained by the management at each meeting of the Board of Directors.

Foreign exchange risk
A limited number of transactions are made in currencies other than the Euro. This happens with transactions in PLN and GBP. In view of the small volume and the limited impact, the Group does not utilise any derivative financial products to cover the risk.

Liquidity and interest risks
The Group's liquidity position is monitored on a daily basis by the management. In addition, the risk is adequately managed by using a wide range of sources of finance. External financing is centrally managed and concluded as far as possible for a term similar to the duration of the project for which financing is needed.

5.5.3.4. Legal risks

Risks associated with product liability
The Miko Group underwrites policies to insure itself against product liability risks and recalls. In addition, extensive quality controls are carried out on products for sale.

5.5.3.5. External risks

Risks associated with fire, natural disasters, etc.
The Group underwrites insurance policies for these and also devotes a great deal of attention to internal training courses on fire safety and prevention.

5.6. Control activities

5.6.1. Analyses by the executive management

Every month the results are compared with the budgets approved by the Board of Directors. At the same time, the financial indicators and the situation regarding staffing policy and staff training are evaluated and the changing market situations are discussed, along with new opportunities and threats.

5.6.2. Data processing

In order to obtain consistent and transparent data processing throughout the entire organisation, the Miko Group decided a number of years ago to put its subsidiaries on the same IT platform.

5.6.3. Physical checks

Physical checks are carried out at regular intervals. Several inventory inspections are organised throughout the year. The foreign subsidiaries are also visited frequently to check whether the information provided is consistent with the local situation.

5.7. Information and communication

At each meeting, the necessary attention is paid to reporting as well as distribution of the reports, in order to pass on the correct information and to efficiently take the agreed upon actions. The Group also uses large TV screens to publicise the Group's mission and values, as well as the operational and financial data.

5.8. Control

The Audit Committee of the Miko Group conducts discussions with the executive management on financial reporting and investigates to what extent the executive management manages to fulfil the external auditors' recommendations.

6. REMUNERATION REPORT

6.1. Procedure for creating a remuneration policy for determining the level of remuneration

The company has established the working method for creating a remuneration policy and determining the level of remuneration in the internal regulation of the nomination and remuneration committee:

> *"2.2.3. Remuneration tasks*
>
> *At the request of the Board of Directors or at its own initiative, the committee makes recommendations on the policy for the remuneration of directors. The committee prepares the proposals to the General Assembly.*
>
> *At the request of the Board of Directors or at its own initiative, the committee makes recommendations on the policy for the remuneration of the CEO. These recommendations concern at least:*
>
> – *the main contractual definitions, including the major features of the pension schemes*
> – *regulations on departure*

- *the main remuneration factors, including:*
  - *the relative importance of each remuneration component*
  - *the performance criteria for variable compensation*
  - *benefits in kind*

The committee advises the CEO with regard to the remuneration policy for members of the Operating Committee (except for the CEO him/herself) and the people responsible for the day-to-day management of the overseas subsidiaries. This advice concerns the following at least:

- *the main contractual definitions, including the major features of the pension schemes*
- *regulations on departure*
- *the main remuneration factors, including:*
  - *the relative importance of each remuneration component*
  - *the performance criteria for variable compensation*
  - *benefits in kind*

The committee makes recommendations regarding the individual remuneration of the CEO, members of the Operating Committee and the people responsible for the general day-to-day management of the foreign subsidiaries, including bonuses and long-term incentives, whether or not they relate to the shares in the company (options, for example)."

6.2. Remuneration policy during the 2010 financial year

The company tries to attract, motivate and keep capable leaders with its remuneration policy and maintain a good balance between fixed rewards and incentives (performance-related rewards, share options and pension schemes).

The remuneration policy did not undergo major changes during the reporting period.

6.3. Remuneration of directors

The directors each received a fixed payment of €9,000. The directors whose mandate ended at the 2010 General Assembly and the directors who were appointed for the first time at this meeting received a fixed payment of €4,500.

Article 7.6 of the Corporate Governance Code specifies that the remuneration of non-executive directors takes account of their specific roles, responsibilities and the time they spend on them. Given that the Nomination and Remuneration Committee is of the opinion that the efforts of all the directors are more or less the same, the company does not practise differentiated remuneration.

The non-executive directors do not receive any performance-related rewards or other benefits.

6.4. Remuneration of the CEO

The CEO of the Miko Group has an independent status.

The total gross compensation, including benefits of any kind for Mr Frans Michielsen, CEO until the 2010 General Assembly, amounted to €345,540. This amount consisted of a fixed portion of €101,882, a variable portion of €230,930, €2,105 in pension contributions and €4,623 as benefits in kind.

The total gross compensation for Mr Frans Van Tilborg, CEO as from the General Assembly of 12th May 2010, including all benefits, amounted to €179,392. This amount consisted of a fixed portion of €100,387, a variable portion of €48,470, €9,293 in pension contributions and €1,511 as benefits in kind.

Payment of annual variable compensation is dependent on achieving the EBITDA targets provided for in the budgets for that accounting year and approved by the Board of Directors.

In accordance with Article 520ter of the Company Code, the Board of Directors will put forward a proposal to the General Assembly of 11th May 2011, which deviates with regard to the managing directors from the rule, which applies for the first time to the 2011 accounting year, that at least a quarter of the variable remuneration should be based on previously established performance criteria that can be measured objectively over a period of at least three years.

The agreement with the CEO stipulates, in the event that the mandate is ended at the company's initiative, a severance payment equal to four times the total gross monthly salary for each period of five years' service with the Miko Group, with a maximum of eighteen times the total gross monthly salary. A similar severance payment had already been provided for in the independent cooperation agreement with Mr Van Tilborg prior to his appointment as CEO.

6.5. Remuneration of the executive management

The members of the Operating Committee, with the exception of Mr Lammerée, have an independent status.

The members of the Operating Committee jointly received a total gross remuneration of €1,279,043. This amount consisted of a fixed portion of €873,964, a variable proportion of €165,234, €110,089 for pension contributions and €71,186 benefits in kind.

Payment of annual variable compensation is dependent on achieving the EBITDA targets provided for in the budgets for that accounting year, as approved by the Board of Directors.

The agreements with the members of the Operating Committee, with the exception of Mr Lammerée, stipulate, in the event of the mandate being ended at the company's initiative, a severance payment equal to four times the total gross monthly salary for each period of five years' service with the Miko Group, with a maximum of eighteen times the total gross monthly salary. Inclusion of such severance payment in the independent cooperation agreement was a necessary condition for each of those concerned in accepting their mandate.

6.6. Share options

Members of the Operating Committee are able to subscribe to the Miko Group's share option plan.

The aim of the plan on the one hand is to strengthen the bond between the beneficiaries and the shareholders and, on the other hand, to create a bond between them and the development of the Miko Group in the longer term.

The options can be exercised three years at the earliest and five years at the latest after they are allocated.

The following people registered for the share option plan: Frans Van Tilborg (500 share options), Jan Michielsen (500), Marcel Lammerée (1,000), Kristof Michielsen (750). Frans Michielsen exercised 500 options. No existing options expired in 2010.

7. CAPITAL AND SHAREHOLDER STRUCTURE

7.1. General

The capital of Miko NV is divided into 1,242,000 shares with no nominal value. The capital is fully paid up.

There are no statutory limitations on the transfer of the shares.

The company has not issued any redeemed shares, bonds, convertible bonds or warrants.

In accordance with Article 461 of the Company Code, Article 10 of the Articles of Association entitles the Board of Directors to suspend the exercise of rights associated with a share, if the share belongs to several owners, until one person is appointed as a shareholder in respect of the company.

Otherwise there are no statutory limitations on exercising the right to vote. See also (7.8) for rules on exercising the right to vote.

There were no major changes in the shareholder structure of Miko NV in 2010.

7.2. Main shareholder

The main shareholder in the company is still the Michielsen family, who started roasting and selling coffee in 1801. After the company was floated on the stock market in 1998, the Michielsen family still retained 55% of the shares.

They do this through the OKIM Trust Office under Dutch law and Miko Holding, a limited liability company under Belgian law.

On 12th April 2010, Miko Holding NV changed its name to Imko Holding NV. This was to avoid confusion with Miko NV, which also has a holding function with regard to its subsidiaries.

On the balance date, the Trust and Imko Holding together held 687,000 shares, or 55.31% of the total, 280,002 or 22.54% of which are owned by Imko Holding and 406,998 shares or 32.77% of which are owned by the Trust.

Based on an agreement with the Trust and Imko Holding, the company guarantees payment of the management and working expenses of the Trust. In addition, the company takes care of the accounts of Imko Holding.

On 30th July 2010, a loan agreement was concluded between Imko Holding and the company for an amount of €1,500,000. This took place at fair market conditions.

7.3. Transparency notifications

In accordance with Article 6 and following of the Act of 2nd May 2007 on the publication of important participations, in issuers whose shares are allowed onto a regulated market, and in accordance with Article 8 of the Articles of Association, all shareholders whose participation exceeds or falls below a threshold of 3% (37,260 shares), 5% (62,000 shares) or a multiple of 5%, is required to make this known to the company and also to the FSMA (Financial Services and Markets Authority).

The company did not receive any such notifications in 2010.

7.4. Shareholder structure as recognised by the company at 31st December 2010

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF SHARES
Shareholder OKIM Trust Office	406.998	32,77%
Imko Holding NV	280.002	22,54%
KBC Asset Management NV	52.674	4,24%
De Wilg Comm.V.	53.361	4,30%
Miko NV	150	0,01%
Public	448.815	36,14%
TOTAL	**1.242.000**	**100%**

7.5. Rules for appointing and replacing directors

The General Meeting is authorised to appoint, dismiss and replace directors.

According to Article 14 of the Articles of Association, the OKIM Trust has the exclusive right to nominate candidates for the majority of the directorships, provided they hold 25.1% of the company's shares, either directly or indirectly.

In practice, the appointment of new directors is governed by the internal regulation of the Nomination and Remuneration Committee:

> *"2.2.1. Appointment tasks*
>
> *The Committee recommends suitable candidates to the Board of Directors for vacant directorships. It follows the procedures described in Article 4.*
>
> *The Committee recommends suitable candidates to the Board of Directors for the posts of managing director and CEO.*
>
> (…)
>
> *Reasons must be given for all recommendations, nominations and appointments.*
>
> *(…)*
>
> *4. Procedure for appointing and re-appointing directors*
>
> *The Chairman of the Board of Directors or another non-executive director oversees the appointment process.*
>
> *Prior to each new appointment to the Board of Directors, the Committee evaluates what qualities, expertise and experience are already present within the Board of Directors and which are needed. Based on this evaluation, the Committee creates a profile describing the role, qualities, experience and expertise the new director should possess.*
>
> *The Committee seeks candidates who fulfil this profile for mandates as independent directors. The Committee checks whether the candidates recommended by the Trust fulfil the profile.*
>
> *The candidates are examined by the Committee at an interview.*

The non-executive directors are made aware at the time of their candidacy of the scope of their duties, particularly as regards the time they will need to spend on fulfilling their assignment. The non-executive directors ensure that they have sufficient time to do what is expected of them.

