



(Lucas Bols N.V., a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands)

**Admission to listing and trading on Euronext Amsterdam
and public offering of up to 9,437,390 ordinary shares**

This prospectus (the **Prospectus**) relates to the offering and listing of ordinary shares of €0.10 nominal value each (the **Offering**) of Lucas Bols N.V. (the **Company** or **Lucas Bols**). The Company is offering up to 9,332,390 newly issued Shares (the **New Offer Shares**), such number of New Offer Shares to be based on the Company raising gross proceeds of approximately €125 million, and each of DreamSpirit B.V. and LB2 B.V. (together, the **Selling Shareholders**) is offering up to 10% of its existing shareholding, representing 105,000 ordinary shares in the aggregate (the **Existing Offer Shares** and, together with the New Offer Shares, the **Offer Shares**). The Company's CEO and CFO and certain of its other managers are shareholders, directly or indirectly, in DreamSpirit B.V. and LB2 B.V., respectively (see Chapter 14 "Major Shareholders"), and will be receiving proceeds through the sale of the Existing Offer Shares to repay financing and related costs incurred in connection with their investment in the shares of the Company in the management buy-out in 2006.

The Company and the Selling Shareholders, in close consultation with the Joint Global Coordinators, reserve the right to increase the maximum number of Existing Offer Shares before the end of the Offering Period. Any such increase will be announced in a press release prior to the end of the Offering Period.

The Offering consists of: (i) a public offering in the Netherlands to institutional and retail investors; (ii) a private placement in the United States of America (the **United States** or **US**) to "qualified institutional buyers" (**QIBs**) as defined in Rule 144A (**Rule 144A**) under the U.S. Securities Act of 1933, as amended (the **US Securities Act**), in reliance on Rule 144A or another available exemption from the registration requirements under the US Securities Act; and (iii) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S (**Regulation S**) under the US Securities Act.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands of up to 10% of the Offering (the **Preferential Retail Allocation**). Each eligible retail investor in the Netherlands will be allocated the first 350 (or fewer) Offer Shares for which such investor subscribes, provided that if the total number of Offer Shares allocated to eligible retail investors under the Preferential Retail Allocation exceeds 10% of the total number of Offer Shares, the preferential allocation of Offer Shares to each eligible retail investor may be reduced pro rata to the first 350 (or fewer) Offer Shares for which such investor subscribes. As a result, eligible retail investors may not be allocated all of the first 350 (or fewer) Offer Shares for which they subscribe. The exact number of Offer Shares allocated to eligible retail investors will be determined after the Offering Period (as defined below) has ended.

AAC NL BOF 2005 B.V. (**AAC**) and several funds of GSC (under the management of Black Diamond Capital Management LLC) (as defined in Chapter 21 "Definitions") are expected to grant to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (**Rabobank**), as stabilisation agent (the **Stabilisation Agent**), on behalf of the Joint Global Coordinators, an option (the **Over-Allotment Option**), exercisable within 30 calendar days after the Settlement Date (as defined below), pursuant to which the Joint Global Coordinators may require (i) AAC to sell at the Offer Price up to 1,285,409 Shares and (ii) GSC to sell at the Offer Price up to 130,200 Shares which it acquires pursuant to the exercise of the Warrants held by it, together comprising up to 15% of the total number of Offer Shares sold in the Offering (the **Over-Allotment Shares**), to cover short positions resulting from any over-allotments made in connection with the Offering or stabilisation transactions, if any. Such transactions shall be carried out in accordance with applicable rules and regulations. However, there is no assurance that the Stabilisation Agent (or person acting on behalf of the Stabilisation Agent) will undertake stabilisation action. Such transactions, if commenced, may be discontinued at any time. Save as required by law, the Stabilisation Agent does not intend to disclose the extent of any stabilisation under the Offering. As used herein, the term **Offer Shares** shall include any Shares purchased pursuant to the Over-Allotment Option (unless the context indicates otherwise), and **Shares** shall refer to all issued and outstanding ordinary shares of the Company, each having a nominal value of €0.10.

INVESTING IN THE OFFER SHARES INVOLVES RISKS. SEE CHAPTER 2 "RISK FACTORS" BEGINNING ON PAGE 21 OF THIS PROSPECTUS FOR A DESCRIPTION OF CERTAIN RISKS THAT SHOULD BE CAREFULLY CONSIDERED BEFORE INVESTING IN THE OFFER SHARES.

Prior to the Offering, there has been no public market for the Shares. Application has been made to list and admit all of the Shares to trading (the **Admission**) under the symbol "BOLS" on Euronext Amsterdam, a regulated market of Euronext Amsterdam N.V. (**Euronext Amsterdam**). Subject to acceleration or extension of the timetable for the Offering, trading on an "as-if-and-when-delivered" basis in the Shares on Euronext Amsterdam is expected to commence on or about 4 February 2015 (the **First Trading Date**).

The price of the Offer Shares (the Offer Price) is expected to be in the range of €13.50 to €18.00 (inclusive) per Offer Share (the Offer Price Range)

Joint Global Coordinators and Joint Bookrunners

Kempen & Co

Rabobank

The Offering will take place from 9:00 Central European Time (CET) on 21 January 2015 until 13:00 CET on 3 February 2015 (the **Offering Period**), subject to acceleration or extension of the timetable for the Offering. The Offer Price Range is indicative. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company, the Selling Shareholders and AAC, in close consultation with the **Joint Global Coordinators**, after the end of the Offering Period on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the exact numbers of Offer Shares to be issued and sold will be stated in a pricing statement (the **Pricing Statement**) that will be published through a press release and filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**).

Payment (in euro) for, and issue and delivery of, the Offer Shares (**Settlement**) is expected to take place on or about 6 February 2015 (the **Settlement Date**). If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholders, AAC, GSC, Kempen & Co N.V. (**Kempen & Co**), acting as listing and paying agent (the **Listing and Paying Agent**), the Joint Global Coordinators and Euronext Amsterdam do not accept responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares.

The Company (which at the date of this Prospectus is still a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) named Lucas Bols Holding B.V.) is expected to be converted into a public company with limited liability (*naamloze vennootschap*) prior to Settlement pursuant to the execution of a notarial deed of amendment of the articles of association and conversion in accordance with a resolution of the Company's general meeting of holders of Shares (the **Shareholders**) (the **General Meeting**) to be adopted prior to the Conversion (as defined below).

Kempen & Co and Rabobank are acting as joint global coordinators and joint bookrunners (in such and any other capacity the **Joint Global Coordinators**).

The Offer Shares will be delivered in book-entry form through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (**Euroclear Nederland**).

The Offering is only made in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. Potential investors in the Shares should carefully read Chapter 16 "Plan of Distribution", section "Selling restrictions" and Chapter 17 "Transfer Restrictions". The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside the Netherlands.

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state within the United States, and are being offered or sold: (a) in the United States only to persons who are QIBs in reliance on Rule 144A or another available exemption from the registration requirements under the US Securities Act; and (b) outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that the Company and other sellers of the Offer Shares are relying on an exemption from the registration requirements of Section 5 of the US Securities Act provided by Rule 144A. For certain restrictions on transfer of the Offer Shares, see Chapter 17 "Transfer Restrictions".

This document (the **Prospectus**) constitutes a prospectus for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council, and amendments thereto (including those resulting from Directive 2010/73/EU) (the **Prospectus Directive**) and has been prepared in accordance with chapter 5.1 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*; the **FSA**) and the rules promulgated thereunder. This Prospectus has been approved by and filed with the AFM.

This Prospectus is dated 20 January 2015

NOTICE TO PROSPECTIVE INVESTORS IN THE US

The Offer Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

The Offer Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Accordingly, the Offer Shares are being offered and sold: (i) in the United States only to QIBs in reliance upon Rule 144A or another available exemption from the registration requirements of the US Securities Act; and (ii) outside the United States in compliance with Regulation S. For certain restrictions on the sale and transfer of the Offer Shares, see Chapter 16 "Plan of Distribution", section "Selling restrictions", and Chapter 17 "Transfer Restrictions."

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Joint Global Coordinators or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without the prior written consent of the Company, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Offer Shares.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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1 SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary together with an indication that such Element is ‘not applicable’.

Section A – Introduction and warnings

<p>A.1</p>	<p>Introduction and warnings</p>	<p>This summary should be read as an introduction to this Prospectus relating to the offering by Lucas Bols N.V. (which at the date of this Prospectus is still a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) named Lucas Bols Holding B.V. expected to be converted into a public company with limited liability (<i>naamloze vennootschap</i>) prior to Settlement (as defined below)) (the Company) of up to 9,332,390 newly issued Shares (the New Offer Shares) to raise approximately €125 million of primary gross proceeds (the Offering) and the admission to listing and trading of the ordinary shares, with a nominal value of €0.10 each, in the share capital of the Company (the Shares) on Euronext Amsterdam. Each of DreamSpirit B.V. and LB2 B.V. (together, the Selling Shareholders) is offering up to 10% of its existing shareholding, representing 105,000 Shares in the aggregate (the Existing Offer Shares and, together with the New Offer Shares, the Offer Shares). The Company’s CEO and CFO and certain of its other managers are shareholders, directly or indirectly, in DreamSpirit B.V. and LB2 B.V., respectively (see Chapter 14 “Major Shareholders”), and will be receiving proceeds through the sale of the Existing Offer Shares to repay financing and related costs incurred in connection with their investment in the Shares in the management buy-out in 2006.</p> <p>The Existing Offer Shares, together with the New Offer Shares and, unless the context indicates otherwise, the Over-Allotment Shares (as defined below), are referred to herein as the Offer Shares. Any decision to invest in the Shares should be based on a consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.</p>
<p>A.2</p>	<p>Consent, indication, conditions and notice</p>	<p>Not applicable; there will be no subsequent public resale of or final placement of the Offer Shares by financial intermediaries.</p>
<p>Section B – The issuer</p>		
<p>B.1</p>	<p>Legal and commercial name of the Company</p>	<p>Lucas Bols N.V. (which at the date of this Prospectus is still a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) named Lucas Bols Holding B.V., expected to be converted into a public company with limited liability (<i>naamloze vennootschap</i>) prior to Settlement (as defined below)) and the legal and commercial name of the Company will then become Lucas Bols N.V.</p>
<p>B.2</p>	<p>Domicile,</p>	<p>The Company is a private company with limited liability (<i>besloten vennootschap met</i></p>

	legal form, legislation and country of incorporation	<i>bepaalde aansprakelijkheid</i>) incorporated under the laws of and domiciled in the Netherlands. It is expected that prior to Settlement (as defined below), the Company will be converted to a public company with limited liability (<i>naamloze vennootschap</i>) (the Conversion). The Company has its corporate seat in Amsterdam, the Netherlands.
B.3	Key factors relating to the nature of the Group's operations and its principal activities	<p>The Company, including its subsidiaries (the Group), is a leading Netherlands based company selling a range of spirits brands with a heritage dating back to 1575. Lucas Bols is one of the oldest Dutch companies still active and Bols is the oldest distilled spirits brand in the world.</p> <p>The Group has a portfolio of more than 20 brands across a range of spirits products, including liqueurs, genever, gin and vodka. The Group's global premium and super-premium spirits brands, which represented 69.2% of the Group's revenue in FY 2013/14, include Bols Liqueurs, Bols Genever, Damrak Gin, Bols Vodka, Galliano and Vaccari.</p> <p>The Group has leading market positions in the Liqueur Ranges category with a number one position in the world outside the US and a number three position in the US, which represents the world's largest liqueurs market. Many of the Group's other products have market or category-leading positions in the Group's geographic markets.</p> <p>The Bols brands also include the House of Bols Cocktail & Genever Experience, and Europe's largest bartending school, the Bols Bartending Academy. The House of Bols Cocktail & Genever Experience offers visitors an experience into the world of cocktails and bartending, as well as a discovery of the traditional Dutch genever.</p> <p>The Group works in close collaboration with professional bartenders from all over the world to develop new products, create new flavours and adapt old recipes, in line with the cocktail trends of today, resulting in a wide range of products. The ability to innovate and to build and maintain long-standing relationships with professional bartenders in the geographic markets where the Group is active are key factors which the Group believes contribute to the success of Lucas Bols.</p> <p>In 2014, the Group opened the Lucas Bols Distillery in the centre of Amsterdam, producing the heart (essential flavour distillates) for some of the Group's products, being various Bols Genevers, various Bols Liqueurs and Damrak Gin.</p> <p>Blending and bottling for the majority of the countries where the Group sells its products is outsourced to its joint venture Avandis C.V., while the Bols Liqueurs for the US market are produced in the United States by Brown-Forman Corporation.</p> <p>The Group's products are distributed to and sold globally in more than 110 countries. The Group operates in four geographic markets: Western Europe; Asia-Pacific; North America; and Emerging Markets.</p> <p>The Group holds long-standing relationships with its distributors that are mainly alcohol beverage companies having their own distribution network. In the US market, the Company controls the distribution of its products through its own subsidiary Lucas Bols USA Inc. In the Netherlands, its products are distributed by its joint venture Maxxium Nederland B.V.</p>
B.4a	Significant recent trends	<p>Based on sources listed in Chapter 3 "Important Information", section "Market and industry information", the major trends influencing the global spirits market include:</p> <ul style="list-style-type: none"> - population growth: global spirits consumer base, especially in Middle East & Africa and Central & South America is increasing as a result of the growing population over the age of 21; - urbanisation: urban population is increasing, resulting in more people having access to bars, restaurants and retail shops, which the Group believes increases spirits consumption; - increase in per capita disposable income and per capita expenditure on spirits: disposable income per capita is forecast to increase globally, particularly in the

		<p>Emerging Markets and Asia-Pacific regions where there is an expanding middle class. Per capita expenditure in spirits is forecast to grow faster, suggesting a positive relationship between disposable income and expenditure on spirits;</p> <ul style="list-style-type: none"> - premiumisation: according to IWSR 2014 premiumisation (<i>i.e.</i> consumers trading up to higher quality and higher value products) influences the spirits industry in both developed and developing markets; - on-trade consumption development: the Group believes increasing population living in large urban areas coupled with increasing disposable income per capita increases the on-trade consumption; - development of the cocktail scene: a growing cocktail scene has been emerging and has driven Liqueurs consumption; and - product innovation: since the spirits market is a highly competitive market where customers are constantly looking for new drinking experiences, product innovation is essential for market participants to differentiate themselves and capture growth. 																		
B.5	Description of the Group and the Company's position therein	The Company is the parent company of a group of operating companies. The principal assets of the Company include the equity interests it directly or indirectly holds in its operating subsidiaries and joint ventures.																		
B.6	Shareholders of the Company	<p>The following table sets forth information with respect to the beneficial ownership of each holder of Shares (a Shareholder), or group of affiliated Shareholders, who currently own 3% or more of the Company's issued and outstanding share capital.</p> <table border="1"> <thead> <tr> <th rowspan="2">Shareholder</th> <th colspan="2">Amount of share capital owned</th> <th rowspan="2">Percentage of voting rights</th> </tr> <tr> <th>Number / class of Shares</th> <th>Percentage of share capital</th> </tr> </thead> <tbody> <tr> <td>AAC NL BOF 2005 B.V. (AAC)</td> <td>6,300,000 Shares 21 Preference Shares A</td> <td>75.0%</td> <td>75.0%</td> </tr> <tr> <td>DreamSpirit B.V.</td> <td>1,680,000 Shares 2 Preference Shares B</td> <td>20.0%</td> <td>20.0%</td> </tr> <tr> <td>LB2 B.V.</td> <td>420,000 Shares</td> <td>5.0%</td> <td>5.0%</td> </tr> </tbody> </table> <p>The table below presents information about the ownership of the Shares by the Selling Shareholders and AAC at Settlement, following the redemption of 50% of the Shares and all Preference Shares, exercise of the outstanding warrants (the Warrants) and the issuance of Shares pursuant to the exercise of the Warrants and the issuance of (depository receipts for) Shares in connection with the Extraordinary Share Award, assuming an issue price equal to the mid-point of the Offer Price Range (see Chapter 12 "Management, Supervisory Board and Senior Management", section "Extraordinary Share Award (ESA)"), as well as immediately after Settlement, assuming the issuance of 7,999,191 New Offer Shares at the mid-point of the Offer Price Range.</p>	Shareholder	Amount of share capital owned		Percentage of voting rights	Number / class of Shares	Percentage of share capital	AAC NL BOF 2005 B.V. (AAC)	6,300,000 Shares 21 Preference Shares A	75.0%	75.0%	DreamSpirit B.V.	1,680,000 Shares 2 Preference Shares B	20.0%	20.0%	LB2 B.V.	420,000 Shares	5.0%	5.0%
Shareholder	Amount of share capital owned			Percentage of voting rights																
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LB2 B.V.	420,000 Shares	5.0%	5.0%																	