The Committee recommends one or more suitable candidates to the Board of Directors. Reasons are given for the recommendation.

The Chairman of the Board of Directors ensures that the Board of Directors has sufficient information about the candidates, such as their curriculum vitae, the Committee's appraisal based on the interview with the candidates, a list of mandates that the candidates are already fulfilling and any other information needed to evaluate the independence of the candidates.

The Board of Directors puts forward an appointment or re-appointment proposal to the General Assembly.

Prior to the appointment by the General Assembly, the Board of Directors notifies the Works Council of the nomination of the candidates for independent directorships.

The Annual Report provides brief information about the professional qualities of candidate-directors."

The directors may be dismissed at any time by the General Assembly.

7.6. Rules for amending the Articles of Association

The Articles of Association do not contain any specific rules on amendment.

The legal rules as laid down in Article 558 and following of the Belgian Company Code apply meaning that the General Assembly can amend the Articles of Association, on condition that at least half the company capital is represented and the proposed amendment obtains at least three-quarters of the votes cast. If the proposed amendment includes a change to the company's object, a majority of four-fifths of the votes cast is required.

7.7. Powers of the Board of Directors relating to capital

The following decision was taken at the General Meeting of 12th May 2010:

"The Meeting decides to approve the extension by the powers granted to the Board of Directors to proceed with the acquisition of its own shares for a period of five years in compliance with Article 620 § 1 (5) of the Company Code. These powers give the Board, without prior approval of the General Assembly, the power to proceed with the acquisition of its own shares amounting to a maximum of twenty percent of the invested capital. These can be purchased or exchanged at a price equal to a minimum of eighty-five per cent and a maximum of one hundred and fifteen per cent of the closing price at which these shares were listed on Eurolist by Euronext Brussels on the date prior to that purchase or exchange. These powers are valid for a period of five years as from the publication of the aforementioned decision in the Appendix to the Belgisch Staatsblad (Belgian Official Gazette) and may be renewed in accordance with Article 620 and following of the Company Code."

This decision was published in the Belgisch Staatsblad (Belgian Official Gazette) of 8th June 2010.

The following decision was taken at the General Meeting of 13th May 2009:

"The Meeting approves the extension of the powers granted to the Board of Directors to increase the invested capital in 1 or more instalments as from notification of a public takeover bid on the company's shares by the CBFA. These powers are extended for a period of 3 years in compliance with Article 607 of the Company Code."

This decision was published in the Belgisch Staatsblad (Belgian Official Gazette) of 10th June 2009.

7.8. Rules on participation at the General Assembly

Every shareholder is entitled to attend the General Assembly and cast his or her vote. Each share entitles its holder to one vote.

Nominative shareholders are admitted to the General Assembly, provided that they have advised the company that they will be attending at least three working days prior to the meeting.

Holders of bearer shares or dematerialised shares are admitted to the General Assembly on condition that they submit a certificate within the same deadline of three working days, stating that the shares are not available until the date of the General Assembly.

The shareholders are entitled to appoint a representative to represent them at the General Meeting. The proxy must be given in writing and must be delivered to the company at least four days prior to the General Assembly. A proxy form is provided on the "corporate" navigation bar of the Miko website.

A proposal to amend the Articles of Association will be submitted to the Extraordinary General Assembly of 11th May 2011, which aims to bring the Articles of Association into line with the draft bill concerning the exercise of certain rights of shareholders of listed companies.

If this proposal is approved, the rules for participation in the General Meetings will be changed with effect from 1st January 2012. The new regulation will be published as quickly as possible via http://www.miko.eu/miko-corporate-nl.html.

8. AUDITING

The civil company PricewaterhouseCoopers Bedrijfsrevisoren, registered at Woluwedal 18, Woluwe Garden, 1932 Sint-Stevens-Woluwe, was appointed as external auditor at the General Assembly of 12th May 2010 with Mr Filip Lozie as permanent representative. Their mandate runs until the 2013 Annual Assembly.

1. GENERAL INFORMATION

Miko NV (identification number BE 0404.175.739) and its subsidiaries (together 'the Miko group') produce and distribute coffee and plastics for the professional user. The production facilities are located in Belgium and Poland and the products are primarily distributed in Europe.

The address of the registered office of the Miko Group is 177 Steenweg op Mol, 2300 Turnhout, Belgium. The group has 641 employees as of December 31, 2010, compared to 631 employees in the previous year.

The results were published on March 31, 2011, after approval by the Board of Directors on March 28, 2011. On April 22, 2011, the financial statements will be made available to the shareholders.

The group's results and dividend distribution are subject to approval at the annual general meeting of shareholders of Miko NV on May 11, 2011.

The shares of Miko NV are listed on Euronext Brussels.

2. CONSOLIDATED IFRS INCOME STATEMENT (KEUR)

	Note	2010 (KEUR)			2009 (KEUR)		
Revenue				**117.817**			**111.160**
Other operating income	8.1		2.790			2.053	
Raw materials & consumables used	8.2	57.234			49.593		
Employee benefit expense	8.3	27.624			26.594		
Depreciation and amortization	9.1 - 9.2	7.516			7.217		
Other operating expenses	8.1	17.904			18.556		
Total expenses			-110.278			-101.961	
Operating profit				**10.329**			**11.252**
Finance costs - net			-733			-951	
Finance income	8.4	214			91		
Finance costs	8.4	- 947			- 1.042		
Profit before income tax				**9.596**			**10.301**
Income tax expense	8.5		-1.794			-2.325	
Group profit for the year				**7.802**			**7.976**
Attributable to minority interest				119			47
Attributable to owners of the parent				**7.683**			**7.929**
Basic earnings per share, attributable to owners of Miko	9.15			6.19			6.39
Diluted earnings per share, attributable to owners of Miko	9.15			6.19			6.39

The notes in sections 6 to 12 are an integral part of these consolidated financial statements.

CONSOLIDATED IFRS STATEMENT OF COMPREHENSIVE INCOME (KEUR)

	2010 (KEUR)		2009 (KEUR)	
Group profit for the year		7.802		7.976
Currency translation differences	422		381	
Other items of comprehensive income	(1)		(1)	
Comprehensive income for the year		**8.223**		**8.356**
Attributable to owners of Miko	8.089		8.311	
Attributable to minority interest	134		45	

3. CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION (KEUR)

	Note	2010 (KEUR)		2009 (KEUR)	
ASSETS					
Non-current assets Property, plant and equipment	9.1	31.284		26.722	
Intangible assets	9.2	5.856		4.755	
Deferred income tax assets	9.11	721		845	
Trade and other receivables	9.3	440		318	
Total non-current assets			**38.301**		**32.640**
Current assets					
Inventories	9.4	17.842		14.650	
Trade and other receivables	9.5	22.414		19.465	
Cash and cash equivalents	9.6	8.598		10.812	
Total current assets			**48.854**		**44.927**
Total assets			**87.155**		**77.567**
EQUITY AND LIABILITIES					
Equity					
Share capital	4	5.065		5.065	
Reserves and retained earnings	4	48.633		41.939	
Currency translation differences	4	135		- 289	
Total equity attributable to owners of Miko			53.833		46.715
Minority interests	4	413		331	
Total equity			**54.247**		**47.045**
Non-current liabilities					
Borrowings	9.8	5.794		8.134	
Retirement benefit obligations	9.10	802		736	
Deferred income tax liabilities	9.12	2.468		2.334	
Trade and other payables	9.9	1.005		990	
Provisions for other liabilities and charges	9.10	24		10	
Total non-current liabilities			**10.092**		**12.202**
Current liabilities					
Borrowings	9.8	5.688		4.971	
Current income tax liabilities	9.9	3.650		3.489	
Trade and other payables	9.9	13.479		9.859	
Total current liabilities			**22.816**		**18.320**
Total equity and liabilities			**87.155**		**77.567**

The notes in sections 6 to 12 are an integral part of these consolidated financial statements.

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(KEUR)	Share Capital	Reserves (*) and retained earnings	Currency translation differences	Minority interest	Total equity
Balance at 01/01/2009	**5.065**	**35.013**	**- 672**	**320**	**39.726**
Profit for the year		7.929		47	7.976
Other comprehensive income		- 1	383	- 2	380
Subtotal	0	7.928	383	45	8.356
Share-based payments		74			74
Purchase of treasury shares					
Dividends relating to 2008		- 1.076		- 34	- 1.110
Change in scope of consolidation					
Balance at 01/01/2010	**5.065**	**41.939**	**- 289**	**331**	**47.045**
Profit for the year		7.683		119	7.802
Other comprehensive income		- 1	424	- 2	421
Subtotal		7.682	422	119	8.223
Share-based payments		199			199
Purchase of treasury shares		6			6
Dividends relating to 2009		- 1.192		- 35	- 1.226
Change in scope of consolidation					
Balance at 31/12/2010	**5.065**	**48.633**	**133**	**415**	**54.247**

(*) Reserves contain amounts not available for distribution amounting to 1.694 KEUR in 2010 (2009: 1.650 KEUR).

The notes in sections 6 to 12 are an integral part of these consolidated financial statements.

5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2010 (KEUR)		2009 (KEUR)	
Operating activities					
Group profit for the year	1	7.683		7.929	
Non-cash adjustments:					
Depreciation, amortization and impairment	1	7.516		7.217	
(Gain)/loss on sale of fixed assets		- 161		- 68	
Deferred tax expense	9.11– 9.12	260		232	
Employee benefit expense	9.10	65		167	
Provisions for liabilities and charges	9.10	14		10	
Conversion differences		51		72	
(Increase)/decrease in non-current trade and other receivables	9.3	- 122		72	
(Increase)/decrease in inventories	8.2	- 3.192		1.448	
(Increase)/decrease in current trade and other receivables	9.5	- 2.949		1.472	
Increase/(decrease) in taxes and social charges payable	9.9	161		- 177	
Increase/(decrease) in non-current trade and other payables	9.9	15		- 3	
Increase/(decrease) in current trade and other payables	9.9	3.619		193	
Cash flows from operating activities			**12.960**		**18.564**
Investing activities					
Purchases of intangible assets	9.2	- 1.918		- 353	
Purchases of property, plant and equipment	9.1	- 11.216		- 5.509	
Proceeds from sale of property, plant and equipment		458		242	
Other	9.1 – 9.2	29		- 2	
Interest received	8.4				
Cash flows from investing activities			**- 12.646**		**- 5.622**
Financing activities					
Purchase of treasury shares	4	5			
Changes to the share-based payment plan	4	199		74	
Dividends paid	4	- 1.192		- 1.076	
Minority interests	4	85		11	
Other	4	- 1		- 1	
Proceeds from borrowings	9.8			200	
Repayments of borrowings	9.8	- 1.624		- 5.722	
Interest	8.4				
Cash flows from financing activities	8		**- 2.528**		**- 6.516**
Total cash flows	**9.6**		**- 2.214**		**6.427**
Cash and cash equivalents at beginning of the year		**10.812**		**4.385**	
Cash flows from operating activities		12.960		18.565	
Cash flows from investing activities		- 12.646		- 5.622	
Cash flow from financing activities		- 2.528		- 6.516	
Cash and cash equivalents at end of the year		**8.598**		**10.812**	

6. ACCOUNTING POLICIES

The consolidated financial statements of Miko NV on December 31, 2010 have been prepared in accordance with IFRS ("International Financial Reporting Standards") as adopted by the European Union. These include all IFRS standards and IFRIC ("International Financial Reporting Committee") interpretations issued and effective or early adopted on 31 December 2010. These standards and interpretations, as adopted by the European Union, are the standards and interpretations issued by the IASB ("International Accounting Standards Board") effective on December 31, 2010 except for elements of IAS 39 not adopted by the European Union, however, these are not applicable for Miko.