Shareholder	Shares owned at Settlement following the redemption of 50% of the Shares and all Preference Shares, exercise of the Warrants & Extraordinary Share Award		Maximum number of Shares to be sold in the Offering		Shares owned immediately after Settlement			
	Amount	%	Without exercise of the Over-Allotment Option Amount	With full exercise of the Over-Allotment Option Amount	Without exercise of the Over-Allotment Option		With full exercise of the Over-Allotment Option	
					Amount	%	Amount	%
AAC ⁽¹⁾	3,150,000	70%	n/a	1,085,429	3,150,000	25%	2,064,571	17%
DreamSpirit B.V. ⁽²⁾	840,000	19%	84,000	84,000	756,000	6%	756,000	6%
LB2 B.V. ⁽³⁾	210,000	5%	21,000	21,000	189,000	2%	189,000	2%
Trust foundation ⁽⁴⁾	64,138	1%	n/a	n/a	64,138	1%	64,138	1%
New (public) investors	n/a	n/a	n/a	n/a	8,104,191	65%	9,319,820	74%
Warrant holders (including GSC) ⁽⁵⁾	217,000	5%	n/a	130,200	217,000	2%	86,800	1%
<p>⁽¹⁾ AAC is indirectly controlled by AAC Capital Partners Holding B.V.</p> <p>⁽²⁾ DreamSpirit B.V. is owned by Mr. H.L.M.P. van Doorne (CEO) (80%) and Mrs. A.B. van Doorne (Senior Manager) (20%).</p> <p>⁽³⁾ LB2 B.V. is indirectly controlled by Mr. J.K. de Vries (CFO) (60%). The remaining shares in LB2 B.V. (40%) are held by Stichting Administratiekantoor Bols, which has issued depository receipts to certain other managers of the Company. See Chapter 12 "Management, Supervisory Board and Senior Management", section "Equity holdings".</p> <p>⁽⁴⁾ The Shares issued under the ESA will be held by a trust foundation to be incorporated at Settlement. Depository receipts for these Shares will be issued to Mr. J.K. de Vries (CFO) (8,223), the Senior Managers (27,607) and certain other employees (28,308).</p> <p>⁽⁵⁾ Pursuant to the exercise of the Warrants for an aggregate exercise price in the amount of €434,000, RI Leveraged Finance B.V. (a subsidiary of Rabobank) and several investment funds of GSC (under the management of Black Diamond Capital Management LLC) shall acquire in total 217,000 Shares on the Settlement Date (RI Leveraged Finance B.V. shall acquire 86,800 Shares and GSC shall acquire 130,200 Shares). In case of full exercise of the Over-Allotment Option, GSC shall sell to Rabobank, as Stabilisation Agent, all Shares it acquires pursuant to the exercise of the Warrants held by it.</p>								
All Shareholders have the same voting rights.								
At the date of this Prospectus, AAC controls the Company.								
B.7	Selected historical key financial information	<p>The selected historical financial and operational information of the Group shown in the tables below should be read in conjunction with the information contained in Chapter 3 "Important Information", section "Presentation of financial and other information", Chapter 6 "Capitalisation and Indebtedness", Chapter 8 "Operating and Financial Review", and the consolidated financial statements, including the notes thereto, contained in Chapter 22 "Index to the Financial Statements" (the Financial Information).</p> <p>The tables below contain selected unaudited consolidated financial information of the Group as at and for the six-month period ended 30 September 2014, which includes comparisons with the six-month period ended 30 September 2013, and should be read in conjunction with the accompanying notes thereto and the auditor's review report thereon, and selected audited consolidated financial information of the Group as at and for the fiscal years ended 31 March 2014, 31 March 2013 and 31 March 2012, which should be read in conjunction with the accompanying notes thereto and</p>						

the auditor's report thereon. The Financial Information has been prepared in accordance with IFRS as adopted by the European Union (**IFRS**).

For further information, see Chapter 3 "Important Information", section "Presentation of financial and other information".

Selected consolidated income statement data

	H1 2014/15	H1 2013/14	FY 2013/14	FY 2012/13	FY 2011/12
(€ thousand)					
Continuing operations					
Revenue	40,781	41,184	78,724	79,988	78,318
Cost of sales	(15,572)	(15,563)	(31,139)	(32,366)	(32,399)
Gross profit	25,209	25,621	47,585	47,622	45,919
Distribution and administrative expenses	(12,283)	(12,526)	(26,089)	(25,295)	(23,660)
Operating profit	12,926	13,095	21,496	22,327	22,259
Share of profit of joint ventures, net of tax	39	(51)	513	875	745
Finance income	-	4	31	51	49
Finance costs	(9,041)	(9,744)	(19,465)	(19,513)	(19,590)
Net finance costs	(9,041)	(9,740)	(19,434)	(19,462)	(19,541)
Profit before tax	3,924	3,304	2,575	3,740	3,463
Income tax expense	(1,965)	(1,676)	(2,352)	(2,328)	(2,117)
Profit	1,959	1,628	223	1,412	1,346

Selected consolidated statement of financial position data

	H1 2014/15	H1 2013/14 ⁽¹⁾	FY 2013/14	FY 2012/13	FY 2011/12
(€ thousand)					
Assets					
Property, plant and equipment	1,564	1,586	1,664	1,526	1,646
Intangible assets	214,943	214,943	214,943	214,743	214,743
Investments in joint-ventures	5,728	5,883	5,926	5,995	6,029
Other investments	599	1,034	599	664	836
Deferred tax assets	7,194	6,686	7,421	7,276	7,432
Total non-current assets	230,028	230,132	230,553	230,204	230,686
Inventories	6,561	5,329	7,605	5,324	6,258
Trade and other receivables	17,620	16,773	15,205	14,622	13,837
Derivative financial instruments	15	586	109	26	-
Cash and cash equivalents	2,935	1,508	3,120	3,822	713
Total current assets	27,131	24,196	26,039	23,794	20,808
Total assets	257,159	254,328	256,592	253,998	251,494
Equity					
Share capital	8,400	8,400	8,400	8,400	8,400
Hedging Reserve	(1,300)	306	(78)	(1,576)	(4,578)
Translation Reserve	(139)	(65)	(171)	(65)	(73)
Retained earnings	23,633	23,246	23,410	21,776	20,968
Result for the year	1,959	1,628	223	1,412	1,346
Total equity	32,553	33,515	31,784	29,947	26,063
Liabilities					
Subordinated loans	36,098	34,117	35,075	33,355	31,579
Other loans and borrowings	38,702	81,350	76,044	88,559	99,557
Other non-current fin. liabilities - Cum.					
Pref. Shares	68,538	61,452	64,794	58,109	52,140
Other non-current fin. Liabilities - Other	1,182	604	780	1,250	3,112
Employee benefits	465	492	465	518	190
Deferred tax liabilities	28,571	25,631	26,985	23,759	20,601
Total non-current liabilities	173,556	203,646	204,143	205,550	207,179
Loans and borrowings	42,549	8,944	9,611	8,535	7,475
Trade and other payables	7,095	6,118	9,752	6,285	7,548
Derivative financial instruments	1,406	2,105	1,302	3,681	3,229
Total current liabilities	51,050	17,167	20,665	18,501	18,252
Total liabilities	224,606	220,813	224,808	224,051	225,431
Total equity and liabilities	257,159	254,328	256,592	253,998	251,494

⁽¹⁾ The H1 2013/14 figures in this column are unaudited, not reviewed and are not part of the consolidated financial statements contained in Chapter 22 "Index to the Financial Statements".

Selected consolidated cash flow data

	H1 2014/15	H1 2013/14	FY 2013/14	FY 2012/13	FY 2011/12
(€ thousand)					
Cash flows from operating activities					
Profit for the period	1,959	1,628	223	1,412	1,346
Adjustments for:					
Depreciation of property, plant and equipment	259	260	586	460	387
Net finance costs	9,041	9,740	19,434	19,462	19,541
Release net-realised hedging reserve	(726)	(497)	(1,948)	(139)	(2,267)
Share of profit of joint ventures, net of tax	(39)	51	(513)	(875)	(745)
Income tax expense	1,965	1,676	2,352	2,328	2,117
Provisions and employee benefits	-	34	67	63	52
	12,459	12,892	20,201	22,711	20,431
Change in:					
Inventories	1,044	(5)	(2,281)	934	(340)
Trade and other receivables	(1,314)	(2,037)	(376)	(818)	(129)
Prepayments	(995)	(114)	-	-	-
Trade and other payables	(2,922)	(366)	3,246	(871)	(3,192)
Net changes in working capital	(4,187)	(2,522)	589	(755)	(3,661)
Proceeds from settlement of derivatives	-	-	939	2,282	-
Dividends from joint ventures	200	125	625	600	900
	8,472	10,495	22,354	24,838	17,670
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	-	(298)	(298)	-	-
Acquisition of property, plant and equipment	(162)	(168)	(543)	(340)	(401)
Acquisition of other investments	-	-	-	(59)	-
Proceeds from partly repayment loan by joint-venture	-	-	-	-	335
	(162)	(466)	(841)	(399)	(66)
Cash flows from financing activities					
Payment of transaction cost related to loans and borrowings	-	(650)	(682)	-	-
Repayment of borrowings	(4,806)	(6,625)	(11,702)	(10,627)	(5,850)
Interest received	-	4	31	51	49
Interest paid	(3,689)	(5,072)	(9,862)	(10,754)	(11,486)
	(8,495)	(12,343)	(22,215)	(21,330)	(17,287)
Net increase in cash and cash equivalents	(185)	(2,314)	(702)	3,109	317
Cash and cash equivalents at start of period	3,120	3,822	3,822	713	396
Cash and cash equivalents at end of period	2,935	1,508	3,120	3,822	713

Selected other financial data

	As Adjusted ⁽¹⁾	H1 2014/15	H1 2013/14	FY 2013/14	FY 2012/13	FY 2011/12
(€ thousand)						
EBIT ⁽²⁾	—	12,965	13,044	22,009	23,202	23,004
Net Contribution Margin ⁽³⁾	—	18,311	17,890	32,167	31,747	30,827
Cash Conversion ⁽⁴⁾	—	56%	59%	78%	70%	68%
Finance Costs	(1,486)	(9,041)	(9,744)	(19,465)	(19,513)	(19,590)
Net Debt ⁽⁵⁾	60,696	115,784	125,242	119,450	128,656	140,683
Net Debt to EBIT ⁽⁶⁾	—	—	—	5.4	5.5	6.1
Net Debt/Equity Ratio ⁽⁷⁾	—	3.6	3.7	3.8	4.3	5.4

(1) Assuming the application of the net proceeds of €119,024 thousand and the refinancing having taken place as of 31 March 2014.

(2) The Group defines EBIT as operating profit plus Share of profit of joint ventures, net of tax. EBIT is not a measure of liquidity or performance calculated in accordance with IFRS and should be viewed as a supplement, not a substitute for, the Group's results of operations presented in accordance with IFRS. See Chapter 3 "Important Information", section

"Presentation of financial and other information". The reconciliation of EBIT to operating profit is set forth below.

(€ thousand)	H1 2014/15	H1 2013/14	FY 2013/14	FY 2012/13	FY 2011/12
Operating profit	12,926	13,095	21,496	22,327	22,259
Share of profit of joint ventures, net of tax ..	39	(51)	513	875	745
EBIT	12,965	13,044	22,009	23,202	23,004

(3) The Group defines Net Contribution Margin as Gross profit minus advertisements and promotions (**A&P**) plus distribution expenses and Share of profit of joint ventures, net of tax. Net Contribution Margin is calculated by adding the Net Contribution Margin for global brands and the Net Contribution Margin for regional brands included in the table below. Net Contribution Margin is not a measure of liquidity or performance calculated in accordance with IFRS and should be viewed as a supplement, not a substitute for, the Group's results of operations presented in accordance with IFRS. See Chapter 3 "Important Information", section "Presentation of financial and other information". The reconciliation of net contribution margin to gross profit is set forth below.

(€ thousand)	H1 2014/15	H1 2013/14	FY 2013/14	FY 2012/13	FY 2011/12
Global brands					
Revenue	28,264	28,954	54,488	53,812	50,725
Cost of goods sold	(9,684)	(9,806)	(19,039)	(19,696)	(19,017)
Gross profit	18,580	19,148	35,449	34,116	31,708
A&P and distribution expenses	(6,053)	(6,727)	(13,731)	(13,957)	(12,509)
Share of profit of joint ventures, net of tax	13	(21)	38	64	55
Net Contribution Margin	12,540	12,401	21,756	20,223	19,254
Regional brands					
Revenue	12,517	12,229	24,236	26,176	27,593
Cost of goods sold	(5,888)	(5,757)	(12,100)	(12,670)	(13,382)
Gross profit	6,629	6,472	12,136	13,506	14,211
A&P and distribution expenses	(884)	(954)	(2,200)	(2,793)	(3,328)
Share of profit of joint ventures, net of tax	26	(30)	475	811	690
Net Contribution Margin	5,771	5,489	10,411	11,524	11,573

(4) Cash Conversion is calculated as operational free cash flow divided by EBITDA, whereby operational free cash flow is defined as EBIT multiplied by (1 minus statutory tax rate (25% for the relevant period)) plus depreciation and amortisation (**D&A**) minus the change in Operating Working Capital minus capital expenditures. D&A forms part of the Group's overheads. Operating Working Capital is defined as inventories plus trade receivables less trade payables. Cash Conversion is not a term defined under IFRS and may not be comparable with similarly titled measures reported by other companies.

(5) Net Debt is calculated as the outstanding amounts under the existing credit facilities (excluding unamortised fees) less cash and cash equivalents.

(6) Net Debt to EBIT is calculated as the Net Debt at the end of the period indicated divided by EBIT for the period indicated.

(7) Net Debt to Equity Ratio is calculated as Net Debt at the end of the period indicated divided by total equity at the end of the period indicated.