The following new standards, amendments to standards or interpretations that are mandatory for the first time for the financial year beginning 1 January 2010 and that are applicable for Miko are the following:
- IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009;
- IAS 27 (revised), 'Consolidated and separate financial statements';

The following new standards, amendments of standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2010, but are currently not relevant for Miko are the following:
- 'Improvements to IFRSs' (2009)
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement - Eligible hedged items'
- Amendments to IFRS 2 – 'Group cash-settled share-based payment transactions',
- Amendments to IFRS 1 – 'Additional exemptions for first-time adopters'
- IFRIC 12 'Service Concession Arrangements'
- IFRIC 15, 'Agreements for the construction of real estate'
- IFRIC 16, 'Hedges of a net investment in a foreign operation'
- IFRIC 17, 'Distributions of non-cash assets to owners'
- IFRIC 18, 'Transfers of assets from customers'

The following standards, amendments of standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010:
- Amendment to IAS 32 'Classification of Rights Issues', issued October 2009
- Revised IAS 24 'Related Party Disclosures'
- Amendments to IFRIC 14 'Pre-payments of a Minimum Funding Requirement
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments'
- Amendments to IFRS 1 providing a limited exemption from comparative IFRS 7 disclosures for first-time adopters

Principles of consolidation

The consolidated financial statements comprise the financial information of Miko NV and its subsidiaries. Note 9.16 presents a list of the subsidiaries of the group.

Subsidiaries are all entities which the entity controls. Control exists when Miko has the power to govern the financial and operating policies so as to obtain benefits from its activities. 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. Inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure that the financial statements are prepared using uniform accounting policies.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to use certain critical accounting estimates and assumptions that have an impact on the amounts recognised in the financial statements.

The estimates made each reporting date reflect conditions existing on that date (e.g. interest rates and foreign exchange rates). Although these estimates are made by management based on knowledge and awareness of current issues and actions that the group faces, actual results may vary in relation to these estimates.

The most important estimates that have a significant risk of adjustment to the carrying amounts of assets and liabilities within the next financial year are the assessment of the recoverability of deferred tax assets relating to tax losses carried forward and goodwill impairment tests. These estimates require the application of assumption and parameters such as future revenues and discount rates.

The Board of Directors believes that the assumptions, expectations and forecasts are reasonable, resulting in a valuation of assets and liabilities at December 31, 2010 that has not been significantly affected by these estimates and assumptions.

Exchange rates and foreign currency translation

The group's functional currency is the euro. Transactions in foreign currencies are converted using the exchange rate applicable on the date of the transaction.

The translation differences in equity relate to the translation of foreign operations where the statement of financial position is converted at closing rate and the statement of comprehensive income is converted to average rate. This is applied for all group entities that have a functional currency that is not the euro (which is also the group's presentation currency).

Exchange differences arising from a monetary item that forms part of the net investment in a foreign operation are recognised in the income statement of the stand-alone financial statements of the entity. In the consolidated financial statements, these exchange differences are initially recorded as a component of other comprehensive income. These exchange differences are reclassified to the income statement upon the disposal of the net investment.

All other exchange differences are recognised in the income statement, including the translation of monetary assets and liabilities at the closing rate at the end of the reporting period. These are monetary assets and liabilities of group entities that have the euro as their functional currency.

The following exchange rates were used to translate the financial statement for group entities that do not have the euro as a functional currency.

	2010		2009	
	Average rate	Closing rate	Average rate	Closing rate
GBP	1,1646	1,1619	1,1224	1,1260
PLN	0,2505	0,2516	0,2311	0,2436
CZK	0,0396	0,0399	0,0378	0,0378
AUD	0,6935	0,7613	0,5641	0,6247

Intangible assets

Intangible assets consist primarily of goodwill, brands, licenses and customer relationships acquired from third parties.

Goodwill represents the difference between the cost of acquisition over the fair value of the net identifiable assets and liabilities of the acquired subsidiary at the acquisition date. Miko tests goodwill annually for impairment, or more frequently if events or changes in circumstances indicate that goodwill may be impaired, in accordance with IAS 36 "Impairment of Assets".

A business combination achieved in stages is recorded in the financial statements in accordance with the economic entity model. Minority interests recognised in the statement of financial position are deducted from equity.

Negative goodwill is recognised if the cost of acquisition of a new subsidiary is lower than the fair value of Miko's share in the net identifiable assets and liabilities of the acquired subsidiary. This negative goodwill is recognized immediately in the income statement.

Goodwill impairment is included in "depreciation and amortization" in the income statement.

Intangible assets other than goodwill are carried at cost less accumulated amortization and impairment. The residual value of intangible assets is assumed to be zero.

Research costs are recognised as an expense when incurred. Development costs are capitalised. A project is considered to be in a development phase if there is proof that it will generate future economic benefits. These intangible assets are amortized straight-line over the useful economic life of the asset.

The useful lives are as follows:
- Development costs: 5 years
- Trademarks and licenses: 5 years
- Customer relationships: 15 years

The amortization of intangible assets are included in "depreciation and amortization" in the income statement.

Borrowing costs are not included in the cost of the intangible assets.

Property, plant and equipment

Property, plant and equipment is valued at historical cost less accumulated depreciation and impairment. Subsequent costs are included in the asset's carrying amount when future economic benefits associated with the item of property, plant and equipment will flow to the group. Repair and maintenance costs are recognised in the income statement during the financial period in which they are incurred.

The depreciation of an asset begins when it is available for its intended use. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. The estimated useful lives are as follows:

Category	Useful life	Rate
Buildings	40 years	2,50 %
Plant and equipment	3-10 years	33,3 % - 10 %
Other equipment: coffee machines	5-8 years	20 % - 12,5 %
Other equipment: vehicles	5 years	20 %
Other equipment: various	3-10 years	33,3 % - 10 %

The estimated useful lives and residual values are reviewed and adjusted annually, if appropriate. Land has an indefinite useful life.

Property, plant and equipment that are no longer used are classified as held for sale at their carrying amount as of the date from which they are no longer used.

Borrowings costs are included in the cost of property, plant and equipment in accordance with IAS 23.

Impairment of non-financial assets

The group assesses whether there is any indication that an asset should be impaired when events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is calculated as the higher of its fair value less costs to sell and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are identifiable cash flows. If an asset has been impaired, an impairment loss is recognised for the difference between the asset's carrying amount and its recoverable amount and is recognised in the income statement. The significant estimates used in determining the present value of future cash flows relate to the appropriate discount rate, the period over which the cash flows have been projected, and the residual value of the assets.

The group assesses whether any assets (excluding goodwill) that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date. If such indications exists, the recoverable amount of that asset is reassessed and the carrying amount is increased to the revised recoverable amount. The increase is recognised immediately in the income statement. An impairment reversal is only recognised if it results from a change in the assumptions used to calculate the recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset previously.

Leased assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the group are classified as finance leases, while other lease agreements are classified as operational leases. Leases of property, plant and equipment that are classified as finance leases are capitalised at cost price less accumulated depreciation and impairment. These items are depreciated over their useful life.

Payments made under operational leases are charged to the income statement over the period of the lease.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average cost method.

The cost comprises the purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Administrative overhead costs that do not contribute to bringing the inventories to their present location or condition, selling costs, storage costs and abnormal amounts of wasted materials are not included in the cost of inventory. The allocation of fixed production cost is based on normal production capacity.

Net realizable value is determined based on the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Obsolete and slow moving inventories are systematically impaired.

Receivables

Current and non-current receivables are initially recognised in the statement of financial position at fair value and subsequently measured at amortised cost using the effective interest method. When discounting has no material effect, the nominal amount is recognised. Receivables are impaired when collection or partial collection is uncertain or doubtful. Receivables are individually assessed for recoverability. The increase in the provision for doubtful accounts is included in 'other operating expenses' in the income statement.

Cash and cash equivalents

Cash and cash equivalents include all cash, deposits held in bank accounts, bank overdrafts and investments with an initial maturity of less than three months.

Equity

Dividends are recorded as a liability in the period in which they are approved. The final distribution occurs at the annual general meeting, when the results of the reporting period are being approved.

When any group entity purchases the company's own shares (treasury shares), amounts paid are deducted from equity.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost with amortization of discount or premium recognised in the income statement.

Employee benefits

The cost of all short-term and long-term benefits for employees, such as wages and salaries, paid holidays, bonuses and other benefits are recognised during the period in which the employee has rendered the service to the group. The group recognises these costs only if they have a legal or practical obligation to settle these amounts and if a reliable estimate of the liability can be made.

The fair value of the equity-settled share-based payments is determined using the Black Scholes method. Expense is recognised upon granting of the options, which is then spread over the vesting period in accordance with IFRS 2 "Share-based Payment".

The following assumptions are used in determination of the fair value of the share-based payment plan:

Grant date	2008	2009	2010
Expected life of the option	3,00	4,00	5,00
Share price volatility	16,40 %	16,40 %	16,40 %
Risk free interest rate	3,95 %	3,95 %	3,95 %

The expected life of the option is the average life based on the options that have already been exercised. The volatility of the share price is calculated based on the stock price, quoted daily on Euronext Brussels.

The provision for early retirement is determined according to the legal stipulations existing in each country, taking into account the employees eligible for early retirement and those who have unequivocally opted for early retirement.

A provision is recognised for certain premiums which can be earned over a period of more than one year.

Employee benefit plans

A liability for employee benefit plans is recognised in the statement of financial position. It concerns a 'defined contribution plan' whereby the group determines amounts to be contributed to a pension fund. These contributions are recognised in the income statement in 'employee benefit expense' when they are due.