B.8	Selected key pro forma financial information	Not applicable; no key pro forma financial information has been identified as such.
B.9	Profit forecast	Not applicable; the Company has not issued a profit forecast.
B.10	Historical audit report qualifications	Not applicable; there are no qualifications.
B.11	Explanation if insufficient working	The Company believes that its working capital is sufficient for its present requirements, that is, for at least twelve months following the date of this Prospectus.

	capital	
Section C – Securities		
C.1	Type and class, security identification number	The Shares are ordinary shares in the share capital of the Company. Application has been made to list all Shares under the symbol “BOLS” on Euronext Amsterdam under ISIN code: NL0010998878.
C.2	Currency of the Offer Shares	The Shares are denominated in and will trade in euro.
C.3	Number of Shares and nominal value	Upon Conversion, the authorised capital of the Company will amount to €2.1 million consisting of a single class of shares (the Shares), with a nominal value of €0.10 per Share. All issued Shares are fully paid-up and are subject to, and have been created under, the laws of the Netherlands.
C.4	Rights attached to the Offer Shares	References to the Articles of Association hereafter will be to the Company's articles of association following their amendment prior to Settlement. Each Offer Share confers the right to cast one vote in the general meeting of shareholders of the Company (the General Meeting). There are no voting restrictions, other than that the Company has no voting rights on the Shares that it holds in treasury, if any. The Offer Shares will be eligible for any dividends which the Company may declare on Shares after the Settlement Date. Holders of Shares have a pre-emptive right in the event of an issue of Shares. Holders of Shares do not have pre-emptive rights in respect of Shares issued against contribution in kind or Shares issued to employees of the Company or of a Group Company. These pre-emptive rights also apply in case of granting of rights to subscribe for Shares. Subject to the approval of the supervisory board of the Company (the Supervisory Board), the management board of the Company (the Management Board) is authorised to limit or exclude the pre-emptive rights to which Shareholders are entitled if and to the extent that the General Meeting has authorised the Management Board for this purpose, and only if the Management Board at that time is also authorised to issue Shares. Such authorisation can only be made for a maximum period of 18 months. The General Meeting has designated the Management Board, for a period that ends 18 months following the Conversion, as the corporate body authorised to issue Shares or grant rights to subscribe for Shares and to restrict or exclude pre-emptive rights. Pursuant to this designation, the Management Board may resolve to issue Shares or grant rights to subscribe for Shares (i) up to a maximum of 10% of the total number of Shares issued and outstanding on the Settlement Date plus (ii) an additional 10% of the total number of Shares issued and outstanding on the Settlement Date in connection with or on the occasion of mergers and acquisitions and strategic alliances, subject to approval of the Supervisory Board. Such authorisation may from time to time be extended by a resolution of the General Meeting for a period not exceeding 18 months.
C.5	Restrictions on transferability of the Offer Shares	There are no restrictions on the free transferability of the Offer Shares under the Articles of Association. However, the offer of Offer Shares to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands, and the transfer of Offer Shares into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions.

C.6	Listing and admission to trading of the Offer Shares	Application has been made to list all Shares under the symbol “BOLS” on Euronext Amsterdam. Subject to acceleration or extension of the timetable for the offering of the Offer Shares (the Offering), trading on an “as-if-and-when-delivered” basis in the Offer Shares is expected to commence on Euronext Amsterdam on or about 6 February 2015.
C.7	Dividend policy	<p>The Company plans to annually pay dividends in two semi-annual instalments, with a target dividend of at least 50% of the Group’s net profits realised during the fiscal year. The Company intends to pay an interim dividend in the third quarter of each fiscal year, after the publication of the Company’s half-yearly figures, and a final dividend in the second quarter of the following fiscal year, upon approval of the Company’s annual accounts at the General Meeting. It is anticipated that the first dividend following Admission will be payable following publication of the Group’s results for 30 September 2015. There can be no assurances that in any given year a dividend will be proposed or declared.</p> <p>The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including future revenue, profits, financial conditions, general economic and business conditions, and future prospects and such other factors as the Management Board, subject to the approval of the Supervisory Board, may deem relevant as well as other legal and regulatory requirements. There can be no assurances that the Group’s performance will allow the payment of dividends in accordance with the dividend policy, in particular, the Company’s ability to pay dividends may be impaired if any of the risks described in this Prospectus were to occur (see Chapter 2 “Risk Factors”). The payment of dividends by the Company is allowed under the New Senior Credit Facilities, provided that if the Group’s leverage ratio as at the immediately preceding fiscal half year date (on a pro forma basis, taking into account such payment) is equal or greater than 2.50:1, the payment of dividends is only permitted if such payment does not exceed 60% of the net profits of the Group for the relevant fiscal year when aggregated with all other dividend payments or distributions made by the Company in respect of that fiscal year. For more information, see Chapter 20 “General Information”, section “Material contracts”, under “Finance agreements” - “New Senior Credit Facilities”. The Company’s dividend policy is subject to change as the Management Board, subject to the approval of the Supervisory Board, will revisit the Company’s dividend policy from time to time.</p>

Section D – Risks

<p>D.1</p>	<p>Key risks that are specific to the Group or its industry</p>	<p>Risks relating to the Group’s business and the industry in which the Group relates</p> <ul style="list-style-type: none"> • The Group operates in a highly competitive industry and competitive pressures could have a material adverse effect on its business, results of operations, financial condition and prospects. • A few key products contribute a significant portion of the Group’s revenue, and any reduction in revenue from these products could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects. • Demand for the Group’s spirits products may be significantly adversely affected by changes in customer and consumer preferences. • The Group’s results depend on general economic conditions and could be affected by deterioration in the economic conditions of its markets. • The Group’s global business is subject to a number of commercial, political, and financial risks. • The Group operates in Emerging Markets where there is more risk of economic and regulatory uncertainty. • New products, new varieties of existing products and growth within its geographic markets are an important part of the Group’s strategy, and the success of such strategies is uncertain. • The Group’s success depends on retaining key personnel and attracting highly skilled individuals. • The Group relies on the performance of its distributors and its operations may be adversely affected by poor performance of its distributors or if the Group is unable to enter into or maintain distribution agreements on favourable terms or at all. • The Group’s involvement in joint ventures over which the Group does not have full control could prevent the Group from achieving its objectives. • The Group is dependent on certain suppliers for the provision of key materials for, and transportation of its products, and any changes in the prices or availability of raw materials could have a material adverse effect on the Group’s business. • The Group’s operating results may be adversely affected by disruption to its production and storage facilities. • Inconsistent quality or contamination of the Group’s products or similar products in the same categories as the Group’s products could harm the integrity of, or customer support for, the Group’s brands and adversely affect the sales of those brands. • The value of the Group’s brands and its sales may be negatively affected by its failure to maintain its brand image and corporate reputation. • Increases in taxes, particularly increases to excise tax rates, could adversely affect demand for the Group’s products. • If the social acceptability of the Group’s products declines, its revenue could decrease and its business could be materially adversely affected. • The Group is subject to extensive regulations regarding advertising, promotions and access to its products, and these regulations and any changes to these regulations could limit its business activities, increase costs and decrease demand for its products. • The Group’s business and production facilities are subject to significant governmental regulation and failure to comply with such regulations or any changes in such regulations could result in interruptions to supply and increased costs. • Exchange rate fluctuations could have a material adverse effect on the Group’s business, financial condition and results of operations. • The Group is exposed to interest rate risks. • The Group’s operating results may be adversely affected by a breakdown of its information technology systems or a failure to develop those systems.
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		<ul style="list-style-type: none"> • The Group may not be able to protect its intellectual property rights. • Potential future impairments of intellectual property rights and other intangible assets may have a material adverse effect on the Group's business, financial conditions and results of operation. • If the Group were unable to utilise fully its deferred tax assets, its profitability could be reduced. • The Group may be affected by litigation directed at the spirits industry in general and other litigation including product liability claims or claims relating to the Bols IP Rights and the Bols Recipes. • The Group may be exposed to tax liabilities resulting from certain tax audits. • The terms of the Group's financing arrangements may limit its commercial and financial flexibility. • The Group could be subject to unexpected needs for liquidity, which could be exacerbated by factors beyond its control, including adverse capital and credit market conditions. • The Company relies on its direct subsidiary to provide itself with funds necessary to meet its financial obligations, including the payment of dividends.
D.3	Key risks relating to the Shares and the Offering	<p>Risks relating to the Offering and the Shares</p> <ul style="list-style-type: none"> • Following the Offering, the Company's largest Shareholders will be in a position to exert substantial influence on the Company and the interests pursued by these Shareholders could differ from the interests of the Company's other Shareholders. • Future offerings of debt or equity securities by the Company may adversely <i>affect the market price of the Shares and may dilute investors' shareholdings</i>. • Future sales or the possibility of future sales of a substantial number of Shares by the major Shareholders may adversely affect the market price of the Shares. • Holders of Shares outside the Netherlands may not be able to exercise pre-emptive rights in future offerings. • There is a risk that an active and liquid market for the Company's Shares will not develop and the price of the Shares may be volatile. • If closing of the Offering does not take place, purchases of the Offer Shares will be disregarded and Euronext Amsterdam may annul transactions that have occurred. • Investors with a reference currency other than euro will become subject to certain foreign exchange risks when investing in the Shares.
Section E – Offer		
E.1	Net proceeds and estimated expenses	The Company estimates the net proceeds from the New Offer Shares, after the deduction of expenses, commissions and taxes (estimated to amount to approximately €7 million), to amount to approximately €119 million.
E.2a	Reasons for the Offering and use of proceeds	<p>The Company believes that the offering of New Offer Shares will provide the Company with greater financial flexibility and strengthen its financial position by enabling it to redeem the Preference Shares and to repay part of the current outstanding debt.</p> <p>The Company intends to use the net proceeds of the Offering to partially repay the outstanding amounts under the existing credit facilities (€47.4 million) and to fully redeem the Preference Shares (€71.4 million, of which €68.8 million will be paid to AAC and €2.6 million will be paid to DreamSpirit B.V.). Any remaining amount of the net proceeds will be used for general corporate purposes. See Chapter 4 "Reasons for the Offering and Use of Proceeds").</p> <p>The Company believes that the Admission will further enhance the Company's profile and brand recognition, provide the Company with access to the capital markets and will create liquidity for existing Shareholders.</p> <p>The Company will not receive any proceeds from the sale of the Existing Offer</p>

		Shares by the Selling Shareholders and/or the sale of any Over-Allotment Shares by AAC or GSC.
E.3	Terms and conditions of the Offering	<p>Offer Shares The Company is offering up to 9,332,390 New Offer Shares to raise approximately €125 million of primary gross proceeds. The Selling Shareholders are offering up to 105,000 Existing Offer Shares.</p> <p>The Offering consists of: (i) a public offering in the Netherlands to institutional and retail investors; (ii) a private placement in the United States of America (the United States or US) to “qualified institutional buyers” (QIBs) as defined in Rule 144A (Rule 144A) under the US Securities Act of 1933, as amended (the US Securities Act), in reliance on Rule 144A or another available exemption from the registration requirements under the US Securities Act; and (iii) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S (Regulation S) under the US Securities Act. The Offering is made only in those jurisdictions where, and only to those persons to whom, offer and sales of the Offer Shares may be lawfully made.</p> <p>Preferential Retail Allocation There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands of up to 10% of the Offering (the Preferential Retail Allocation). Each eligible retail investor in the Netherlands will be allocated the first 350 (or fewer) Offer Shares for which such investor subscribes, provided that if the total number of Offer Shares allocated to eligible retail investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, the preferential allocation of Offer Shares to each eligible retail investor may be reduced pro rata to the first 350 (or fewer) Offer Shares for which such investor subscribes. As a result, eligible retail investors may not be allocated all of the first 350 (or fewer) Offer Shares for which they subscribe. The exact number of Offer Shares allocated to eligible retail investors will be determined after the Offering Period has ended. See Chapter 15 “The Offering”, section “Preferential Retail Allocation”.</p> <p>Over-Allotment Option AAC and GSC are expected to grant to Rabobank (as defined below), as stabilisation agent, on behalf of the Joint Global Coordinators, an option (the Over-Allotment Option), exercisable within 30 calendar days after the Settlement Date, pursuant to which the Joint Global Coordinators may require (i) AAC to sell at the Offer Price up to 1,285,409 Shares and (ii) GSC to sell at the Offer Price up to 130,200 Shares which it acquires pursuant to the exercise of the Warrants held by it, together comprising up to 15% of the total number of Offer Shares sold in the Offering (the Over-Allotment Shares), to cover short positions resulting from any over-allotments made in connection with the Offering or stabilisation transactions, if any.</p> <p>Offering Period The Offering will take place from 9:00 Central European Time (CET) on 21 January 2015 until 13:00 CET on 3 February 2015 (the Offering Period), subject to acceleration or extension of the timetable for the Offering.</p> <p>Offer Price and number of Offer Shares The offer price per Offer Share (the Offer Price) is currently expected to be in the range of €13.50 to €18.00 (inclusive) (the Offer Price Range). The Offer Price and the exact numbers of Offer Shares offered in the Offering will be determined by the Company, the Selling Shareholders, AAC and the Joint Global Coordinators in joint consultation after the end of the Offering Period on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the exact numbers of Offer Shares to be issued and sold will be stated in a pricing statement which will be published through a press release and filed with the Netherlands Authority for the Financial Markets (<i>Stichting</i></p>

Autoriteit Financiële Markten, the AFM).

The Company and the Selling Shareholders, in close consultation with the Joint Global Coordinators, reserve the right to increase the maximum number of Existing Offer Shares before the end of the Offering Period. Any such increase will be announced in a press release prior to the end of the Offering Period.

Subscription and allocation

Dutch retail investors can only subscribe on a market order (*bestens*) basis. This means that Dutch retail investors will be bound to purchase and pay for the Offer Shares indicated in their share application, to the extent allocated to them, at the Offer Price, even if the Offer Price is above the upper end of the Offer Price Range (if applicable, as amended). Dutch retail investors are entitled to cancel or amend their application, at the financial intermediary where their original application was submitted, at any time prior to the end of the Offering Period (if applicable, as accelerated or extended).

The allocation of the Offer Shares is expected to take place after termination of the Offering Period on or about 3 February 2015, subject to acceleration or extension of the timetable for the Offering. Allocation to investors who applied to subscribe for Offer Shares will be made on a systematic basis and full discretion will be exercised as to whether or not and how to allocate the Offer Shares. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe; multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for.

Payment

Payment (in euros) for the Offer Shares, and payment (in euros) for any Over-Allotment Shares pursuant to the Over-Allotment Option, if such option has been exercised prior to the Settlement Date, is expected to take place on the Settlement Date. Taxes and expenses, if any, must be borne by the investor. Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).

Delivery of Shares

The Shares will be delivered in book-entry form through the facilities of the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.

If Settlement of the Offering does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned.

Joint Global Coordinators

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (**Rabobank**) and Kempen & Co N.V. (**Kempen & Co**) are acting as joint global coordinators and joint bookrunners (in such and any other capacity, the **Joint Global Coordinators**) and joint bookrunners in the Offering.

Listing and Paying Agent

Kempen & Co is the Listing and Paying Agent of the Shares on Euronext Amsterdam.

Stabilisation Agent

Rabobank is acting as Stabilisation Agent with respect to the Shares on Euronext Amsterdam.