Provisions

Miko recognises provisions for liabilities and probable losses at the reporting date when it is possible to reliably estimate these amounts. A provision is recognised when the group (a) has a present legal or practical obligation arising from past events, (b) it is probable that an outflow of resources will be required to settle the obligation, and (c) the amount of the obligation can be reliably estimated. A past event is deemed to give rise to a present obligation if, taking into account the available evidence, it seems more likely than not that an obligation exists at the reporting date.

Trade and other payables

Trade payables are recognised in the statement of financial position at discounted cost, unless the impact of discounting is immaterial.

Deferred income tax

Deferred income tax is provided on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their respective tax bases. Deferred income tax is not recognised for goodwill as goodwill impairment is not tax deductible.

Deferred tax assets related to deductible temporary differences and unused tax losses carried forward are recognized to the extent it is probable that sufficient taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred income tax is determined using tax rates and tax laws that have been enacted or substantially enacted at the reporting date and are expected to apply in the period when the related deferred tax asset will be realized or the deferred income tax liability is settled.

Revenue

Revenue is recognized when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the group.

Revenue from the sale of goods is recognized when the goods have been delivered and the risks and rewards have been transferred. Revenue from the sale of services is recognized based on the stage of completion on the reporting date. Revenue is recognised to the extent that the related costs have been incurred.

Dividend income is recognised when the shareholder has the right to receive payment.

Segment reporting

In accordance with IFRS 8 ‘Operating Segments’, Miko has determined its operating segments on the basis of internal reporting and the manner in which the chief operating decision maker (the Board of Directors) allocates resources and assesses performance. Accordingly, the following operating segments have been determined:

> Coffee: This segment delivers coffee to the ‘out-of-home’ market. The coffee is consumed outside private homes, for example in offices, businesses and restaurants.
> Plastics: This segment comprises high-quality synthetic packaging materials produced for the food and cosmetic industry.

Each legal entity of the group belongs to one of these operating segments. Transactions between operating segments are carried out at arm’s length.

The profit, assets and liabilities have been attributed to these operating segments, applying a reasonable allocation method if necessary.

Assets from the operating segments comprise primarily intangible assets, property, plant and equipment, inventories and trade receivables.

Liabilities from the operating segments comprise primarily trade payables and other payables.

Financial risk management

Financial risk factors are obviously present in an international group such as Miko; however, the objective is to mitigate these risks.

Currency risk

The majority of our activities, purchases and sales are denominated in euros. Subsidiaries located in countries not using the euro are invoiced in euro. The group is exposed to currency risk relating to sales denominated in British Pounds and Polish Zloty. Considering the limited impact of this risk, the group does not use any derivative financial instruments to manage this risk.

Interest rate risk

A limited portion of existing borrowings have a fixed interest rate. The interest rate risk is limited to a cash flow risk. The remaining portion of existing borrowings has been entered into with a floating interest rate of up to three months. Due to the possible switch to fixed interest rate, interest rate risk is limited with respect to both the amount and the duration.

Credit risk

The group has no significant concentration of credit risk. Management closely monitors debt management, which will limit credit risk. The maximum credit risk on the reporting date is the carrying amount of the receivables.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations associated with financial liabilities. This risk is managed by ensuring a wide variety of financing sources. The group's cash position is monitored daily by management. This focus and the current cash surpluses ensure that no short-term liquidity risk exists within the group.

Price risk

Within the scope of normal operations the group is exposed to risks arising from the fluctuations in market prices. The group does not enter into hedging transactions, which entails that group profit is exposed to fluctuations in the prices of coffee and plastics. All purchases are denominated in euro.

7. SEGMENT INFORMATION

7.1. Segment information

Year ending: 31/12/2009		Coffee (KEUR)	Plastics (KEUR)	General (3) (KEUR)	Total (KEUR)
Total sales		55.941	57.102		113.043
Sales to other segments		- 536	- 1.347		- 1.883
Sales to external customers		55.405	55.755		111.160
Inter-segment elimination				56	56
Consolidation				- 74	- 74
Unallocated revenue and expenses				- 88	- 88
Ebitda	(1)	6.964	11.788	80	18.833
Ebit	(2)	4.067	7.290	- 105	11.252
Finance costs - net				- 951	- 951
Income tax expense				- 2.325	- 2.325
Group profit for the year					7.976
Minority interest					47
Group profit					**7.929**

(1) Other operating income + depreciation + impairment loss on trade receivables
(2) Operating profit before tax and financing
(3) Relates to unallocated amounts and consolidation entries

Year ending: 31/12/2009 (KEUR)	Coffee (KEUR)	Plastics (KEUR)	Intersegment eliminations (KEUR)	Total (KEUR)
Segment assets	30.285	32.433		62.718
Unallocated assets				15.319
Intersegment eliminations			- 470	- 470
Total assets	**30.285**	**32.433**	**- 470**	**77.567**
Segment equity and liabilities	4.846	4.351		9.197
Unallocated equity and liabilities				69.022
Intersegment eliminations			- 652	- 652
Total equity and liabilities	**4.846**	**4.351**	**- 652**	**77.567**
Investments	2.866	2.853		5.719
Unallocated investments				143
Total investments				**5.862**
Depreciation and amortization of segment assets	2.683	4.323		7.006
Depreciation and amortization of unallocated assets				211
Total depreciation and amortization				**7.217**
Trade and other payables	144	559	141	845
Deferred income tax liabilties	1.408	923		2.331
Provisions for other liabilities and charges				
Other non-cash expenses				
Provision for doubtful accounts	426	3		429
Impairments				

Year ending: 31/12/2010		Coffee (KEUR)	Plastics (KEUR)	General (3) (KEUR)	Total (KEUR)
Total sales		59.416	60.148		119.564
Sales to other segments		- 642	- 1.105		- 1.747
Sales to external customers		58.774	59.043		117.817
Inter-segment elimination				- 37	- 37
Consolidation				- 199	- 199
Unallocated revenue and expenses				147	147
Ebitda	(1)	7.519	10.423	115	18.056
Ebit	(2)	4.400	6.018	- 89	10.329
Finance costs - net				- 733	- 733
Income tax expense				- 1.794	- 1.794
Group profit for the year					7.802
Minority interest					119
Group profit					**7.683**

(1) Other operating income + depreciation + impairment loss on trade receivables
(2) Operating profit before tax and financing
(3) Relates to unallocated amounts and consolidation entries

Year ending: 31/12/2010 (KEUR)	Coffee (KEUR)	Plastics (KEUR)	Intersegment eliminations (KEUR)	Total (KEUR)
Segment assets	32.964	39.437		72.401
Unallocated assets				15.135
Intersegment eliminations			- 381	- 381
Total assets	**31.964**	**39.437**	**- 381**	**87.155**
Segment equity and liabilities	5.701	6.069		11.770
Unallocated equity and liabilities				76.188
Intersegment eliminations			- 804	- 804
Total equity and liabilities	**5.701**	**6.069**	**- 804**	**87.155**
Investments	4.606	8.274		12.879
Unallocated investments				254
Total investments				**13.134**
Depreciation and amortization of segment assets	2.986	4.313		7.298
Depreciation and amortization of unallocated assets				217
Total depreciation and amortization				**7.516**
Trade and other payables	155	467	99	721
Deferred income tax liabilties	1.372	1.096		2.468
Provisions for other liabilities and charges				
Other non-cash expenses				0
Provision for doubtful accounts	498	21		519
Impairments				

7.2. Geographical information

Geographical information – revenues (KEUR)

	Belgium	France	The Netherlands	UK	Germany	Other countries	Total
2009	29.114	14.858	13.191	20.290	18.917	14.790	111.160
2010	28.721	14.928	13.869	21.898	17.830	20.571	117.817
Change	- 393	70	678	1.608	- 1.087	5.781	6.657

Revenues within the coffee segment are attributable to various customers. Within the plastics segment the largest customer represents 19,5% of total consolidated revenue, however, this is distributed over different geographical regions.

Geographical information – non-current assets (KEUR)

	Belgium	France	The Netherlands	UK	Germany	Other countries	Total
2009	17.721	829	1.676	4.198	487	6.884	31.795
2010	21.781	823	1.702	5.701	332	7.240	37.579
Change	4.060	- 6	26	1.503	- 155	356	5.784

8. NOTES TO THE INCOME STATEMENT

8.1. Other operating income and expenses

	2010 (KEUR)		2009 (KEUR)	
Services and other goods		**17.130**		**17.726**
Of which:				
Cost of sales	4.430		5.232	
Maintenance expenses	3.292		3.044	
Energy expenses	2.958		3.329	
Transportation expenses	2.224		1.957	
Insurance expenses	528		485	
Other expenses	3.698		3.679	
Provisions and reversal of provisions		**211**		**364**
Other operating expenses		**563**		**467**
Total operating expenses		**17.904**		**18.556**
Other operating income				
Recharged expenses	1.490		1.062	
Recovered employee expenses	1.178		880	
Other operating income	122		110	
Total other operating income		**2.790**		**2.053**

8.2. Raw materials and consumables used

Movement of inventory	2010 (KEUR)	2009 (KEUR)
Acquisitions	59.813	48.375
Change in inventories	- 2.579	1.218
Gross profit, as a % of sales	51,42%	55,39%
Loss/impairment of inventory	0	0

8.3. Employee benefit expense

	2010 (KEUR)	2009 (KEUR)
Wages and salaries	18.147	17.638
Social security contributions	4.629	4.530
Termination benefits	97	135
Director compensation	1.177	1.086
Temporary personnel expenses	836	749
Other employee expenses	1.616	1.475
Training expenses	96	133
Pension contributions	804	774
Share-based payments expense	221	75
Total	**27.624**	**26.594**
Total number of employees at the end of the year	**641**	**631**

Pension plan contributions, where the group pays fixed contributions to a fund, are included in the income statement in employee benefit expenses. The total contribution for 2010 amounted to 804 KEUR (2009: 774 KEUR).

The group has no legal or practical obligation for further contributions.

Defined contribution plans

The group has several defined contribution plans with insurance companies, who invest the group's contributions. The annual contribution paid by the group is expensed as incurred.

Other long-term employee benefits

Certain group entities provide early retirement benefits to their employees. The group contributes a premium in addition to the legally required payments, for which a provision is recognised.

Share-based payments

Management has the opportunity to participate in a share-based payment plan. Management has the opportunity to purchase a specified number of shares after three years employment within the group. No new shares were issued for this plan. The fair value of the options granted is determined using the Black Scholes valuation model, is calculated at the grant date and is recognised over the vesting period in accordance with IFRS 2.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date. The group recognises termination benefit expense when an irrevocable decision has been made to terminate employment and the amount can be determined reliably.

8.4. Financial income and costs

	2010 (KEUR)	2009 (KEUR)
Interest income from investing activities	43	44
Interest income from leasing activities	0	0
Dividend income	0	0
Interest expense: borrowings	- 320	- 435
Interest expense: leasing	- 138	- 176
Interest expense: other	- 177	- 176
Other expenses, net (including bank charges)	171	47
Net foreign exchange gains/(losses)	- 65	- 254
Net gain/(loss) on sale of financial fixed assets	- 248	0
Total	**- 733**	**- 951**

8.5 INCOME TAX EXPENSE

INCOME TAX EXPENSE	2010 (KEUR)	2009 (KEUR)
Current income tax expense		
Current tax on profits for the year	1.622	1.696
Adjustments in respect of prior years and reversals of tax provisions	- 11	267
Total current tax paid	1.611	1.963
Deferred income tax expense		
Origination and reversal of temporary differences	183	362
Impact of change in group tax rates	0	0
Usage of tax losses of prior years	0	0
Deferred tax recognised on tax losses in the current year	0	0
Total deferred income tax expense	183	362
Total income tax expense in the income statement	1.794	2.325
Profit before tax	9.596	10.301
Effective tax rate	**18,69 %**	**22,57 %**

The effective tax rate of the group differs from the applicable tax rate in Belgium (33.99%) for the following reasons:

Reconciliation of effective and applicable tax rate	2010	2009
Taxes calculated at the applicable tax rate of 33.99%	3.262	3.546
Impact of tax rates of other jurisdictions	- 495	- 562
Income not subject to tax	71	25
Expenses not deductible for tax purposes	250	202
Utilisation of previously unrecognised tax losses	- 83	24
Impact due to changes in the tax rate	- 11	1
Impact of overestimates and underestimates in prior periods	- 91	- 5
Other increase (decreases)	- 295	2
Notional interest deduction	- 813	- 908
Tax calculated at the effective tax rate	1.794	2.325

9. NOTES TO THE STATEMENT OF FINANCIAL POSITION

9.1. Property, plant and equipment

2009	Land and Buildings (KEUR)	Plant and machinery (KEUR)	Other equipment (KEUR)	Total (KEUR)
a) Acquisition cost				
At the end of the previous year	7.703	61.281	19.801	88.785
Movements during the year				
Additions	12	3.181	2.317	5.509
Disposals			- 753	- 753
Impairment charge				
Transfers				
Exchange differences	31	123	255	408
Other changes			- 130	- 130
At the end of the year	7.746	64.585	21.489	93.820
b) Depreciation and impairment				
At the end of the previous year	2.106	46.667	12.011	60.784
Movements during the year				
Depreciation charge	190	4.493	2.059	6.741
Acquisition of subsidiaries				
Disposals			- 580	- 580
Impairment charge				
Transfers				
Exchange differences	9	129	146	283
Other changes			- 132	- 132
At the end of the current year	2.304	51.289	13.504	67.097
Net book amount	**5.442**	**13.296**	**7.985**	**26.722**

2010	Land and Buildings (KEUR)	Plant and machinery (KEUR)	Other equipment (KEUR)	Total (KEUR)
a) Acquisition cost				
At the end of the previous year	7.746	64.585	21.489	93.820
Movements during the year				
Additions	4.003	4.627	2.586	11.216
Disposals	- 2	- 244	- 1.082	- 1.329
Impairment charge				
Transfers				
Exchange differences	76	364	161	601
Other changes		1	481	482
At the end of the year	11.823	69.333	23.633	104.789
b) Depreciation and impairment				
At the end of the previous year	2.304	51.289	13.504	67.097
Movements during the year				
Depreciation charge	366.989	4.326	2.103	6.796
Acquisition of subsidiaries				
Disposals		- 225	- 806	- 1 031
Impairment charge				
Transfers				
Exchange differences	16	206	96	318
Other changes		1	323	325
At the end of the year	2.687	55.597	15.221	73.506
Net book amount	**9.136**	**13.735**	**8.412**	**31.284**

In the category "plant and machinery" an amount of 2.074 KEUR is included for leasing at December 31, 2010 (2009: 2.488 KEUR).

9.2. Intangible assets

2009	Goodwill (KEUR)	Patents, licences, customer relationships (KEUR)	Software (KEUR)	Total (KEUR)
a) Acquisition cost				
At the end of the previous year	1.624	3.493	987	6.104
Movements during the year				
Additions		263	90	353
Disposals			- 3	- 3
Impairment charge				
Transfers				
Exchange differences	105	160	0	265
Other changes				
At the end of the year	1.729	3.916	1.077	6.722
b) Amortization and impairment				
At the end of the previous year	191	367	853	1.412
Movements during the year				
Amortization charge		394	82	476
Acquisition of subsidiaries				
Disposals				
Impairment charge				
Transfers				
Exchange differences	72	7	1	79
Other changes				
At the end of the year	263	768	935	1.967
Net book amount	**1.466**	**3.148**	**142**	**4.755**

2010	Goodwill (KEUR)	Patents, licences, customer relationships (KEUR)	Software (KEUR)	Total (KEUR)
a) Acquisition cost				
At the end of the previous year	1.729	3.916	1.077	6.722
Movements during the year				
Additions	1.300	544	74	1.918
Disposals				
Impairment charge				
Transfers				
Exchange differences	49	84	2	135
Other changes		- 186		- 186
At the end of the year	3.078	4.358	1.153	8.589
b) Amortization and impairment				
At the end of the previous year	263	768	935	1.967
Movements during the year				
Amortization charge		303	95	398
Acquisition of subsidiaries				
Disposals				
Impairment charge	30	291		321
Transfers				
Exchange differences	34	10	2	46
Other changes				
At the end of the year	327	1.373	1.033	2.733
Net book amount	**2.751**	**2.985**	**120**	**5.856**

As of 2007, the category ‘patents, licenses and customer relationships’ include amounts acquired through business combinations.

Goodwill allocation	2010 (KEUR)	2009 (KEUR)
Coffee	2.527	1.243
Plastics	223	223
Total	**2.751**	**1.466**

Management tests goodwill for impairment whenever there are indications that it may be impaired. The recoverable amount of goodwill is determined using the discounted free cash flow model, based on budgets of the group for the subsequent years. The future cash flows are discounted by the weighted average cost of capital.

On the basis of the goodwill impairment testing performed, management has determined that no goodwill impairment is necessary.

9.3. Non-current trade and other receivables

2009	Net lease receivables (KEUR)	Trade receivables – non-current (KEUR)	Other (KEUR)	Total (KEUR)
1. Beginning balance	0	213	177	**399**
2. Movements	0	- 62	- 10	**- 72**
3. Exchange differences	0	0	0	**0**
4. Closing balance	0	150	167	**318**
2010				
1. Beginning balance	0	150	167	**318**
2. Movements	77	- 85	130	**122**
3. Exchange differences	0	0	0	**0**
4. Closing balance	77	65	298	**440**

All non-current receivables are due within 5 years from the end of the reporting period. The effective interest rates correspond with current market conditions in 2010 and 2009.

No loans are advanced to directors or related parties.

There are no indicators of impairment at the end of 2010 and 2009 (for example, loss of market share or technological obsolescence).

The carrying amount of non-current trade receivables approximates the fair value at the reporting date. The provision for doubtful accounts is sufficient to cover the credit risk of the wide-spread customer portfolio.

9.4. Inventories

Inventories	2010 (KEUR)	2009 (KEUR)
1. Raw materials and consumables	6.747	4.606
2. Work in progress	84	121
3. Finished goods	5.524	4.953
4. Goods for resale	5.486	4.970
Total	**17.842**	**14.650**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average cost method.

The raw materials and consumables consist of raw coffee, plastic and packaging material.

The finished goods and goods for resale for the coffee segment consist primarily of coffee products and by-products such as milk, sugar and biscuits, and for the plastics segment primarily of ice cream boxes.

9.5. Current trade and other receivables

Current trade and other receivables	**2010 (KEUR)**	**2009 (KEUR)**
1. Trade receivables	20.561	18.378
2. Financial lease receivables	0	0
3. Doubtful receivables (-)	- 519	- 429
Total trade receivables	20.042	17.945
4. Loans to directors and/or related parties	0	0
5. Other amounts receivable (including tax receivables)	1.375	1.156
6. Deferred charges	997	361
Total other receivables	2.372	1.517
Total current trade and other receivables	**22.414**	**19.465**

Credit risk arising on receivables

Credit risk refers to the risk a third party will cause a financial loss for the group by failing to discharge an obligation.

To mitigate this risk, credit analyses are performed for those customers who exceed a certain credit limit. Customers that exceed their credit limit are continuously monitored. Management continually evaluates the entire customer portfolio to assess its creditworthiness. The carrying amount of the trade receivables approximates the fair value at the reporting date and the provision for doubtful receivables adequately covers the group's credit risk.

Trade receivables of the coffee segment comprise numerous clients spread over different geographical areas. The customer with the highest outstanding balance represents only 3,2% of total receivables at the reporting date.

Trade receivables in the plastics segment have a less diverse customer base, although this is also spread over different geographical areas. The customer with the highest outstanding balance represents 50,4% of total receivables at the reporting date.

The average collection period for products sold is 53 days for the coffee segment and 70 days for the plastics segment. Interest is not regularly assessed on overdue receivables.

Included in total trade receivables are customers with a carrying amount of 7.094 KEUR that are past due at the reporting date for which no provision has established because the group considers that these items are collectible. The majority of these past due receivables are included in the group's export policy, under which extended payment terms apply.

Aging of past due but not considered impaired trade receivables is as follows:

In KEUR	**2010**	**2009**
1 – 30 days	3.622	3.121
31 – 60 days	1.695	1.515
61 – 90 days	1.103	393
> 90 days	674	516
Total	**7.094**	**5.545**

Movement in the provision for impairment of trade receivables is as follows:

In KEUR	2010	2009
Balance at the beginning of the year	429	533
(Usage of provision)	(90)	(281)
Provision for receivables impairment	180	177
Balance	**519**	**429**

The increase in the provision is largely due to receivables in the coffee segment and is among others a result of the financial crisis that hit some of our customers in Belgium, France and UK.

Market risk: currency risk

Despite the fact that the majority of the group's purchases and sales are denominated in euro, the group remains subject to currency risk. This currency risk relates to the British Pound and the Polish Zloty.

Based on the average volatility of the British Pound, the group estimated possible changes to the exchange rate of the British Pound against the euro:

	Closing rate December 31, 2010	Potential volatility in%
EUR/£	0,8607	15,29 %

	Closing rate December 31, 2009	Potential volatility in%
EUR/£	0,8881	12,20 %

Net book value thousands of pounds	2010	2009
Trade payables	(469)	(515)
Trade receivables	1.761	1.569
Cash and cash equivalents	611	238
Net carrying amount	**1.903**	**1.292**

If the British Pound had weakened/strengthened in 2010 against the euro according to the estimates above, group profit in 2010 would increase/decrease by 338 KEUR.

Other

There are no indicators of impairment at the end of 2010 and 2009 (for example, loss of market share or technological obsolescence).