		<p>Underwriting Agreement – Conditions precedent</p> <p>The obligations of the Joint Global Coordinators under the Underwriting Agreement are subject to: (i) entry into a pricing agreement, which will contain the Offer Price, the Share Lending Agreement and the Relationship Agreement, (ii) the absence of any material adverse change in the Group’s business or share capital, (iii) receipt on or before the Settlement Date of opinions on certain legal matters from legal counsel relating to, among others, the Company, this Prospectus and the Offer Shares, (iv) the absence of circumstances having arisen that would require a supplement to this Prospectus, (v) the execution of documents relating to the Offering and such documents being in full force and effect, (vi) the admission of the Shares to listing and trading on Euronext Amsterdam, (vii) the completion of the Conversion and Capital Restructuring, and (viii) certain other customary closing conditions, including, among others, the accuracy of the warranties provided by the Company, AAC and the Selling Shareholders pursuant to the Underwriting Agreement and the compliance by the Company with its obligations under the Underwriting Agreement. The Joint Global Coordinators will have the right to waive the satisfaction of any such conditions or part thereof.</p> <p>Governing law and competent courts</p> <p>This Prospectus and the Offering are governed by Dutch law. All disputes arising in connection with this Prospectus and the Offering shall be subject to the non-exclusive jurisdiction of the courts in Amsterdam, the Netherlands.</p>
E.4	Interests material to the Offering (including conflicts of interests)	<p>Rabobank, one of the Joint Global Coordinators, and NIBC Bank N.V. (NIBC), which acts as advisor to the Company in connection with the Offering, are a party to the existing credit facilities of the Group, which will be partially repaid from the net proceeds of the Offering. Rabobank and NIBC will be a party to the new senior credit facilities (the New Senior Credit Facilities) to be entered into on Settlement, which will replace the remaining amount of the existing credit facilities.</p> <p>In addition, a subsidiary of Rabobank (RI Leveraged Finance B.V.) holds Warrants, entitling it to acquire 86,800 Shares for an aggregate exercise price in the amount of €173,600 on the Settlement Date.</p> <p>Mr. H.L.M.P. van Doorne and Mrs. A.B. van Doorne (via their holding company) and AAC currently hold Preference Shares (see Chapter 14 “Major Shareholders”). The Preference Shares will be redeemed on Settlement from the net proceeds of the Offering and entitle Mr. Van Doorne and Mrs. A.B. van Doorne to receive €2.6 million in total and AAC to receive €68.8 million.</p> <p>DreamSpirit B.V. and LB2 B.V., through which the Company’s CEO and CFO and certain of its other managers hold their interests in the Company, are offering up to 105,000 Existing Offer Shares in the aggregate.</p>
E.5	Person or entity offering to sell the Offer Shares and lock-up arrangements	<p>Pursuant to the Underwriting Agreement, the Company, AAC and the Selling Shareholders are expected to agree with the Joint Global Coordinators that, for a period of 180 days (in respect of AAC) and 360 days (in respect of the Company and the Selling Shareholders) after the Settlement Date, they will not, except as set forth below, without the prior consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for Shares, or enter into any other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise.</p> <p>The foregoing will not apply to: (i) the issue or sale of Offer Shares in the Offering; (ii) any action relating to the Capital Restructuring; (iii) transactions contemplated by or required to meet liabilities under the Underwriting Agreement, the Share Lending Agreement or the Relationship Agreement, (iv) the granting or exercise of options</p>

		<p>and issuance of Shares pursuant to the Company's employee incentive schemes, (v) any corporate action in connection with a takeover offer, capital reorganisation, legal merger, split-up or similar transaction or process; or (vi) any action at the direction of the Joint Global Coordinators (including in their capacities as Stabilisation Agent or Listing and Paying Agent).</p> <p>If the consent referred in the lock-up arrangement is requested, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted.</p> <p>RI Leveraged Finance B.V. (a subsidiary of Rabobank) shall agree with the Joint Global Coordinators upon a lock-up arrangement for a period of 180 days after the Settlement Date with respect to the Shares it acquires following exercise of its Warrants. GSC shall agree with Rabobank upon a lock-up arrangement with respect to the Shares it acquires following the exercise of its Warrants for a period ending on the earlier of (i) the date on which Rabobank exercises the Over-Allotment Option with respect to such Shares or (ii) 30 days after the Settlement Date. See Chapter 13 "Description of Share Capital and Corporate Governance", section "Share capital". The terms and conditions of this lock-up arrangement will be similar to the arrangement described above.</p>
E.6	Dilution	<p>The voting interest of the current holders of Shares will be diluted as a result of the issuance of the New Offer Shares (excluding the sale of Existing Offer Shares) and the issuance of Shares pursuant to the exercise of the Warrants and in connection with the Extraordinary Share Award. The maximum dilution for these holders of Shares pursuant to the issuance of the New Offer Shares would be 66%, assuming the issuance of 7,999,191 New Offer Shares and 64,138 Shares in connection with the Extraordinary Share Award at the mid-point of the Offer Price Range and taking into account the issuance of 217,000 Shares pursuant to the exercise of the Warrants. See Chapter 12 "Management, Supervisory Board and Senior Management", section "Extraordinary Share Award (ESA)" and Chapter 13 "Description of Share Capital and Corporate Governance", section "Share capital".</p>
E.7	Estimated expenses charged to the investors by the Company or the Selling Shareholders	<p>Not applicable; no expenses will be charged to investors by the Company, the Selling Shareholders or AAC in relation to the Offering.</p>

2 RISK FACTORS

Before investing in the Offer Shares, prospective investors should carefully consider the risks and uncertainties described below, together with the other information contained in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Group's business, results of operations, financial condition and prospects.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although the Group believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and the Offer Shares, they are not the only risks and uncertainties relating to the Group and the Offer Shares. Other risks, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The value of the Offer Shares could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose part or all of their investment.

Prospective investors should note that the risks relating to the Group, the Group's industry and the Offer Shares summarised in the Summary of this Prospectus are the risks that the Group believes are essential to an assessment by a prospective investor of whether to invest in the Offer Shares. However, as the risks that the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the Summary of this Prospectus but also, among other things, the risks and uncertainties described below.

Prospective investors should read and carefully review the entire Prospectus and should reach their own views before making an investment decision with respect to any Offer Shares. Furthermore, before making an investment decision with respect to any Offer Shares, prospective investors should consult their financial, legal and tax advisers, and consider such an investment decision in light of their personal circumstances.

Risks relating to the Group's business and the industry in which the Group operates

The Group operates in a highly competitive industry and competitive pressures could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group operates in the spirits industry and faces strong competition. The Group competes on the basis of product range, pricing, product quality, distribution capabilities, logistics, brand reputation, brand recognition, advertising, product innovation and responsiveness to changing customer and consumer preferences and demand, with varying emphasis on these factors depending on the market and the product.

The Group faces competition from local and international spirits producers and alcoholic beverage companies, including producers offering low or non-alcohol syrups, and (super)stores offering private labels. The Group's revenue and market share could suffer if these competing products perform well, or if competing products are offered at prices that are lower than the prices of the Group's products. Furthermore, the Group has in the past been, and may in the future be, unable to implement price increases on its products due to pricing pressure arising from the competitive environment.

The Group's on-trade sales of its global premium and super-premium brands represent a significant part of its total revenue. These products compete with other brands for shelf space in bars, clubs and other licensed premises and brand preferences of bartenders. Although the Group's product innovation and marketing and sales efforts are focused on these customers, there can be no assurance that bartenders continue to purchase and use the Group's brands.

Furthermore, a decline in consumer demand in the Group's geographic and product markets could intensify competition in the regions in which the Group operates. Increased competition could also lead to downward pressure on prices or a decline in the Group's market share. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

A few key products contribute a significant portion of the Group's revenue, and any reduction in revenue from these products could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

While the Group's portfolio comprises more than 20 brands across a broad range of spirits categories, its six global brands contribute a significant portion of the Group's revenue. In FY 2013/14, the Group earned 69.2% of its revenue from the sale of global brands. The Bols Liqueurs are the Group's major products, comprising 51.2% of the Group's total revenue in FY 2013/14. Revenue from its global brands, and from Bols Liqueurs in particular, may not be maintained or increase in the future. Adverse trends or other factors that affect the Group's geographic markets, whether demographic trends, macro-economic conditions, governmental action or any factors adversely affecting the sale of global brands, such as changing customer preferences, or other impacts on consumer selection, individually or collectively, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Demand for the Group's spirits products may be significantly adversely affected by changes in customer and consumer preferences.

The Group's success depends heavily on maintaining the strength of its brands and adapting to the changing needs and preferences of its distributors, the bartender community and its consumers. Customer and consumer preferences may shift due to a variety of factors that are difficult to predict and over which the Group has no control, including changes in demographic and social trends, public health regulations, changes in travel, vacation or leisure activity patterns and changes in the on-trade consumption (in restaurants, bars, clubs and the like) resulting from disruptions caused by external factors, such as economic conditions, natural disasters or acts of war and terrorism or health epidemics.

There may be a shift in customer and consumer preferences and the consumption of certain beverages resulting in a decrease in the consumption of spirits as a whole. In addition, there could be further shifts in customer and consumer preferences as a result of which one category of spirits becomes more popular than another. Any such shift could have a material adverse effect on the Group if, for example, the shift is from on-trade to off-trade consumption with lower margins or to a category of spirits which the Group does not produce or distribute.

Any significant changes in customer and consumer preferences or any failure to anticipate and react to such changes could result in reduced demand for the Group's products and weaken its competitive position. The impact of any such change could be exacerbated if any such shift affects a global brand of the Group, in particular the Bols Liqueurs that are the largest contributors to the Group's revenue. Any changes in customer and consumer preference for its global products could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's results depend on general economic conditions and could be affected by deterioration in the economic conditions of its markets.

The Group's results of operations are affected by overall economic conditions in its geographic markets and the level of customer and consumer confidence and spending in those markets. The worldwide financial and economic downturn affected many business sectors, including the industry in which the Group operates. Since 2009, the Group has experienced a growth slowdown in the off-trade sales of its regional brands and in the sales of its global brands in the US which are mainly sold on-trade, as a result of the widespread economic crisis and domestic policy tightening in the largest economies. However, the impact of the economic crises in the various Group's geographic markets differed.

It is difficult to determine the breadth and duration of the economic slowdown and the ways in which it may continue to affect the Group's customers (*i.e.*, bartenders and the wholesale and retail sector) and business in general. For example, since 2013, market circumstances in Argentina have been difficult as a result of low customer and consumer confidence driven by economic decline and hyper-inflation. In recent years, some distributors in the Group's geographic markets have chosen to buy fewer spirits, to "trade down" by buying less expensive brands or to exclude the Group's products from their product portfolio (*i.e.*, in Mexico with respect to the Bols Liqueurs). Distributors may continue to take these actions in the future. In addition, distributors may reduce inventory levels or increase their focus on other brands in their product portfolio. Competitors may also reduce prices in order to capture market share. Such actions or other reactions by the Group's distributors and customers generally may decrease demand for some or all of the Group's products, which could have a material adverse effect on its revenue and profitability.

Any worsening of the economic conditions in the Group's geographic markets could lead to reduced customer confidence and spending, reduced demand for products and limitations on the Group's ability to increase or maintain the prices of its products. In addition, governments may impose taxes and implement other measures to manage the economic conditions in ways that adversely affect the Group's business (see "Increases in taxes, particularly increases to excise tax rates, could adversely affect demand for the Group's products" and the money transfer restrictions imposed by the Central Bank of Argentina in 2013 under "The Group operates in Emerging Markets where there is more risk of economic and regulatory uncertainty").

Customers and consumers may continue to curtail spending and make more value-driven and price sensitive purchasing choices, which could adversely affect the demand for products and profitability. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. A decline in the level of business activity of the Group's customers or a continued recessionary environment could also make it more difficult for the Group to forecast operating results and to make decisions about future investments.

The Group's global business is subject to a number of commercial, political, and financial risks.

The Group's products are sold in more than 110 countries; accordingly, it is subject to risks associated with doing business globally, including commercial, political, and financial risks. In addition, the Group is subject to potential business disruption caused by military conflicts; intergovernmental disputes; potentially unstable governments or legal systems; civil or political upheaval or unrest; local labour policies and conditions; possible expropriation, nationalisation, or confiscation of assets; problems with repatriation of foreign earnings; economic or trade sanctions; closure of markets to imports; terrorism or other types of violence; health epidemics; and a significant reduction in global travel. For example, Russia and certain other jurisdictions have implemented sudden bans on the import of spirits in the past and it cannot be excluded that they will do so in the future.

The Group's success will depend, in part, on its ability to overcome the challenges it encounters with respect to these risks and other factors affecting companies with global operations such as governmental actions around the world to enforce trade practice, money laundering, anti-corruption, competition, tax, environmental and other laws. For example, the Group's international operations require it to comply with a number of international laws and regulations regarding anti-bribery and anti-corruption, including the US Foreign Corrupt Practices Act and the United Kingdom Bribery Act 2010. These laws and regulations, for example, prohibit improper payments to foreign officials for the purpose of obtaining or retaining business and may include reporting obligations to relevant regulatory and governmental bodies. Currently, the Group is not subject to any investigations or enquiries related to such laws or regulations, but the scope and enforcement of anti-corruption laws and regulations may vary among the various jurisdictions and failure to comply with such laws and regulations could result in the assessment of damages or imposition of penalties which could harm the Group's financial condition.

The Group operates in Emerging Markets where there is more risk of economic and regulatory uncertainty.

In FY 2013/14, the Group derived 12.5% of its total revenue from sales in the Emerging Markets. In addition, the Group's strategy involves expanding its business in several Emerging Markets. In the Group's experience, the laws and regulations applicable in these markets are not always fully transparent, can be difficult to interpret and may be applied and enforced inconsistently. As a result, the interpretation and enforcement of these laws and regulations in the countries where the Group operates involve uncertainties.

Political, economic and legal systems and conditions in emerging market economies are generally less predictable than in countries with more developed institutional structures, subjecting the Group to additional risks of doing business in such economies. Additional risks associated with doing business in emerging markets include reduced intellectual property protection, uncertainty in enforcing contracts, challenges in obtaining legal redress, particularly against the state or state-owned entities, exchange rate controls, changes in tax regimes, implementation of restrictions on imports (such as in India), difficulty in adequately establishing, staffing and managing operations and increased risks associated with inflation, economic slowdown and currency and interest rate fluctuations. For example, the political upheaval in February 2014 in the Ukraine has led to an unstable situation in Russia which has resulted in a decrease of revenue of the Group in this market. The sanctions of the EU on Russia against certain individuals and legal entities may lead to counter measures by Russia and might include the introduction of import restrictions on spirits (as Russia has done so in the past). Furthermore, in 2013 the Central Bank of Argentina imposed restrictions on Argentine individuals and corporations from transferring money abroad without prior approval, especially in relation to the payment of royalty income. As a result of these restrictions, the Group has been collecting royalty income on a delayed basis of approximately one year from a royalty contract in Argentina, which provides for the blending and bottling and subsequent sale of Lucas Bols products locally in Argentina. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

New products, new varieties of existing products and growth within its geographic markets are an important part of the Group's strategy, and the success of such strategies is uncertain.

Product innovation is an important part of the Group's strategy for its global brands. However, the launch of new products and new varieties of existing products is an uncertain process. The profitable lifespan of those products is also uncertain and largely depends on the reaction of the customers (primarily bartenders, clubs and other licensed premises) to such products, the willingness of the Group's distributors to include the new products in their product portfolio and the impact on the sales of the Group's existing brands. An unsuccessful launch of a new product may have an adverse impact on customer perception of other more established brands of the Group, just as the success of a new products could reduce revenue from other existing Group brands. In addition, there can be no assurances that the Group will continuously develop successful new products or new varieties of existing products and the Group cannot predict how customers will react to such new products.

The Group intends to grow through its broad portfolio of products in its geographic markets, both in the countries where it is already active and by introducing its brands in new countries within the Group's geographic markets. The pursuit of this strategy may lead to selective acquisitions, joint ventures and/or partnerships relating to other spirits brands. Failure to successfully launch new products and/or new varieties of existing products, to successfully integrate any new brands into its portfolio or to execute its growth strategy in its geographic markets could hinder the Group's growth potential and cause the Group to lose market share. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's success depends on retaining key personnel and attracting highly skilled individuals.

The Group believes that its performance, success and ability to fulfil its strategic objectives are dependent on retaining its current managing directors and senior managers (**Senior Management**) who are experienced in the markets and business in which the Group operates. In particular, the Group is dependent on the skills and experience of its current CEO and CFO, its Senior Management and its personnel who are responsible for product innovation. In addition, the Group's business results depend upon the experience, knowledge of local market dynamics and long-standing relationships with distributors worldwide of the Group's marketing and sales personnel. There can be no assurances that the Group will be able to retain its managing directors, Senior Management and other key personnel. The loss of their services could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, there can be no assurances that the Group will be able to recruit and retain suitable managing directors, Senior Management and other key personnel in the future, both for expanding its operations and for replacing persons who leave the Group. Recruiting suitable managing directors, Senior Management and other key personnel may entail substantial costs both in terms of salaries and other compensation if the Group is able to attract persons with comparable skills and experience. The markets in the Netherlands and in the US for qualified employees, including for individuals with the required technical, marketing and sales expertise to succeed in the business in which the Group operates, are competitive. If the Group does not succeed in attracting and retaining experienced staff in sufficient numbers, this could have a material adverse effect on the Group's strategic goals, as well as on the Group's business, financial condition and results of operations.

The Group relies on the performance of its distributors and its operations may be adversely affected by poor performance of its distributors or if the Group is unable to enter into or maintain distribution agreements on favourable terms or at all.

The Group has long-standing relationships with various third party distributors for the distribution of its products in the relevant countries where the Group's products are sold (other than the Netherlands where the Group distributes its products through its joint venture Maxxium Nederland B.V. (**Maxxium**) and in the US where the Group distributes its products through its subsidiary Lucas Bols USA Inc. In FY 2013/14, the revenue from sales through these third party distributors represented 67.7% of the Group's total revenue and 88.6% of the revenue from sales through these third party distributors can be attributed to the ten largest distributors (based on sales in euro). The third party agreements with distributors are generally for a fixed term of five years and generally cannot be terminated without cause by the distributors during their term. Although in 2014, the Group renewed its distribution agreements relating to a major part of its product portfolio until 2019, it can provide no assurances that it will be able to continue its distributor relationships or renegotiate any agreements with its distributors on reasonable terms, if at all, when they expire. If any of the Group's key distributors terminates its trading relationship with the Group or if the Group is unable to maintain agreements with such distributors on favourable terms, its business, results of operations, financial condition and prospects would be materially adversely affected.

In addition, the Group relies on the performance of its distributors (many of whom are alcohol and beverage companies having their own distribution network). Although the distribution agreements contain performance clauses for the distributors and a failure to comply with these clauses entitles the Group to terminate the agreement after a certain period, its operations may be adversely affected by poor performance of its products due to insufficient support by a distributor to increase sales of the Group's brands or the weakening of the market position of a distributor, if the Group is not able to enter into an agreement with a new distributor on a timely basis or on reasonable terms or at all.

The Group's involvement in joint ventures over which the Group does not have full control could prevent the Group from achieving its objectives.

The Group relies on its joint venture Avandis C.V. (**Avandis**) in the Netherlands for the blending and bottling, related procurement, storage and other logistics of the Group's products for almost all of its markets outside the US and Argentina, its joint venture Maxxium for the distribution of its products in the Netherlands and its joint venture Bols Kyndal India Private Limited (**Bols Kyndal**) for the production, marketing and distribution of the Group's products in India (reference is made to the Chapter 20, "General Information", section "Material contracts" for a summary of the main terms of these agreements). The Group does not have full control of these joint ventures. As a result, many decisions (including major decisions such as those relating to distributions, equity calls, financings, re-financings or changes to budget or business plans) require the consent, cooperation or approval of the Group's joint venture partners). The Group's joint venture partners may have economic or business interests or objectives that are inconsistent with those of the Group. Material differences and disputes could arise between the Group and its joint venture partners which, pursuant to the joint venture agreements, could result in a dead lock or result in certain consequences such as failure to refinance indebtedness, distribute dividends, invest in capital improvements or withdrawal from the joint venture. Although it is currently not expected that the joint venture partners of Avandis, Maxxium or Kyndal will have to make a capital contribution, if such event should occur and if a joint venture partner would fail to make such a capital contribution, the joint venture may not be able to make a required investment or alternatively, one of the other partners may have to fund the partner's share of the capital call. Further, the Group's joint venture partners may become insolvent and the Group may be liable for its partner's share of any liabilities relating to such joint venture. Any of the aforementioned situations could have a material adverse effect on the Group's business, its financial condition and the results of its operations.

In addition, the Group's financial position and results depend directly on the performance of its joint ventures. Avandis is a cost-based joint venture, which implies that the performance of Avandis (of which the Group's products represent over 50% of total volume produced by Avandis) primarily affects the valuation of the investment in this joint venture. The share in the results of the joint ventures Maxxium (of which the Group's products represent approximately one-third of total volume distributed by Maxxium) and Bols Kyndal (which produces and distributes, amongst others, distilled drinks in India under the Bols brand name) are also reflected in the Group's net results. The performance of the joint ventures is impacted by similar international, regional and local conditions, such as macroeconomics and government regulations, as the Group.

The Group is dependent on certain suppliers for the provision of key materials for, and transportation of its products, and any changes in the prices or availability of raw materials could have a material adverse effect on the Group's business.

The Group's products use a number of materials and ingredients that are purchased by its joint ventures or third party producers from others. The Group's joint venture (Avandis) purchases the majority of the raw materials required for its business at prevailing market prices, generally pursuant to contracts with a duration of up to six months for alcohol, up to one year for other agricultural materials and up to two years for glass. The Group and Avandis use single parties for the supply of a number of some of its raw materials as well as the blending and bottling and the transport/logistics of some of its products. The ability to make and sell the Group's products hinges on having available all of the materials, product ingredients, finished product, glass, bottles, bottle closures, packaging, and other materials used to produce and package them. If any of these key suppliers were no longer able to meet the Group's timing, quality or capacity requirements, ceased doing business with the Group, or raised prices, and the Group could not develop alternative cost-effective sources of supply or production, this could have a material adverse effect on the Group's prospects, business, results of operations and financial condition.

The costs of raw materials (such as alcohol, sugar, fruit-juices and concentrates) and packaging materials (including glass, caps, carton boxes and labels) represent the largest component of the Group's cost of sales. Commodity price changes may result in increases in the cost of raw materials and packaging materials for the Group's products due to a variety of factors outside

the Group's control, such as global supply and demand, fuel/transport costs, weather conditions, agricultural uncertainty, crop failures and governmental controls. Increases in commodity prices, such as the price of oil, could also impact the Group's operational costs, such as transport costs. There is a growing concern that carbon dioxide and other so-called 'greenhouse' gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. In the event that such climate change would have a negative effect on agricultural productivity, the Group may be subject to decreased availability or increased pricing for certain raw materials that are necessary for the Group's products, such as sugar and grain. The Group has in the past, and may in the future, be unable to pass on increases in the costs of raw materials to its distributors. Even if it is able to pass on cost increases, the adjustments may not be immediate and may not fully offset the extra costs or may cause a decline in sales volumes.

The Group's operating results may be adversely affected by disruption to its production and storage facilities.

The Group would be affected in the event of a significant disruption to the production and storage facility of the Group at Avandis or at the facilities of other third parties which are used by the Group, such as Brown-Forman Corporation that produces the Bols Liqueurs for the US market. As alcohol is highly inflammable, fire is a risk to these facilities and the employees involved, particularly at the production and storage sites. The measures which the Group has in place to mitigate this risk may prove to be insufficient or ineffective. If there were a technical failure, fire, explosion or any other event resulting in a major or prolonged disruption at any of the Group's or its joint ventures' facilities, this could result in a significant loss in production capacity and significant costs and/or regulatory action, legal liability or damage to the Group's reputation, all of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Although the Group carries insurance, not all risks may be covered by its policies, and any insurance coverage available may be insufficient to cover some or all costs. Disaster recovery plans may not prevent business disruption, and reconstruction of any damaged facilities could require a significant amount of time.

Inconsistent quality or contamination of the Group's products or similar products in the same categories as the Group's products could harm the integrity of, or customer support for, the Group's brands and adversely affect the sales of those brands.

The success of the Group's brands depends upon the positive image that its customers and consumers have of those brands. A lack of consistency in the quality of products or contamination of the Group's products, whether occurring accidentally or through deliberate third party action, or a perceived issue with the quality of the Group's products, could harm the integrity of, or customer and consumer support for, those brands and could adversely affect their sales. Further, a lack of consistency in the quality of or contamination of products similar to the Group's products or in the same categories as the Group's products howsoever arising could, by association, harm the integrity of or customer and consumer support for the Group's brands, and could adversely affect sales.

Since 2014, the Group produces the distillates for some of its genevers and some of its liqueurs and gins in its own distillery in Amsterdam; prior to that all the distillation was outsourced to third parties. The Group delivers the distillates to the joint venture Avandis. Avandis purchases a large proportion of the materials for the production and packing of the Group's products from third party producers or on the open market. The Group is liable under the joint venture agreement with Avandis for third party claims relating to its products, to the extent such liability is not covered by the insurance policy of Avandis. The Group has also taken out insurances covering product liability and contamination (see Chapter 10 "Business", section "Insurance"). However, the amount of any costs, including fines or damages payments, that the Group might incur in respect of any liability or perceived liability for contaminants in raw materials or mislabelling of raw materials used in, or defects in the blending or bottling process of the Group's products could substantially exceed any of these insurances of the Group.

The Group may voluntarily recall or withhold from sale, or be required to recall or withhold from sale, products in the event of contamination or damage. A significant product liability judgment or a widespread product recall may negatively impact the reputation of the affected product or of

all of the Group's brands for a period of time depending on product availability, competitive reaction and customer and consumer attitudes. Even if a product liability claim is unsuccessful or is not fully pursued, resulting negative publicity could adversely affect the Group's reputation and brand image, which may have a material adverse effect on the Group's prospects, business, results of operations and financial condition.

The value of the Group's brands and its sales may be negatively affected by its failure to maintain its brand image and corporate reputation.

The value of the Group's brands and its sales depend heavily on its ability to maintain its brand image and corporate reputation. Adverse publicity, whether or not justified, may tarnish the Group's reputation and cause customers to choose products offered by its competitors. Such adverse publicity could arise as a result of a perceived failure by the Group to make adequate positive social contributions, including in relation to the prevention of excessive alcohol consumption and similar concerns, by the failures of internal controls or compliance breaches leading to a breach of the Group's key policies or of the laws or regulations in the jurisdictions in which it operates, by the sale of certain private labels which look like a product of the Group by third parties or by third parties refilling bottles of the Group's products or counterfeit of a Group's brand, or by disputes with authorities on the categorisation of a Group's product for the levy of excise taxes. Furthermore, the manufacturing, marketing and sales of the Bols Vodka brand in Poland, Russia and Hungary has been licensed out to Central European Distribution Corporation (**CEDC**). As the Group can only exercise limited control over CEDC, no assurances can be provided that CEDC will not undertake any actions which might harm the Bols Vodka brand name in the regions in which CEDC sells this product (currently Poland and Hungary).

The Group also maintains an online presence as part of its business operations. The Group's reputation may suffer if it is perceived to fail to appropriately restrict access to its online content or if it breaches any marketing regulation, code or policy. In addition, the proliferation of new methods of mass communication facilitated by the internet makes it easier for false or unfounded allegations to adversely affect the Group's brand image and reputation, which may in turn affect the Group's sales.

Increases in taxes, particularly increases to excise tax rates, could adversely affect demand for the Group's products.

Distilled spirits are subject to import duties, excise and other taxes (including VAT) in each of the countries in which the Group operates. Generally, Western European countries have increased taxes on alcoholic beverages in the past years. Governments in these countries and other countries where the Group operates may increase such taxes in the future. Demand for the Group's products is particularly sensitive to fluctuations in excise taxes, since excise taxes constitute a significant component of the sales price of spirits. For example, the increase in Dutch VAT from 19% to 21% as of 1 October 2012 and the increase in Dutch excise taxes by 5.98% as of 1 January 2013 and by 5.77% as of 1 January 2014, together with low customer and consumer confidence, have resulted in a decrease of sales of the Group's products in the Netherlands. Future increases in excise taxes, VAT, import duty or other taxes could reduce the Group's revenue by increasing taxes payable, reducing overall consumption of the Group's products or encouraging the Group's customers to switch to lower-taxed categories of alcoholic or other beverages or illegal and unlicensed "black market" alcoholic beverages, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

If the social acceptability of the Group's products declines, its revenue could decrease and its business could be materially adversely affected.

Particularly in Western Europe, which is the largest market of the Group (in FY 2013/14 the Group recognised 46.2% of its revenue from this region), the consumption of spirits has declined due to a variety of factors that have affected society's attitudes towards drinking and governmental policies that may follow from those attitudes. These include increasing general health consciousness, awareness of the social cost of excessive drinking and underage drinking, drinking and driving regulations, a trend toward healthier or low calorie beverages such as diet soft beverages, juices and mineral water products. These factors affect the social

acceptability of alcoholic beverages and have increased and may continue to increase governmental regulation of the industry in the markets in which the Group operates. Alcohol critics and anti-alcohol lobbyists increasingly seek governmental measures to make alcoholic beverages more expensive, less available and more difficult to advertise and promote, including through the imposition of more onerous labelling requirements. Generally, Western European countries have increased taxes on alcoholic beverages in the past years. Negative publicity regarding the health and dietary effects of alcohol consumption, regulatory action or any litigation or customer complaints against companies in the industry may negatively impact the social acceptability of the Group's products, especially if research would indicate widespread serious health risks associated with alcohol consumption, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is subject to extensive regulations regarding advertising, promotions and access to its products, and these regulations and any changes to these regulations could limit its business activities, increase costs and decrease demand for its products.

Regulatory bodies in certain of the countries in which the Group operates have passed, and other countries may pass, laws or regulations that seek to restrict or prohibit, or have the effect of restricting or prohibiting consumer access to alcohol by, for instance, controlling the times when outlets are allowed to sell alcohol or increasing the minimum drinking age. For example, effective 1 January 2014, the Netherlands increased the minimum legal drinking age from 16 to 18 years old. As a result of this increase, sales in the Netherlands of certain regional brands that are primarily sold off-trade have decreased during H1 2014/15. Furthermore, Russia has banned all television, newspaper, magazine and internet advertising for alcoholic beverage products and Turkey has adopted measures to ban all alcoholic beverage advertising and increase restrictions on sales. Such laws or regulations or any changes to the interpretation of such laws or regulations may adversely affect consumer demand for the Group's products.

In addition, governments in the countries in which the Group operates could impose prohibitions and/or limitations on the advertising and promotion of spirits, which can range from selective regulation to a near total ban. These prohibitions and limitations relate to television, print and multimedia advertising of spirits. These prohibitions and limitations may inhibit or restrict the Group's ability to maintain or increase consumer recognition and support for its brands. They may also limit the Group's ability to successfully launch new products or brands in its core markets or new markets.