9.6. Cash and cash equivalents

Cash and cash equivalents	2010 (KEUR)	2009 (KEUR)
Cash	51	43
Bank deposits	8.294	6.517
Time deposits less than 3 months	252	4.252
Total cash and cash equivalents	**8.598**	**10.812**

9.7. Capital management

The group assesses the amount of capital in proportion to the relating risk. The group manages its capital structure and adjusts it in response to changing economic conditions and financing needs.

The objectives of the group in relation to managing the capital have not changed. The various group entities continue to operate as a 'going concern', while monitoring the balance between the risks and allocated resources and prices.

The capital structure of the group consists of non-current borrowings, cash and cash equivalents, reserves, retained earnings and minority interests.

The group has no significant borrowings. Net debt at the reporting period is as follows:

In KEUR	2010	2009
Non-current liabilities	10.092	12.202
Cash and cash equivalents	(8.598)	(10.812)
Net	1.494	1.390
Equity	54.247	47.045
Net debt	**2,75 %**	**2,95 %**

The group is not subject to external capital requirements.

9.8. Borrowings

Borrowings	2010 (KEUR)	2009 (KEUR)
I. Total current debts due to credit institutions		
Current debts due to financial institutions		
Financial lease liabilities	653	596
Bank borrowings	375	8
Others	4	19
Amounts due within 12 months		
Bank borrowings	1.956	1.704
Total current debts due to financial institutions	**2.988**	**2.326**
Interest-bearing loans	200	200
Interest-bearing loans due to related parties	2.500	2.445
Total interest-bearing loans	**2.700**	**2.645**
II. Non-current interest-bearing loans		
Non-current debts to financial institutions		
Financial lease liabilities	1.072	1.618
Bank borrowings	4.251	5.796
Other interest-bearing loans	470	720
Other interest-bearing loans due to related parties		
Total non-current interest-bearing loans	**5.794**	**8.134**

All loans are denominated in euro. The loans are obtained for investments in buildings, equipment and for financing acquisitions. The borrowings have an ultimate maturity date of 2017 and bear an average interest rate of 4,58 %. The group has access to an undrawn line of credit amounting to 5.303 KEUR.

The remaining current financial liabilities comprise a debt from group entity Grispa due to LRM. The carrying amount of the financial liability approximates its fair value at the reporting date.

For further information regarding related parties, refer to note 9.15.

Further information regarding the maturity of borrowings is as follows:

2009	Less than 1 year (KEUR)	1 to 5 years (KEUR)	Over 5 years (KEUR)
I. Non-current interest-bearing loans			
Non-currents debts to financial institutions	1.704	5.096	700
Other interest-bearing loans	19	720	
Finance lease liabilities	596	1.618	
Total non-current interest-bearing loans	**2.319**	**7.434**	**700**
2010	**Less than 1 year (KEUR)**	**1 to 5 years (KEUR)**	**Over 5 years (KEUR)**
I. Interest-bearing loans to more than 1 years			
Long-term debts to financial institutions	1.956	4.051	200
Other interest-bearing loans	4	470	
Finance lease liabilities	653	1.072	
Total interest-bearing loans more than 1 years	**2.523**	**5.594**	**200**

The above items exclude future interest expense amounting to 774 KEUR, calculated using the relevant interest rate on 31/12/2010 (2009: 1.179 KEUR).

Effective interest rates (%)	2010	2009
Credit lines	2,66	2,66
Loans	3,83 - 6,07	3,83 - 6,07
Other liabilities	3,70	4,5 – 5
Finance lease obligations	3,75 – 5,48	3,75 – 5,48

All borrowings are denominated in euro. The amounts due to financial institutions relate to borrowings with fixed and variable interest rates. The remaining financial liabilities are entered into with a fixed interest rate.

9.9. Trade and other payables

	2010	2009
Non-current trade and other payables		
Trade payables	14	9
Other payables	991	981
Total non-current trade and other payables	**1.005**	**990**
Current trade and other payables		
Trade payables	11.285	8.769
Other payables	1.257	36
Accrued expenses	936	1.054
Total current trade and other payables	**13.479**	**9.859**
Taxes payable		
Tax payables	1.484	1.350
Social security	2.167	2.139
Total current tax payable	**3.650**	**3.489**

The carrying amount of the trade and other payables approximate the fair value on the reporting date.

9.10. Provisions

	Employee benefits (KEUR)	Environment provisions (KEUR)	Other provisions (KEUR)	Total (KEUR)
On 1 January	**736**	**0**	**10**	**736**
Additional provisions	117		14	177
Reversal of unused provisions				
Used during year	- 63			- 63
Exchange differences	12			12
Acquisition of subsidiaries				
At December 31	**802**		**24**	**826**

The provision for employee benefits of 802 KEUR (2009: 736 KEUR) was established due to statutory requirements relating to early retirement benefits.

9.11. Deferred income tax assets

Deferred income tax assets are recognised in the statement of financial position for temporary differences. The movement of these deferred taxes during the period is as follows:

	2010 (KEUR)	2009 (KEUR)
Beginning of period	845	993
Changes to deferred income tax assets	152	221
Additional deferred income tax assets	21	210
Exchange differences	7	1
Transfers to deferred income tax liabilities	0	- 139
End of period	**721**	**845**

The deferred income tax assets recognised in the statement of financial position relate to:

	2010 (KEUR)	2009 (KEUR)
1. Depreciation	230	157
2. Intangible assets	0	- 9
3. Provisions	321	- 46
4. Foreign exchange differences	0	0
5. Post-employment benefits	8	- 1
6. Tax losses	1.542	2.547
7. Other	66	-50
Total	**2.167**	**2.599**

Management assesses the recoverability of tax losses and tax credits carried forward based on a discounted cash flow analysis, determined using projected budgeted information.

9.12. Deferred income tax liabilities

Deferred income tax liabilities are recognised in the statement of financial position for temporary differences.

The movement of these deferred taxes during the period is as follows:

	2010 (KEUR)	2009 (KEUR)
Beginning of period	2.331	2.248
Changes to deferred income tax liabilities	141	227
Additional deferred income tax liabilities	267	441
Exchange differences	11	8
Transfers to deferred income tax assets	0	- 138
End of period	**2.468**	**2.331**

The deferred income tax liabilities recognised in the statement of financial position relate to:

	2010 (KEUR)	2009 (KEUR)
1. Depreciation	- 7.154	- 7.592
2. Intangible assets	- 819	- 691
3. Provisions	156	241
4. Foreign exchange differences	194	267
5. Post-employment benefits	0	0
6. Tax losses	0	0
7. Other	86	- 197
Total	**- 7.537**	**- 7.972**

The difference between deferred taxes recognised in the statement of financial position and as calculated based on the applicable Belgian tax rate of 33.99% is 79 KEUR in 2010 (2009: 340 KEUR), due to the different tax rates in the various group jurisdictions.

9.13. Contingent liabilities and commitments

There are no contractual commitments for the acquisition of items of property, plant and equipment and intangible assets.

Existing operational lease commitments are as follows:

Operating lease commitments	2010 (KEUR)	2009 (KEUR)
Total minimum lease payments for operational leases included in the income statement	968	873
Total future minimum lease payments under non-cancellable operating leases for the following periods:	1.780	1.752
1. no later than one year after the reporting date	691	660
2. later than 1 year and not later than 5 years after the reporting date	1.044	1.052
3. later than 5 years after the reporting date	45	40

The operational lease commitments relate to investments in the group's vehicle fleet.

The group has guarantees with regard to financial institutions for an amount of 2.923 KEUR (2009: 2.036 KEUR).

9.14. Overview of shares

	2010	2009
I. Movement in number of shares		
Beginning of period	1.242.000	1.242.000
Number of issued shares	0	0
End of period	1.242.000	1.242.000
Net shares purchased during the period	0	0
II. Other information		
1. Nominal value of shares	N/A	N/A
2. Number of shares held by the group or related parties	687.150	687.350
III. Calculation of earnings per share		
1. Number of shares		
1.1. Number of shares	1.242.000	1.242.000
1.2. Weighted average number of shares held by the group	100	350
1.3. Number of shares used to calculate basic earnings per share	1.241.900	1.241.650
1.4. Weighted average number of share options outstanding at the end of the period	39.825	25.075
1.5. Number of shares used in calculating diluted earnings per share	1.240.985	1.241.300
2.1. Profit/(loss) attributable to owners of the parent (KEUR)	7.683	7.929

The total number of shares of 1.242.000 (with no nominal value) consists of 740.430 nominal shares and 501.570 shares to bearer, of which 473.752 are register as dematerialized securities. The value of the own shares held by the group amounts to 8 KEUR.

Shares granted to employees with a predetermined exercise price to purchase shares in subsequent years is as follows:

	2004 (*)	2005 (*)	2006 (*)	2007 (*)	2008	2009	2010
Beginning of period	2.900	2.400	5.350	5.150	7.800	11.850	9.350
Exercise price	€ 31,00	€ 38,00	€ 47,00	€ 56,00	€ 56,00	€ 38,50	€ 43,20
Exercised during the period	2.850	1.400	1.600	-	-	-	-
Exercisable at end of period	50	1.000	3.750	5.150	7.800	11.850	9.350
Vesting period	3 jaar	3 jaar	3 jaar	3 jaar	3 jaar	3 jaar	3 jaar
Exercise period	5 jaar	5 jaar	5 jaar	5 jaar	5 jaar	5 jaar	5 jaar

(*) The options granted in 2004-2007 had an initial exercise period of 5 years, which was extended to 10 years.

In January 2011, 5.200 share options were granted with an exercise price of 51,50 EUR per share which will expire in 2016.

The fair value of the employee benefits received in exchange for the options granted is recognised in income over the vesting period. The fair value is calculated using the Black Scholes model.

The following assumptions are used in the determination of the fair value:

	2008	2009	2010
Option price	56,00	38,50	43,20
Current share price	50,99	50,99	50,99
Expected option life	3,00	4,00	5,00
Share price volatility	16,40 %	16,40 %	16,40 %
Risk-free interest rate	3,95 %	3,95 %	3,95 %
Expected dividends	2,06 %	2,20 %	1,88 %

The fair value of the share options amounts to 305 KEUR on December 31, 2010.

9.15. Related parties

	2010 (KEUR)	2009 (KEUR)
I. RECEIVABLE DUE FROM RELATED PARTIES		
II. LIABILITIES DUE TO RELATED PARTIES		
1. Interest bearing loans	2.500	2.445
2. Financial liabilities		
3. Other liabilities		
III. TRANSACTIONS BETWEEN RELATED PARTIES		
1. Sale of goods		
2. Purchases of goods		
3. Transactions		
4. Purchase of services		
5. Transfers relating to funding requirements		
6. Remuneration of management and directors	1.686	1.536
7. Loans granted to management and directors		

In addition to their salaries, the group provides additional benefits to the directors and members of the Executive Committee, including non-monetary benefits and contributions to the group's defined contribution plan. The remuneration plan for 2010 comprised of 1.264 KEUR in salaries (2009: 1.218 KEUR) and 422 KEUR in defined contribution plan contributions (2009: 318 KEUR).