The countries in which the Group operates have implemented regulations relating to the production and sale of the Group's products, such as labelling requirements for, and limitations on, the ingredients permitted in spirits products. Changes to production and sales requirements for alcoholic beverages, such as the introduction of regulations that require any potential adverse effects of alcohol consumption to be highlighted on product labels or a ban on the use of certain ingredients, could cause consumers to shift their beverage preferences and result in a reduction in the Group's revenue or in the Group incurring additional marketing or production expenses.

In the US, alcoholic beverages may only be sold in certain States by licensed vendors or distributors that have been approved by the relevant State's liquor board. In addition, approval by certain federal regulatory agencies may be required (for example, the Alcohol and Tobacco Tax and Trade Bureau must approve labels for certain alcoholic beverages). The various approval processes may take between six and twelve months, or longer. If a liquor board or other regulator would not approve new products and new varieties of existing products developed by the Group, or would delist any of the Group's global brands sold in the US, this could have a material adverse effect on the Group's prospects, business, results of operations and financial condition.

The Group's business and production facilities are subject to significant governmental regulation and failure to comply with such regulations or any changes in such regulations could result in interruptions to supply and increased costs.

In the majority of the countries in which the Group operates, the blending and bottling of alcohol is subject to strict regulations and the Group and its joint ventures are required to obtain various

administrative permits and approvals to carry out their business. Failure to comply with applicable regulations, including tax regulations, can result in criminal sanctions and loss of the permits or approvals required to operate the Group's business. The enactment of more stringent regulations may result in increased compliance costs. In addition, the blending and bottling facilities of the joint ventures in which the Group participates, the Group's distillery in Amsterdam, the Netherlands, as well as the Group's third party producers are subject to varying levels of government regulation.

The Group is also subject to numerous environmental, occupational and health and safety laws and regulations in the countries in which it sells its products. The Group may incur significant costs to maintain compliance with increasingly stringent environmental and occupational, health and safety requirements, or to defend challenges or investigations relating to such requirements. A failure by the Group to comply with regulations which apply to it could result in personal injury and/or financial loss and expose the Group to liability or sanction from governmental authorities. It could also expose the Group to negative publicity and the Group's reputation could suffer. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Exchange rate fluctuations could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's reporting currency is the euro. The Group is exposed to exchange rate risks in several ways, particularly with respect to foreign exchange translation effects. Approximately 54% of the Group's revenue is generated in local currencies, of which approximately 64% is generated in the US dollar, the Japanese yen and the Australian dollar. Due to the international nature of its business, substantial portions of the Group's revenue are denominated in currencies other than the euro. Significant fluctuations in exchange rates between the euro and such other currencies could materially and adversely affect the Group's reported results from year to year. The relative fluctuations between the exchange rates in the currencies in which costs are incurred and the currencies in which revenue are earned can materially and adversely affect the Group's profits. The Group uses derivative financial instruments to hedge 60% to 80% of its cash flow denominated in foreign currency (see Chapter 8 "Operating and Financial Review", section "Key factors affecting the Group's results of operations" under "Foreign currency risk"). To the extent that currency fluctuation risks are insufficiently hedged, such events could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to interest rate risks.

Part of the Group's existing and future debt and borrowings carry, or may carry, floating interest rates. The percentage of floating interest rates which are swapped to a fixed-rate basis amounts to 83.5% of the total net debt (*i.e.* debt minus cash) as of 30 September 2014 and is expected to amount to 84.5% upon Settlement. The exposed portion of the Group's borrowings, being the floating part of these borrowings, amounted to 16.5% of the total net debt or €19.1 million as of 30 September 2014 and is expected to amount to 15.5% or €17.7 million upon Settlement. The Group's interest costs are therefore subject to fluctuations in interest rates. When appropriate and in line with the Group's hedging policy, the Group seeks to minimise its interest rate risk exposure by entering into interest rate swap contracts to swap floating interest rates to fixed interest rates over the duration of certain of its debts and borrowings. The Group has adopted a policy intended to ensure that at least 80% of its exposure to changes in interest rates is swapped to a fixed-rate basis, taking into account assets with exposure to changes in interest rates (see Chapter 8 "Operating and Financial Review", section "Quantitative and qualitative disclosures about financial risk" under "Interest rate risks").

The Group's operating results may be adversely affected by a breakdown of its information technology systems or a failure to develop those systems.

The Group and the Group's joint ventures use information technology systems for the processing, transmission and storage of electronic data relating to its operations and financial reporting. A significant portion of communications among the Group's personnel, customers and suppliers relies on the efficient performance of information technology systems.

Despite security measures and back-up systems, the information technology and infrastructure of the Group and its joint ventures may be vulnerable to attacks by hackers, computer viruses or malicious code or may be breached due to employee error, malfeasance or affected by other disruptions, including as a result of natural disasters or telecommunications breakdown or other reasons beyond the Group's or its joint ventures' control. If one or more such events occur, it could cause disruptions or delays to the Group's operations and result in the loss of confidential information, which could expose the Group to liability and cause its business and reputation to suffer. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may not be able to protect its intellectual property rights.

The Group owns and licenses trademarks (for, among other things, its product and brand names and packaging) and other intellectual property rights that are important to its business and competitive position. The Group can provide no assurances that third parties will not infringe on or misappropriate these rights by, for example, imitating the Group's products, asserting rights in, or ownership of, the Group's trademarks or other intellectual property rights or in trademarks that are similar to trademarks that the Group owns and licenses. In addition, the Group may fail to discover infringement of its intellectual property, and/or any steps taken, or that will be taken by it, may not be sufficient to protect its intellectual property rights or prevent others from seeking to invalidate its trademarks or block sales of its products by alleging a breach of their trademarks and intellectual property. Applications filed by the Group in respect of new trademarks or patents may not be granted.

In addition, some of the Group's intellectual property, such as recipes for its spirits, are not capable of being registered as belonging to the Group and the Group may, therefore, have difficulty protecting such intellectual property. Further, the Group may not be able to prevent others from using its brands (or other intellectual property which is not registered as belonging to the Group) in a particular market, especially in some of the emerging markets.

Certain countries in which the Group operates may offer less stringent intellectual property protection than is available in Western Europe and the United States. If the Group is unable to protect its intellectual property rights against infringement or misappropriation, or if others assert rights in or seek to invalidate its intellectual property rights, this could materially adversely affect the Group's brand equity, results of operations and financial condition and its ability to develop its business. Moreover, third parties may sell, and have in the past sold, products that are counterfeit or unauthorised versions of the Group's brands or inferior brands which look like the Group's brands. While the Group's policy is to report such counterfeiting to authorities and pursue legal action against counterfeiters, it is unable to take such action until it is aware of the production and/or sale of such products. Consumers could confuse the Group's products with counterfeited and/or unauthorised brands. This could also have a material adverse effect on future sales by impairing the Group's reputation and brand equity.

Potential future impairments of intellectual property rights and other intangible assets may have a material adverse effect on the Group's business, financial conditions and results of operation.

The global and regional brands are the Group's major assets (in FY 2013/14 the book value of the intangible assets amounted to €215 million, while the Group's total assets amounted to €257 million). The valuation of the Group's intangible assets with indefinite useful lives is to a significant degree dependent on the Group's estimates of future cash generation and the weighted average cost of capital. In accordance with IFRS, intangible assets are tested for impairment annually or upon the occurrence of a triggering event. The impairment testing by the Group normally takes place in the fourth quarter each fiscal year in connection with the budget planning for the following fiscal year and closure of the current fiscal year. For impairment testing the brand portfolio is grouped into several cash-generating units, whereby the market position of each of these brands will be taken into account. An impairment loss is recognised in the income statement when the carrying amount of the asset is greater than recoverable amount. Although the Group has not recorded any impairment of its brands since the Company's inception in 2006, there can be no assurances that it will not be required to impair the value of those assets in the future. Also, the Group may fail to make a correct assessment

of the amount and/or timing of an impairment. In addition, weakness in the global economy may require the Group to make impairment charges. Furthermore, in accordance with Dutch law requiring mandatory audit firm rotation, the Group will be required to engage a new independent auditor after the fiscal year ending 31 March 2015. Consequently, a new independent auditor will be reviewing and auditing the Group's financial reporting in the future, will be reviewing the Group's financial reports from earlier periods that previously were reviewed and may also scrutinise the impairment testing of the Group's brands. If the Group were required to recognise an impairment loss, this could, depending on the amounts impaired, negatively impact the Group's business, future financial results and/or previously reported financial results and may adversely affect the trading price of the Shares.

If the Group were unable to utilise fully its deferred tax assets, its profitability could be reduced.

As at 30 September 2014, the Group had €7,194 thousand recorded as deferred tax assets, mainly due to tax deductible amortisation resulting in temporary differences in its H1 2014/15 Financial Information. These assets can be utilised only if, and only to the extent that, the Group generates adequate levels of taxable income (including capital gains) in future periods to offset the tax loss carry-forwards and reverse the temporary differences prior to expiration. At 30 September 2014, the amount of future income (including capital gains) required to recover the Group's deferred tax assets was €25,125 thousand. The Group's ability to generate taxable income is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. If the Group generates lower taxable income than the amount it has assumed in determining its deferred tax assets, then the value of its deferred tax assets will be reduced.

The Group may be affected by litigation directed at the spirits industry in general and other litigation including product liability claims or claims relating to the Bols IP Rights and the Bols Recipes.

The Group, like many companies in the spirits industry, may in the future be subject to litigation in the ordinary course of its operations such as intellectual property claims, product liability claims, product labelling disputes and administrative claims. If such litigation results in fines, damages or payments, or the Group is required to alter its trademarks, labels or packaging, or such litigation causes reputational damage to the Group or its brands, the Group's business could be materially adversely affected. Significant claims or a substantial number of small claims may also be expensive to defend and may divert time and money away from the Group's operations, which could disrupt the Group's operations and have a material adverse effect on the Group's results of operations and financial condition. In addition, litigation and complaints from consumers or government authorities relating to beverage quality, illness, injury, alcohol abuse, illegal sales, targeted advertising of alcoholic beverages to underage consumers and health concerns or other issues resulting from excessive alcohol consumption may affect the industry as a whole.

Distilleerderijen Erven Lucas Bols B.V., currently named DELB B.V. (**DELB**), a wholly owned (indirect) subsidiary of Rémy Cointreau S.A., is the current legal owner of the intellectual property rights relating to the Bols brands (the **Bols IP Rights**). DELB has sold the Bols IP Rights and the recipes that are necessary for the manufacture of the alcoholic drinks that are sold under the Bols IP Rights (the **Bols Recipes**) to Lucas Bols Amsterdam B.V. subject to the terms and conditions of a hire purchase agreement. Pursuant to this agreement, the ownership of the Bols IP Rights and the Bols Recipes shall automatically transfer to Lucas Bols Amsterdam B.V. at the moment that the final instalment of the purchase price has been paid in March 2016 by De Bron 1575 B.V. (**De Bron**), a wholly-owned (indirect) subsidiary of Rémy Cointreau S.A., which has assumed the payment obligations of Lucas Bols Amsterdam B.V. under the hire purchase agreement. Lucas Bols Amsterdam B.V. has paid all amounts due by it under the hire purchase agreement. In the event of a bankruptcy of DELB, the Bols IP Rights and the Bols Recipes will in principle automatically transfer to Lucas Bols Amsterdam B.V. pursuant to the hire purchase agreement. However, in the event of the bankruptcy of DELB or in the event of an attachment on the Bols IP Rights and the Bols Recipes the cooperation of, respectively, a trustee in bankruptcy or the third party that has levied the attachment may be

required for the transfer of the Bols IP Rights and the Bols Recipes to Lucas Bols Amsterdam B.V. This may result in a delay of the transfer of Bols IP Rights and the Bols Recipes or result in litigation to secure the Group's rights with respect to the Bols IP Rights and the Bols Recipes. For more information see Chapter 20 "General Information", section "Material contracts", under "Hire Purchase Agreement".

Any litigation, adverse publicity or delay of the transfer of the Bols IP Rights and the Bols Recipes and any future governmental restrictions regarding the production, marketing, advertising, sale or consumption of alcoholic beverages sold due to any litigation may result in a significant reduction in the Group's revenue.

The Group may be exposed to tax liabilities resulting from certain tax audits.

The Group is subject to tax laws in the jurisdictions where it operates. The Group's effective tax rate in any given financial year reflects a variety of factors that may not be present in succeeding financial years and may be affected by the interpretation of the tax laws of the jurisdictions in which the Group operates, or changes to such laws. The interpretation of tax laws by local tax authorities may differ from the local tax advice that the Group relies on and receives from its local tax advisers in jurisdictions in which it operates. Certain tax positions taken by the Group are based on industry practice and external tax advice and/or are based on assumptions and involve a significant degree of judgment. Changes in applicable laws and regulations and related interpretations and increased enforcement actions and penalties may alter the environment in which the Group does business.

In addition, the Group may face audits and other challenges brought by tax authorities, such as disputes on the classification of its products for the purpose of determining the applicable excise taxes, in particular in the emerging markets. If challenges to the Group's tax positions (through audits or otherwise) were to be successful, the Group's effective tax rate may increase, the Group may be required to pay additional taxes, penalty charges and interest and it may incur costs in defending litigation or reaching a settlement with the relevant tax authority. The Group could be liable for amounts that are either not covered by provisions or in excess of provisions that are established. Any of the foregoing could have a material adverse effect on the Group's prospects, business, results of operations and financial condition.

The terms of the Group's financing arrangements may limit its commercial and financial flexibility.

The Group's commercial and financial flexibility is restricted by certain restrictive covenants under the terms of the New Senior Credit Facilities. These include (without limitation) restrictions relating to mergers and acquisitions, joint ventures, the granting of security over or disposal of assets, the incurrence of financial indebtedness, guarantees and indemnities and derivative transactions. Specifically, such covenants could have important consequences for the Group's business and operations, including, but not limited to (i) making it more difficult to satisfy obligations with respect to debts and liabilities; (ii) requiring the Group to dedicate a portion of cash flow from operations to payments on debt; (iii) increasing the Group's vulnerability to a downturn in business or general economic or industry conditions; (iv) limiting the Group's flexibility in planning for or reacting to competition or changes in its business and industry; (v) restricting the Group from pursuing strategic acquisitions or exploiting certain business opportunities or other growth projects; and (vi) limiting the Group's ability to borrow additional funds or raise equity capital in the future. Any breaches of the restrictions or covenants contained in the New Senior Credit Facilities or any of the Group's outstanding borrowings in the future may result in acceleration of the repayment of such existing or future indebtedness prior to maturity, which may have a material adverse effect on the Group's ability to service other liabilities and consequently may lead to its insolvency. The financial covenants in the New Senior Credit Facilities are tested in euro. Consequently, movement in the other currencies in which the earnings, assets and liabilities of certain of the Group's subsidiaries are denominated could adversely impact the Group's ability to comply with these financial covenants. The New Senior Credit Facilities also contain certain prepayment provisions, including the mandatory prepayment of all borrowings and the cancellation of all commitments under this facility upon a change of control of the Company or certain of its subsidiaries (these

provisions will not be triggered by the Offering and/or the Admission). If new debt is added to the current debt levels, the risks described above could intensify.

The Group could be subject to unexpected needs for liquidity, which could be exacerbated by factors beyond its control, including adverse capital and credit market conditions.