Members of management also participate in the group's stock option plan.

The interest-bearing loans relate to borrowings entered into between Miko Holding and Lammerée Beheer. These borrowings are entered into with a fixed interest rate of 3,7%.

9.16 Scope of consolidation

Name of subsidiary	Country of incorporation	% interest 2010	% interest 2009	Company number	Registered office	Number of employees
Miko Koffie NV	Belgium	99,99 %	99,99 %	0869.777.422	Stwg op Mol 177, 2300 Turnhout	48
MCS NV	Belgium	100,00 %	100,00 %	0429.197.383	Stwg op Mol 177, 2300 Turnhout	87
Miko Pac NV	Belgium	100,00 %	100,00 %	0433.522.197	Stwg op Turnhout 160, 2360 Oud-Turnhout	146
Mepaco NV	Belgium	100,00 %	100,00 %	0418.703.864	Stwg op Mol 177, 2300 Turnhout	5
Leo Coffee GmbH.	Germany	49,00 %	49,00 %			
Miko Kaffee GmbH	Germany	100,00 %	0 %			
Miko Koffie Service BV	The Netherlands	100,00 %	100,00 %			
Miko Café Service SA	France	99,97 %	99,97 %			
Miko Kava s.r.o	Czech Republic	100,00 %	100,00 %			
Miko Kava s.r.o	Slovakia	75,00 %	75,00 %			
Miko Coffee Limited	Great Britain	100,00 %	100,00 %			
Cornish Coffee Limited	Great Britain	100,00 %	100,00 %			
Miko Coffee South West Limited	Great Britain	100,00 %	100,00 %			
Miko Coffee North West Limited	Great Britain	89,00 %	89,00 %			
Espresso Adesso	Great Britain	100,00 %	0 %			
Miko Pac Sp. z o.o.	Poland	100,00 %	100,00 %			
Miko-Hordijk GmbH.	Germany	70,00 %	70,00 %			
Grispa NV	Belgium	100,00 %	100,00 %	0457.974.513	Industriecentrum Zuid 3530 Houthalen	14
Beverage Marketing Australia	Australia	51,00 %	51,00 %			

All the entities above are fully consolidated.

The shareholder structure of Miko NV, to the best of its knowledge, is as follows:

- Stichting Administratiekantoor OKIM:	406.998 (32,77%)
- IMKO Holding NV:	280.002 (22,54%)
- KBC Asset Management NV:	52.674 (4,24%)
- De Wilg Comm.V.:	53.361 (4,30%)
- Miko NV:	150 (0,01%)
- Publicly-held:	448.815 (36,14%)
Total:	1.242.000 (100%)

10. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the reporting period.

11. DISCLOSURE OF THE USE OF FINANCIAL INSTRUMENTS

The group does not use financial instruments.

12. REMUNERATION OF THE AUDITOR AND COMPANIES WITH WHOM THE AUDITOR IS ASSOCIATED

The company's auditor, PricewaterhouseCoopers Bedrijfsrevisoren, will receive 7.500 EUR for the audit of the parent company Miko NV.

In addition, 144.458 EUR fees have been charged. This amount includes the fees relating to the audit of various group entities amounting to 128.633 EUR. This amount also includes other services amounting to 15.825 EUR provided by companies with which the auditor has a professional association.

13. REPORT OF THE BOARD OF DIRECTORS

To the annual general meeting of shareholders on May 11, 2011 regarding the consolidated and statutory financial statements for the year ending December 31, 2010.

Dear Shareholders,

This report should to be read together with the audited financial statements of Miko NV (hereafter, 'the group'), and the accompanying notes. These consolidated financial statements were approved by the Board of Directors on March 28, 2011.

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ending December 31, 2010 were prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC, formerly the SIC) of the IASB that have been adopted by the European Commission.

The application of IFRS for the group mainly affected following areas:

- valuation of intangible asset and property, plant and equipment
- valuation of inventories
- deferred income tax assets and liabilities

MAJOR CHANGES TO THE GROUP DURING 2010

The corporate governance charter and internal rules were reviewed and amended in accordance with the new Belgian Corporate Governance Code of 2009.

Mr. Frans Michielsen resigned as CEO as from the annual general shareholders meeting of 2010, but remained active as a member of the Board of Directors.

The Board of Directors – advised by the nomination committee – proposed to the annual general shareholders meeting three new directors for appointment.

The three new directors, Mr. Mark Stulens, managing director Benelux of SCR-Sibelco NV, Mr. Patrick Michielsen, partner Merodis BVBA and Mr. Jan Michielsen, managing director of Miko Pac, were appointed. Mr. Willy Menève, ex-CEO of the Miko group, and Mr. Aloïs Michielsen, chairman of the Board of Directors of Solvay NV, resigned from the Board of Directors.

The acquisition of Espresso Adesso (Glasgow) was studied and approved. This acquisition fits in the group's strategy of regional expansion in the UK. The Board also approved the acquisition of Beverages Plus, a small Office Coffee Service operator in Reading, near London.

A calculation model to evaluate investment projects at Miko Pac NV was approved.

The internal control and risk assessment environment of the group was discussed and evaluated.

Additional investments in a packaging machine for the coffee division and a production machine for the plastics division, worth 1,2 million euro, were approved.

The installation of solar panels on the new distribution centre of Miko Pac NV was approved, which represents an investment of 1,4 million euro.

The group made a strategic decision to establish the company Miko Kaffee GmbH. in Germany and to merge Grispa NV and Miko Pac NV.

The Board evaluated the management's strategic plan 2011-2015.

The Board of Directors proposes to the extraordinary general meeting of shareholders of 11 May 2011 a change in statutes in order to align the statutes with the bill concerning the exercise of certain rights of shareholders of listed companies.

FINANCIAL HIGHLIHTS OF 2010

The following changes were noted in comparison with 2009:

- **Turnover** increased by 5,99 % from 111,2 MEUR to 117,8 MEUR.
- **EBIT** decreased by 8,20 % from 11,3 MEUR to 10,3 MEUR. The EBIT-margin amounted to 8,77 % versus 10,1 % in 2009.
- **Group profit** decreased by 3,11 % from 7,9 MEUR to 7,7 MEUR, which represents a margin of 6,5 % versus 7,2 % in 2009.
- **Financial structure**: Net financial debt increased from 2,2 MEUR as of December 31, 2009 to 2,9 MEUR as per December 31, 2010. This represents a gearing ratio of 5,3% versus 4,9 % in 2009.

KEY FINANCIAL DATA

Consolidated annual results of Miko Group	**31.12.2010** KEUR	**31.12.2009** KEUR	**Fluctuation** 2010/2009
Revenue	117.817	111.160	5,99%
Depreciation and amortization	7.727	7.580	1,93%
EBITDA	18.056	18.833	- 4,12%
EBIT	10.329	11.252	- 8,20%
Financial costs - net	- 733	- 951	
EBT	9.596	10.301	- 6,85%
Income tax expense/(income)	- 1.794	- 2.325	- 22,86%
Group profit for the year	7.802	7.976	- 2,18%
Group profit attributable to owners of the parent	7.683	7.929	- 3,11%
Current Group profit for the year	7.683	7.929	- 3,11%
Current cash flow	17.204	17.835	- 3,54%
Number of shares (ordinary)	1.241.850	1.241.650	

Basic earnings per share (in EUR)	6,19	6,39	- 3,11%
Net profit per share (in EUR)	6,19	6,39	- 3,11%
Current cash flow per share (in EUR)	13,86	14,37	- 3,54%
Gross-dividend per share (in EUR)	0,96	0,96	4,17%

CONSOLIDATED INCOME STATEMENT

Turnover increased by 5,99% from 111,2 MEUR to 117,8 MEUR. The coffee segment increased by 3,4 MEUR (+ 6,08%); the plastics segment noted an increase of 3,3 MEUR or 5,90%.

The turnover of the coffee segment was mainly realised in Belgium, the Netherlands, France and Germany. In the UK the economy didn't fully recover yet, which impacted the results.

The turnover of the plastics segment increased in Belgium, mainly in the thermoforming products. The biggest growth however was realised in the subsidiary in Poland. This growth was realised despite the loss of some customers in Grispa NV and despite a bad spring that caused a drop in sales of ice-cream packaging on the German market.

EBITDA decreased by 4.12% from 18,8 MEUR to 18,1 MEUR and **operating profit (EBIT)** decreased by 8,20% from 11,3 MEUR to 10,3 MEUR.

Group profit decreased by 3,11% from 7,9 MEUR to 7,7 MEUR.

Current Group profit decreased from 7,9 MEUR to 7,7 MEUR, a decrease of 3,11%. **Current cash flow** decreased by 3,54% from 17,8 MEUR to 17,2 MEUR.

Earnings per share decreased from 6,4 euro per share to 6,2 euro per share.

INVESTMENTS

In 2010 investments amounting to 13,1 MEUR were made in intangible assets and property, plant and equipment. Investments in buildings amounted to 4,0 MEUR and mainly relate to the construction of the new warehouse which started in 2010. Investments in machinery amounted to 4,3 MEUR. These investments are primarily for machines and moulds in the plastics division. Investments in equipment amounted to 2,6 MEUR, relating primarily to coffee machines.

RESULTS AND PROPOSAL FOR PROFIT DISTRIBUTION OF MIKO NV

Consolidated: 2010 consolidated net profit of the group amounted to 7.683.044 euros.

Statutory: Parent entity Miko NV recognises in 2010 a net profit for the year of 3.553.151,35 euro.

We propose to distribute the results for the year and to transfer the results of the previous year, representing a combined amount of 3.558.086,52 euros, as follows:

1. Return on capital amounting to 1.192.176,00 euros, comprising a gross dividend of 0,96 euros per share. We propose that the net dividend of 0,72 euro per share be paid out by KBC Bank from June 1, 2011.
2. Additions to available reserves amounting to 2.365.000,00 euros.
3. Transfer to the subsequent year amounting to 910,52 euros.

APPOINTMENT OF DIRECTORS AND AUDITOR

In 2010 three new directors were appointed, namely Mr. Mark Stulens, managing director Benelux of SCR-Sibelco NV, Mr. Patrick Michielsen, partner Merodis BVBA and Mr. Jan Michielsen, managing director of Miko Pac. Mr. Willy Menève, ex-CEO of the Miko group, and Mr. Aloïs Michielsen, chairman of the Board of Directors of Solvay NV, resigned from the Board of Directors.

The mandate of PricewaterhouseCoopers as auditor was extended at the annual general shareholders meeting of 2010 with 3 years.