Market conditions could subject the Group to unexpected needs for liquidity, which may require the Group to increase its levels of indebtedness. Access to financing in the longer term depends on a variety of factors outside the Group's control, such as market conditions, the general availability of funding, the overall availability of credit to the industry, the value of assets which may be used to secure loans, credit ratings and credit capacity, as well as lenders' perception of the Group's long- or short-term financial prospects. From 2008 onwards, the capital and credit markets exerted downward pressure on the availability of liquidity and credit capacity. While this pressure has lessened, this trend may not continue and credit markets may deteriorate beyond levels seen previously. As a result, the Group may not be able to obtain additional financing on favourable terms or at all in the longer term (following expiry of the New Senior Credit Facilities). If access to financing is not available to the Group in amounts sufficient to enable it to fund unexpected liquidity needs, the Group may be required to: (i) reduce or delay its capital expenditures; (ii) limit its growth; (iii) seek additional debt financing or equity capital; (iv) forgo opportunities, such as the acquisition of other businesses; (v) sell its assets; or (vi) restructure or refinance its debt. The Group may not be able to undertake these actions on favourable terms or at all. In addition, if the Group needs access to additional capital and funding prior to the expiration of the New Senior Credit Facilities, its ability to obtain such capital is limited by restrictions and covenants in the New Senior Credit Facilities and other outstanding debt. The cost of any such capital and funding may be significant. Any of the foregoing may have a material adverse effect on the Group's prospects, business, results of operations and financial condition.

The Company relies on its direct subsidiary to provide itself with funds necessary to meet its financial obligations, including the payment of dividends.

The Company is a holding company with no material, direct business operations. The principal assets of the Company are the shares it holds in Lucas Bols Amsterdam B.V. and its indirect participations in several other subsidiaries. Lucas Bols Amsterdam B.V. is the main cash generating entity in the Group. As a result, the Company is dependent on loans, dividends and other payments from Lucas Bols Amsterdam B.V. to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of Lucas Bols Amsterdam B.V. to make such distributions and other payments depends on its earnings and may be subject to contractual or statutory limitations, such as limitations imposed by financing facilities or the requirement under Dutch law that a Dutch limited liability company may only pay dividend or make other distributions up to the amount that its net assets exceed its statutory reserves, if such reserves are formed. The New Senior Credit Facilities nor any other agreement contain restrictions on the payment of dividends by any of the Company's subsidiaries. Reference is made to Chapter 20 "General Information", section "Material contracts", under "Finance agreements" - "New Senior Credit Facilities" for more information on the restrictions on the payment of dividend by the Company under the New Senior Credit Facilities.

As an equity investor in its subsidiaries, the Company's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of their creditors. To the extent that the Company is recognised as a creditor of subsidiaries, the Company's claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to the Company's claims.

Risks relating to the Offering and the Shares

Following the Offering, the Company's largest Shareholders will be in a position to exert substantial influence on the Company and the interests pursued by these Shareholders could differ from the interests of the Company's other Shareholders.

AAC, the Company's major Shareholder prior to the Offering, will continue to be the Company's largest Shareholder and will hold 16.5% of the Group's issued and outstanding share capital following the Offering and DreamSpirit B.V., which is controlled by the CEO of the Company, will continue to be the second largest Shareholder and will hold 6.1% of the Group's issued and outstanding share capital following the Offering (assuming the issuance of 7,999,191 New Offer Shares and full exercise of the Over-Allotment Option). As a result, AAC and DreamSpirit B.V. will, either alone or acting in concert, due to their large shareholdings, be in a position to exert substantial influence on the General Meeting and, consequently, on matters decided by the General Meeting, including the appointment of members of the Management Board and Supervisory Board. In addition, upon Settlement, one member of the Supervisory Board holds a position within the corporate group of AAC. See Chapter 20 "General Information", section "Material contracts", under "Relationship Agreement" for a description of certain arrangements regarding the relationship between the Company and AAC.

Furthermore, since attendance at the General Meeting is a prerequisite for voting, even if AAC, either alone or acting in concert with one or more other (large) Shareholders such as DreamSpirit B.V., would not otherwise have sufficient votes to pass or block a Shareholder resolution, it might depending on the level of attendance of other Shareholders at the General Meeting, nonetheless have sufficient votes to block or pass measures at a particular General Meeting without the concurrence of other Shareholders. In any of the above instances, the interests of AAC and DreamSpirit B.V. could deviate from the interests of the Company's other Shareholders. As the Company's major Shareholder, AAC may, either alone or acting in concert with one or more other (large) Shareholders such as DreamSpirit B.V., be able to make certain key decisions without the support of any other Shareholders. As the major Shareholder, AAC may delay, postpone or prevent transactions that might be advantageous for investors.

Future offerings of debt or equity securities by the Company may adversely affect the market price of the Shares and may dilute investors' shareholdings.

The Management Board, subject to the approval of the Supervisory Board, will have the authority to issue Shares in the Company for a period of 18 months following the Settlement Date. Pursuant to this designation, the Management Board may resolve to issue Shares (i) up to a maximum of 10% of the total number of Shares issued and outstanding on the Settlement Date plus (ii) an additional 10% of the total number of Shares issued and outstanding on the Settlement Date in connection with or on the occasion of mergers and acquisitions and strategic alliances, and to exclude pre-emptive rights in relation thereto, subject to the approval of the Supervisory Board.

The Group may in the future seek to raise capital through public or private debt or equity financings by issuing additional Shares, debt or equity securities convertible into Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Shares. In addition, the Group may in the future seek to issue additional Shares as consideration for or otherwise in connection with the acquisition of new businesses. The issuance of any additional Shares, in connection with plans to raise additional capital, acquisitions or otherwise, may dilute an investor's shareholding interest in the Company. Furthermore, any additional debt or equity financing the Group may need may not be available on terms favourable to the Group or at all, which could adversely affect the Group's future plans and the market price of the Shares. Any additional offering or issuance of Shares by the Company, or the public perception that an offering or issuance may occur, could also have a negative impact on the trading price of the Shares and could increase the volatility in the trading price of the Shares.

Future sales or the possibility of future sales of a substantial number of Shares by the major Shareholders may adversely affect the market price of the Shares.

Following the completion of the Offering, AAC, the Group's major Shareholder prior to the Offering, will continue to be the Group's largest shareholder and will hold 16.5% of its issued and outstanding share capital following the Offering and DreamSpirit B.V., which is controlled by the CEO of the Company, will continue to be the second largest Shareholder and will hold 6.1% of the Group's issued and outstanding share capital following the Offering (assuming the issuance of 7,999,191 New Offer Shares and full exercise of the Over-Allotment Option). After the expiration of the applicable lock-up period of 180 days for AAC and 360 days for the Company and the Selling Shareholders after the Settlement Date, the major Shareholders may sell substantial numbers of their Shares in the public market. In addition, while inter alia AAC, the Company and the Selling Shareholders have agreed on a lock-up with the Joint Global Coordinators, the Joint Global Coordinators have full discretion to waive the lock-up at any time before its expiry. This could also result in the major Shareholders selling substantial numbers of their Shares in the public market even before expiry of the applicable lock-up period. In addition, there could also be a perception in the market that such sales could occur due to the expiry of the applicable lock-up period or its waiver. Any of these circumstances may adversely affect the market price of the Shares. In addition, such sales could make it more difficult for the Company to raise capital through the issuance of equity securities in the future.

Holders of Shares outside the Netherlands may not be able to exercise pre-emptive rights in future offerings.

In the event of an increase in the Company's share capital, holders of Shares are generally entitled to full pre-emptive rights unless these rights are excluded either by virtue of Dutch law, a resolution of the General Meeting at the proposal of the Management Board, with the approval of the Supervisory Board, or by a resolution of the Management Board with the approval by the Supervisory Board (if the Management Board has been designated by the General Meeting or the Articles of Association for this purpose). However, certain holders of Shares outside the Netherlands may not be able to exercise pre-emptive rights unless local securities laws have been complied with.

Shareholders in the US as well as in certain other countries may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless the Group complies with local requirements, or in the case of the US, unless a registration statement under the US Securities Act is effective with respect to such rights or an exemption from the registration requirements is available. In such cases, shareholders resident in such non-Dutch jurisdictions may experience a dilution of their holding of Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. The Group intends to evaluate at the time of any issue of Shares subject to pre-emptive rights or in a rights offer, as the case may be, the costs and potential liabilities associated with compliance with any such local laws or any such registration statement, as well as the indirect benefits to it of enabling the exercise of such holders of their pre-emptive rights to Shares or participation in a rights offer, as the case may be, and any other factors considered appropriate at the time and then to make a decision as to whether to comply with such local laws or file a registration statement. The Group cannot assure investors that any registration statement would be filed as to enable the exercise of such holders' pre-emptive rights or participation in a rights offer.

There is a risk that an active and liquid market for the Company's Shares will not develop and the price of the Shares may be volatile.

Prior to the Offering, there has been no public trading market for the Shares. There can be no assurances that an active trading market for the Shares will develop after the Offering or, if it does develop, that it will be sustained or liquid. If such market fails to develop or be sustained, this could negatively affect the liquidity and price of the Shares, as well as increase their price volatility. Investors may not be in a position to sell their Shares quickly or at the market price if there is no active trading in Shares.

After the Offering, the market price of the Shares could fluctuate substantially due to various factors, some of which could be specific to the Group and its operations and some of which

could be related to the industry in which the Group operates or equity markets generally. As a result of these and other factors, the Shares may trade at prices significantly below the Offer Price. The Company cannot assure that the market price of the Shares will not decline, and the Shares may trade at prices significantly below the Offer Price, regardless of the Group's actual operating performance.

If closing of the Offering does not take place, purchases of the Offer Shares will be disregarded and Euronext Amsterdam may annul transactions that have occurred.

Application has been made to list the Offer Shares on Euronext Amsterdam under the symbol "BOLS". The Company expects that the Offer Shares will be admitted to listing and that trading in the Offer Shares will commence prior to the Settlement Date on the First Trading Date on an "as-if-and-when-issued/delivered" basis. The closing of the Offering may not take place on the Settlement Date or at all, if certain conditions of events referred to in the underwriting agreement expected to be dated 20 January 2015 among the Company, the Selling Shareholders, AAC, the Joint Global Coordinators (the **Underwriting Agreement**) are not satisfied or waived or occur on or prior to such date (see Chapter 15 "The Offering", section "Delivery, clearing and Settlement"). Trading in the Offer Shares before the closing of the Offering will take place subject to the condition that, if closing of the Offering does not take place, the Offering will be withdrawn, all applications for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any application payments made will be returned without interest or other compensation and transactions on Euronext Amsterdam will be annulled. All dealings in the Offer Shares prior to settlement and delivery are at the sole risk of the parties concerned. The Company, the Joint Global Coordinators and Euronext Amsterdam N.V. do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transaction on Euronext Amsterdam.

Investors with a reference currency other than euro will become subject to certain foreign exchange risks when investing in the Shares.

The Company's equity capital is denominated in EUR, and all dividends on the Shares will be paid by the Company in EUR. Investors whose reference currency is a currency other than the EUR may be adversely affected by any reduction in the value of EUR relative to the respective investor's reference currency. In addition, such investors could incur additional transaction costs in converting EUR into another currency.

3 IMPORTANT INFORMATION

General

The contents of this Prospectus are not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the members of its Supervisory Board and Management Board, the Selling Shareholders, AAC, GSC or any of the Joint Global Coordinators or any of their respective representatives that any recipient of this Prospectus should subscribe for or purchase any Offer Shares. The Joint Global Coordinators are party to various agreements pertaining to the Offering and each of the Joint Global Coordinators may enter into financing arrangements with the Company or the Group, but this should not be considered as a recommendation by any of them to invest in the Shares. Each prospective investor should consult his own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Offer Shares, to among other things consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares.

Potential investors should rely only on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of Section 5:23 FSA. The Company does not undertake to update this Prospectus, unless required pursuant to Section 5:23 FSA, and therefore potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus, and, if given or made, any other such information or representations must not be relied upon as having been authorised by the Company, the members of the Management Board or Supervisory Board, any of the Selling Shareholders, AAC, GSC, any of the Joint Global Coordinators or any of their respective representatives. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Group's business of affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date of issue.

No representation or warranty, express or implied, is made or given by or on behalf of the Joint Global Coordinators or any of their affiliates or any of their respective directors, officers or employees or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by the Joint Global Coordinators or any of their respective affiliates as to the past or future. None of the Joint Global Coordinators accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Selling Shareholders, AAC, GSC, the Group, the Offering or the Shares. Accordingly, the Joint Global Coordinators disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

The Joint Global Coordinators are acting exclusively for the Company, the Selling Shareholders, AAC and GSC and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective customers in relation to the Offering and will not be responsible to anyone other than the Company, the Selling Shareholders, AAC and GSC for providing the protections afforded to their respective customers or for giving advice in relation to, respectively, the Offering and the listing or any transaction or arrangement referred to herein.

In connection with the Offering, the Joint Global Coordinators and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Offer Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise.

Accordingly, references in this Prospectus to the Offer Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Joint Global Coordinators and any of their affiliates acting as investors for their own accounts. None of the Joint Global Coordinators intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Kempen & Co has also been engaged by the Company as Listing and Paying Agent for the Shares, in relation to the admission of the Offer Shares to trading on Euronext Amsterdam. The Listing and Paying Agent's activities consist essentially of filing the application for admission to trading with Euronext Amsterdam and paying sums due on the Shares. The Listing and Paying Agent is acting for the Company only and will not regard any other person as its client in relation to the Offering. Neither the Listing and Paying Agent nor any of its directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described in this Prospectus, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with the Company, the Selling Shareholders, AAC, GSC or the Offering or the Shares. Accordingly, the Listing and Paying Agent disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and or any such other statements.

Responsibility statement

This Prospectus is made available by the Company. The Company accepts responsibility for the information contained in this Prospectus. The Company declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

Potential conflict of interest

Certain of the Joint Global Coordinators and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company, the Selling Shareholders, AAC and/or GSC or any parties related to any of them, in respect of which they have and may in the future, receive customary fees and commissions. Additionally, the Joint Global Coordinators and/or their respective affiliates have held and in the future hold, in the ordinary course of their business, the Company's securities for investment purposes. See Chapter 16 "Plan of Distribution", section "Potential conflicts of interest".

Rabobank, one of the Joint Global Coordinators, and NIBC, which acts as advisor to the Company, are a party to the existing credit facilities of the Group, which will be partly repaid from the net proceeds of the Offering. Rabobank and NIBC will be a party to the New Senior Credit Facilities to be entered into on Settlement, which will replace the remaining outstanding amount of the existing credit facilities.

In addition, a subsidiary of Rabobank (RI Leveraged Finance B.V.) holds Warrants, entitling it to acquire 86,800 Shares for an aggregate exercise price in the amount of €173,600 on the Settlement Date.

Mr. H.L.M.P. van Doorne and Mrs. A.B. van Doorne (via their holding company) and AAC currently hold Preference Shares (see Chapter 14 "Major Shareholders"). The Preference Shares will be redeemed on Settlement from the net proceeds of the Offering and entitle Mr. Van Doorne and Mrs. A.B. van Doorne to receive €2.6 million in total and AAC to receive €68.8 million.

DreamSpirit B.V. and LB2 B.V., through which the Company's CEO and CFO and certain of its other managers, respectively, hold their interests in the Company, are offering up to 105,000 Existing Offer Shares in the aggregate.

As a result, these parties may have interests that may not be aligned, or could possibly conflict with the interests of investors.