DECLARATION REGARDING ACCOUNTING POLICIES

The Board confirms that the accounting policies included in the notes to the financial statements are appropriate. Provided the current activities and circumstances, Miko expects to continue to generate profits, ensuring continuity of the group.

EVENTS AFTER THE REPORTING PERIOD WHICH HAVE AN IMPACT ON THE RESULT AND FINANCIAL POSITION AS OF 31 DECEMBER 2010

No significant events have occurred after the reporting period affect the result and financial position of Miko NV as of December 31, 2010.

OTHER IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

On January 1, 2011 the companies Miko Pac NV and Grispa NV were merged. This will lead to a more efficient use of the companies assets.

RISKS

The group consists of two segments, namely coffee and plastics. The raw material prices for both divisions are dependent on international pricing and fluctuations in the US dollar.

In 2010 prices of the raw materials strongly increased. Taken into account the recent political events in the Middle East, the uncertainty on the raw material markets will further increase, for both coffee and plastics.

ACQUISITION OF OWN SHARES

In 2010 the group purchased and sold 2.350 shares for the share-based payment plan. At the end of 2010, the group had 150 own shares with a total value of 7.776 euros. In 2010 2.550 options were exercised by employees.

As the 150 own shares as of March 28, 2011 are not entitled to dividends, the total dividend is to be distributed over 1.241.850 shares.

CONFLICT OF INTEREST OF THE DIRECTORS

The Directors report that during the year no transactions or decisions have occurred to which Article 523 of the companies' law should be applied.

INFORMATION REGARDING RESEARCH AND DEVELOPMENT

In 2010, 42.608,78 euro was spent on research and development activities.

BRANCHES

The group has no branches.

USAGE OF FINANCIAL INSTRUMENTS

Given the nature and activities of the group in 2010, no derivative financial instruments are used.

CORPORATE GOVERNANCE

We refer to the corporate governance statement (including the remuneration report) in the brochure "annual report 2010", which is available on http://www.miko.eu/annual-reports.html.

CONCLUSION

We request that you approve the financial statements of December 31, 2010, which we believe provide a true and fair view of the position of the group and to give us and the auditor discharge.

Completed in Turnhout on March 28, 2011
The board of directors

Jan Michielsen
managing director

Frans Van Tilborg
managing director
CEO

14. RESPONSIBILITY STATEMENT

We hereby certify that, to the best of our knowledge, the consolidated financial statements as of December 31, 2010, 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 undertakings 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 undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the board of directors

Jan Michielsen
managing director

Frans van Tilborg
managing director
CEO

5. STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED ACCOUNTS OF THE COMPANY MIKO NV AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our opinion on the consolidated accounts and the required additional disclosure.

Unqualified opinion on the consolidated accounts

We have audited the consolidated accounts of Miko NV and its subsidiaries (the "Group") as of and for the year ended December 31, 2010, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium. These consolidated accounts comprise the consolidated balance sheet as of December 31, 2010 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year December 31, 2010 then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance sheet amounts to EUR (000) 87.155 and the consolidated statement of income shows a profit for the year, group share, of EUR (000) 7.802.

The company's board of directors is responsible for the preparation of the consolidated accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated accounts contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the consolidated accounts taken as a whole. Finally, we have obtained from the board of directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated accounts give a true and fair view of the Group's net worth and financial position as of December 31, 2010 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium.

Additional remark

The company's board of directors is responsible for the preparation and content of the management report on the consolidated accounts.

Our responsibility is to include in our report the following additional remark, which does not have any effect on our opinion on the consolidated accounts:

- The management report on the consolidated accounts deals with the information required by the law and is consistent with the consolidated accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

Antwerp, March 30, 2011

The Statutory Auditor
PwC Bedrijfsrevisoren BCVBA
Represented by

Filip Lozie
Bedrijfsrevisor

1.STATUTORY ACCOUNTS MIKO NV

BALANCE SHEET

Condensed balance sheet on December 31, 2010 and 2009 (*).

		2010 (EUR)		2009 (EUR)	
	ASSETS				
II.	Intangible assets	101.060		105.023	
III.	Property, plant and equipment	415.113		380.560	
IV.	Financial assets	64.357.693		62.857.687	
	NON-CURRENT ASSETS		**64.873.866**		**63.343.270**
V.	Other receivables > 1 year	0		0	
VII.	Receivables < 1 year	2.857.878		1.415.565	
VIII.	Deposits	7.776		1.263.300	
IX.	Cash and cash equivalents	2.337.304		995.757	
X.	Deferred charges and accrued income	225.164		162.779	
	CURRENT ASSETS		**5.428.122**		**3.837.401**
	TOTAL ASSETS		**70.301.988**		**67.180.671**
	LIABILITIES				
I.	Share capital	5.065.000		5.065.000	
IV.	Reserves	61.207.733		58.842.733	
V.	Retained earnings	911		4.935	
	EQUITY		**66.273.643**		**63.912.668**
VII.	Provisions	217.367		196.044	
	PROVISIONS AND DEFERRED TAXES		**217.367**		**196.044**
VIII.	Non-current liabilities	0		0	
IX.	Current liabilities	3.810.978		3.071.959	
X.	Accrued charges and deferred income	0		0	
	LIABILITIES		**3.810.978**		**3.071.959**
	TOTAL LIABILITIES		**70.301.988**		**67.180.671**

(*) The complete statutory accounts are available at the registered office of the Miko Group.

INCOME STATEMENT

Condensed income statement on December 31, 2010 en 2009.

	INCOME STATEMENT	2010 (EUR)		2009 (EUR)	
I.	**OPERATING INCOME**		**2.547.011**		**2.287.227**
	Turnover	0		0	
	Other operating income	2.547.011		2.287.227	
II.	**OPERATING CHARGES**		**2.422.535**		**2.287.790**
	A. Raw materials & consumables used	0		0	
	B. Services and other goods	989.179		869.786	
	C. Employee benefit expense	1.137.044		1.232.051	
	D. Depreciation and amortization	223.450		193.253	
	E. Amounts written of stocks, contracts in progress and trade debtors	0		0	
	F. Provisions	71.323		- 7.499	
	G. Other operating charges	1.538		199	
III.	**Operating profit/(loss)**		**124.476**		**- 563**
IV.	Financial income	3.515.316		3.548.838	
V.	Financial charges	- 86.785		- 76.077	
VI.	**Profit on ordinary activities before taxes**		**3.553.007**		**3.472.198**
VII.	Extraordinary income	145		0	
VIII.	Extraordinary charges	0		0	
IX.	**Profit of the period before taxes**		**3.553.151**		**3.472.198**
X.	Income taxes	0		- 22.095	
XI.	**Profit of the period**		**3.553.151**		**3.450.103**
XIII.	**Profit to be appropriated**		**3.553.151**		**3.450.103**

	APPROPRIATION OF RESULT	2010 (EUR)		2009 (EUR)	
	Profit to be appropriated		**3.558.087**		**3.457.619**
	Profit of the year to be appropriated	3.553.151		3.450.103	
	Profit brought forward	4.935		7.516	
	Transfer from equity		**0**		**0**
	From reserves	0		0	
	Transfer to equity		**- 2.365.000**		**- 2.260.700**
	To share capital and share premiums	0		0	
	To statutory reserves	0		0	
	To other reserves	- 2.365.000		- 2.260.700	
	Result to be appropriated				
	Profit to be appropriated	- 911		- 4.935	
	Profit for distribution		**- 1.192.176**		**- 1.191.984**
	To the shareholders	- 1.192.176		- 1.191.984	

2. REPORT OF THE BOARD OF DIRECTORS.

For the report of the board of directors we refer to the annual consolidated report of the Miko Group.

3. STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE ANNUAL ACCOUNTS OF THE COMPANY MIKO NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2010

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our opinion on the annual accounts and the required additional disclosures.

Unqualified opinion on the annual accounts

We have audited the annual accounts of Miko NV as of and for the year ended December 31, 2010, prepared in accordance with the financial reporting framework applicable in Belgium, and which show a balance-sheet total of EUR 70.301.988 and a profit for the year of EUR 3.553.151.

The company's board of directors is responsible for the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the annual accounts contain material misstatements, whether due to fraud or error. In making this risk assessment, we have considered the company's internal control relating to the preparation and fair presentation of the annual accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the annual accounts taken as a whole. Finally, we have obtained from the board of directors and company officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the annual accounts give a true and fair view of the company's net worth and financial position as of December 31, 2010 and of its results for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Additional remarks

The company's board of directors is responsible for the preparation and content of the management report, and for ensuring that the company complies with the Companies' Code and the company's articles of association.

Our responsibility is to include in our report the following additional remarks, which do not have any effect on our opinion on the annual accounts:

The management report deals with the information required by the law and is consistent with the annual accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the company, the state of its affairs, its foreseeable development or the significant influence of certain events on its future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

We have no knowledge of any transactions undertaken or decisions taken in breach of the company's statutes or the Companies' Code such as we would be obliged to report to you. The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.

Antwerp, March 30, 2011

The Statutory Auditor
PwC Bedrijfsrevisoren BCVBA
Represented by

Filip Lozie
Bedrijfsrevisor

ADRESSES

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Australia

FINANCIAL CALENDAR 2011/2012

• Q1 trading update	first week of May 2011
• Annual general meeting of share holders	May 11st 2011
• Dividend payable	June 1st 2011
• Half year results	August 2011
• Q3 trading update	first week of November 2011
• End of financial year	December 31st 2011
• Year results	last week of March 2012
• Annual general meeting of share holders	May 2012
• Dividend payable	June 1st 2012

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Should any questions remain, please contact:
Miko NV, Frans Van Tilborg, ☎ +32 (0)14 - 46 27 70

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All information that has been made available to the public during the year 2009,
can be found on the website of the company: www.miko.eu
Relevant changes that occurred after the closing of the financial year, are included in this report,
in other words it contains a description of the relevant facts up till the board meeting of March 2010.
Despite our attempt to provide up-to-date information, we cannot exclude the possibility that some
of the information may already be outdated.
For the most current information, please visit our website.
This information is related to the regulatory requirements of article 66 of the prospectus regulations.

coffee service & packaging

coffee service

miko

B	Miko NV
	Miko Coffee Service NV
NL	Miko Koffie Service BV
F	Miko Café Service SA
UK	Miko Coffee Ltd
	Miko Coffee South West Ltd
	Miko Coffee North West Ltd
	Cornish Coffee Ltd
	Espresso Adesso Ltd
D	Leo Coffee GmbH.
	Miko Kaffee GmbH.
PL	Miko Kawa Sp. z o.o.
CZ	Miko Kava s.r.o.
SK	Miko Kava s.r.o.
AUS	Beverage Marketing Australia Ltd

miko pac

B	Miko Pac NV
	Mepaco NV
D	Miko-Hordijk Verpackungen GmbH.
PL	Miko Pac Sp. z o.o.