Stabilisation

In connection with the Offering, the Stabilisation Agent, may engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days after the Settlement Date. These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. Stabilisation will not be executed above the Offer Price. Such transactions may be effected on Euronext Amsterdam, in the over-the-counter markets or otherwise. The Stabilisation Agent and its agents are not required to engage in any of these activities and, as such, there can be no assurances that these activities will be undertaken; if undertaken, the Stabilisation Agent or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above.

Presentation of financial and other information

This Prospectus contains the following financial information:

- the audited consolidated financial information of the Group as at and for the fiscal years ended 31 March 2014, 31 March 2013 and 31 March 2012 (the **FY Financial Information**). The FY Financial Information should be read in conjunction with the accompanying notes thereto and the auditor's report thereon. The FY Financial Information has been prepared in accordance with IFRS and has been audited by KPMG. The statements included in the FY Financial Information are called 'special purpose' statements since these statements are prepared for the special purpose of inclusion in this Prospectus, in order to present the financial information in a form consistent with that which will be adopted in the Company's next published consolidated financial statements.
- the unaudited consolidated condensed interim financial information of the Group as at and for the six-month period ended 30 September 2014, which includes comparisons with the six-month period ended 30 September 2013 (the **H1 Financial Information**). The H1 Financial Information has been prepared in accordance with IFRS. The financial information of the Group as at and for the six-months period ended 30 September 2014 has been reviewed by KPMG.

Non-IFRS financial measures

The following financial measures included in this Prospectus are not measures of financial performance or liquidity under IFRS.

The Group defines EBIT as operating profit plus Share of profit of joint ventures, net of tax. EBIT is not a measure of liquidity or performance calculated in accordance with IFRS and should be viewed as a supplement, not a substitute for, the Group's results of operations presented in accordance with IFRS.

The Group defines Net Contribution Margin as Gross profit minus A&P and distribution expenses plus Share of profit of joint ventures, net of tax. Net Contribution Margin is calculated by adding the Net Contribution Margin for global brands and the Net Contribution Margin for regional brands.

Cash Conversion is calculated as operational free cash flow divided by EBITDA, whereby operational free cash flow is defined as EBIT multiplied by (1 minus statutory tax rate (25% for the relevant period)) plus D&A minus the change in Operating Working Capital minus capital expenditures. D&A forms part of the Group's overheads. Operating Working Capital is defined as inventories plus trade receivables less trade payables. Cash Conversion is not a term defined under IFRS and may not be comparable with similarly titled measures reported by other companies.

The Group defines EBITDA as EBIT plus D&A.

The Group defines EBIT margin as EBIT as percentage of revenue.

Net Debt is calculated as the outstanding amounts under the existing credit facilities (excluding unamortised fees) less cash and cash equivalents.

Net Debt to EBIT is calculated as the Net Debt at the end of the period indicated divided by EBIT for the period indicated.

Net Debt to Equity Ratio is calculated as Net Debt at the end of the period indicated divided by total equity at the end of the period indicated.

Reference is made to Chapter 7 “Selected Historical Financial and Operational Data”, section “Selected other financial data”.

These non-IFRS financial measures, which have not been audited or reviewed, are not recognised measures of financial performance or liquidity under IFRS, but are measures used by the Company to monitor the underlying performance of the Group’s business and operations. These non-IFRS financial measures may not be indicative of the Group’s historical operating results, nor are such measures meant to be predictive of the Group’s future results. Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for the information contained in the Group’s consolidated financial statements.

Rounding and negative amounts

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by “-” or “minus” before the amount.

Currency

All references in this Prospectus to “euro” or “€” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time. All references to “US dollar” or “USD” are to the lawful currency of the US.

Exchange rates

The Company publishes its historical consolidated financial statements in euros. The table below sets forth, for the periods and dates indicated, period average (the average of the closing exchange rates on the last business day of each month for annual averages and the average of the closing exchange rates on each business day during 2015 for the average in 2015 (through 16 January 2015)), high, low and period end exchange rates between the euro and the US dollar as published by Bloomberg. This exchange rate information is solely provided for your convenience. The exchange rate of the euro on 16 January 2015 (the latest practicable date before publication of this Prospectus) was USD1.1567 = €1.00

Date (calendar year)	Euro	US dollar (High)	US dollar (Low)	US dollar (Average)	US dollar (Period end)
2011	1	1.4830	1.2907	1.3982	1.2961
2012	1	1.3458	1.2061	1.2909	1.3193
2013	1	1.3802	1.2780	1.3300	1.3743
2014	1	1.3934	1.2098	1.3207	1.2098
2015 (through 16 January 2015)	1	1.2104	1.1567	1.1833	1.1567

Market and industry information

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of the Group's own assessment of its sales and markets.

The third party reports referenced in this Prospectus include publicly available information and third party data. Third party reports referenced in this Prospectus include reports published by:

- Drinks International;
- Economist Intelligence Unit;
- Euromonitor;
- International Wine and Spirit Research (**IWSR**);
- The Nielsen Company (**Nielsen**);
- The Canadean Group (**Canadean**); and
- World Bank

Industry publications generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third party information has been sourced in this Prospectus, the source of such information has been identified. The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Group is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In this Prospectus, the Group makes certain statements regarding its competitive and market position. The Group believes these statements to be true, based on market data and industry statistics, but the Group has not independently verified the information. The Group cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group's competitors may define their markets and their own relative positions in these markets differently than the Group does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the Group's.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares, arises or is noted between the date of this Prospectus and the later of the end of the Offering Period and the start of trading on Euronext Amsterdam, a supplement to this Prospectus is required. Such a supplement will be subject to approval by the AFM in accordance with Section 5:23 FSA and will be made public in accordance with the relevant provisions under the FSA. The summary shall also be supplemented, if necessary to take into account the new information included in the supplement.

Investors who have already agreed to purchase or subscribe for the Offer Shares before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Notice to investors

The distribution of this Prospectus and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in the Offer Shares may, in certain jurisdictions other than the Netherlands, including, but not limited to, the United States, be restricted by law. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus may not be used for, or in connection with, and does not constitute, an offer to sell, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation is not authorised or would be unlawful. Neither this Prospectus, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws or regulations.

None of the Company, the members of the Management Board or Supervisory Board, any of the Selling Shareholders, AAC, GSC, any of the Joint Global Coordinators or any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

All purchasers of Offer Shares are deemed to acknowledge that: (i) they have not relied on the Joint Global Coordinators or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this Prospectus, and that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries, the Selling Shareholders, AAC, GSC or the Offer Shares (other than as contained in this document) and, that if given or made, any such other information or representation has not been relied upon as having been authorised by the Company, the Selling Shareholders, AAC, GSC or the Joint Global Coordinators.

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.

This Prospectus does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire, Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The distribution of this Prospectus, and the offer or sale of Offer Shares, is restricted by law in certain jurisdictions. This Prospectus may only be used where it is legal to offer, solicit offers to purchase or sell Offer Shares. Persons who obtain this Prospectus must inform themselves about and observe all such restrictions.

No action has been or will be taken to permit a public offer or sale of Offer Shares, or the possession or distribution of this Prospectus or any other material in relation to the Offering, in any jurisdiction outside the Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. See Chapter 17 "Transfer Restrictions".

Enforcement of civil liabilities

The ability of Shareholders in certain countries other than the Netherlands, in particular in the US, to bring an action against the Company may be limited under law. The Company is a public limited liability company (*naamloze vennootschap*) incorporated in the Netherlands and has its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands.

All of the members of the Management Board and Supervisory Board and other officers of the Group named herein are residents of countries other than the US. All or a substantial proportion of the assets of these individuals are located outside the US. The Group's assets are predominantly located outside of the US. As a result, it may be impossible or difficult for investors to effect service of process within the US upon such persons or the Company or to enforce against them in US courts a judgment obtained in such courts.

The US and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the US will not be recognised and enforced by the Dutch courts. However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a court in the US which is enforceable in the US and files his claim with the competent Dutch court, the Dutch court will generally give binding effect to such foreign judgment insofar as it finds that the jurisdiction of the US court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed and except to the extent that the foreign judgment contravenes Dutch public policy.

Forward-looking statements

This Prospectus contains various forward-looking statements that reflect the Company's current views with respect to the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. The words "may", "will", "would", "should", "expects", "intends", "estimates", "anticipates", "projects", "believes", "could", "hopes", "seeks", "plans", "aims", "objective", "potential", "goal", "strategy", "target", "continue", "annualised" and similar expressions or negatives thereof or other variations thereof or comparable terminology, identify certain of these forward-looking statements. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, in the Chapters in this Prospectus entitled "Summary", "Risk Factors", "Dividend Policy", "Industry", "Business", "Operating and Financial Review" and include, among other things statements relating to:

- the Group's strategy, outlook and growth prospects;
- the Group's liquidity, capital resources and capital expenditures;
- expectation as to future growth in demand for the Group's products;
- general economic trends in the spirits industry;
- the impact of regulations on the Group and its operations; and
- the competitive environment in which the Group operates.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, the Group can provide no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including, among others:

- the competitive environment in which the Group operates;
- a reduction in revenue of one of the Group's key products;
- general economic trends and trends in the spirits industry;
- changes in customer and consumer preferences and social acceptability of the Group's products;
- the loss of one or more of the Group's key distributors or suppliers;
- fluctuations in currency and interest rates;
- increase in excise taxes, import duties, VAT or other taxes;
- changes to, or failure or inability to comply with, laws and regulations; and
- the loss of key employees and the availability of qualified personnel.

Additional factors that could cause the Group's actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Chapter 2 "Risk Factors".

Investors or potential investors should not place undue reliance on the forward-looking statements in this Prospectus. The Group urges investors to read the Chapters of this Prospectus entitled "Risk Factors", "Business" and "Operating and Financial Review" for a more complete discussion of the factors that could affect the Group's future performance and the markets in which the Group operates. In light of the possible changes to the Group's beliefs, assumptions and expectations, the forward-looking events described in this Prospectus may not occur. Additional risks currently not known to the Group or that the Group has not considered material as of the date of this Prospectus could also cause the forward-looking events discussed in this Prospectus not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Group undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law.

Definitions

This Prospectus is published in English only. Definitions and terms used in this Prospectus are defined in Chapter 21 "Definitions".

Trademarks

The Group owns or has rights to certain trademarks, trade names or service marks that it uses in connection with the operation of its business. The Group asserts, to the fullest extent under applicable law, its rights to its trademarks, trade names and service marks.

Each trademark, trade name or service mark of any other company appearing in this Prospectus belongs to its holder. Solely for convenience, the trademarks, trade names and copyrights referred to in this Prospectus are listed without the TM, ® and © symbols.

Available information

The Company has agreed that it will, during any period when it is neither subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the **US Exchange Act**), nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of Offer Shares, or any prospective purchaser designated by any such holder or beneficial owner, upon the request of such holder, the information required to be provided by Rule 144A(d)(4) under the US Securities Act. The Company is not currently subject to the periodic reporting and other information requirements of the US Exchange Act.

4 REASONS FOR THE OFFERING AND USE OF PROCEEDS

Background and reasons for the Offering and Admission

The Company believes that the offering of New Offer Shares will provide the Company with greater financial flexibility and strengthen its financial position by enabling it to redeem the Preference Shares and to repay part of the current outstanding debt.

The Company believes that the Admission will further enhance the Company's profile and brand recognition, provide the Company with access to the capital markets and create liquidity for existing Shareholders.

Each of the Selling Shareholders is offering up to 10% of its existing shareholding as part of the Offering. The Selling Shareholders will receive proceeds through the sale of the Existing Offer Shares to repay financing and related costs incurred in connection with their investment in the Shares in the management buy-out in 2006.

Use of proceeds

The Company estimates that net proceeds to the Company will amount to approximately €119 million, assuming the issuance of 7,999,191 New Offer Shares at the mid-point of the Offer Price Range. Costs of the Company associated with the offer and sale of the New Offer Shares are expected to total up to approximately €7 million (including payment in full of the discretionary underwriting commission, refinancing costs and estimated other expenses).

The Company intends to use the net proceeds of the Offering to partially repay the outstanding amounts under the existing credit facilities (€47.4 million) and to fully redeem the Preference Shares (€71.4 million, of which €68.8 million will be paid to AAC and €2.6 million will be paid to DreamSpirit B.V.), in connection with the Capital Restructuring which is a condition for the obligations of the Joint Global Coordinators under the Underwriting Agreement. See for more information Chapter 16 "Plan of Distribution", under "Underwriting Agreement". Any remaining amount of the net proceeds will be used for general corporate purposes.

On Settlement, the Group, Rabobank and NIBC will enter into a new senior facility agreement, consisting of (i) a term loan facility in the principal amount of €24 million and (ii) a revolving credit facility in the principal amount of €56 million (the New Senior Credit Facilities), which will replace the remaining outstanding amount of the existing credit facilities. For additional information on the terms of the New Senior Credit Facilities, see Chapter 20 "General Information", section "Material contracts", under "Finance agreements" - "New Senior Credit Facilities".

Assuming the application of the net proceeds of €119 million on 31 March 2014, and the refinancing having taken place as of 31 March 2014, the Group's net financial expenses in the six months ended 30 September 2014 would have been reduced by €7,555 thousand to €1,486 thousand.

The Company will receive only the proceeds of the Offering resulting from the issuance and sale of the New Offer Shares. The Company will not receive any proceeds from the sale of the Existing Offer Shares by the Selling Shareholders and/or the sale of any Over-Allotment Shares by AAC or GSC. The Selling Shareholders and AAC will pay the portion of the commissions associated with the offer and sale of the Existing Offer Shares and the Over-Allotment Shares to the Joint Global Coordinators.

5 DIVIDEND POLICY

Dividend policy

The Company plans to annually pay dividends in two semi-annual instalments, with a target dividend of at least 50% of the Group's net profits realised during the fiscal year. The Company intends to pay an interim dividend in the third quarter of each fiscal year, after the publication of the Company's half-yearly figures, and a final dividend in the second quarter of the following fiscal year, upon approval of the Company's annual accounts at the General Meeting. It is anticipated that the first dividend following Admission will be payable following publication of the Group's results for 30 September 2015. There can be no assurances that in any given year a dividend will be proposed or declared.

The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including future revenue, profits, financial conditions, general economic and business conditions, and future prospects and such other factors as the Management Board, subject to the approval of the Supervisory Board, may deem relevant as well as other legal and regulatory requirements. There can be no assurances that the Group's performance will allow the payment of dividends in accordance with the dividend policy, in particular, the Company's ability to pay dividends may be impaired if any of the risks described in this Prospectus were to occur (see Chapter 2 "Risk Factors"). The payment of dividends by the Company is allowed under the New Senior Credit Facilities, provided that if the Group's leverage ratio as at the immediately preceding fiscal half year date (on a pro forma basis, taking into account such payment) is equal or greater than 2.50:1, the payment of dividends is only permitted if such payment does not exceed 60% of the net profits of the Group for the relevant fiscal year when aggregated with all other dividend payments or distributions made by the Company in respect of that fiscal year. For more information, see Chapter 20 "General Information", section "Material contracts", under "Finance agreements" - "New Senior Credit Facilities". Furthermore, the Company's dividend policy is also subject to change as the Management Board, subject to the approval of the Supervisory Board, will revisit the Company's dividend policy from time to time.

Profit ranking of the Shares

All of the Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equally and will be eligible for any profit or other payment that may be declared on the Shares.

Manner and time of dividend payments

It is intended that the payment of dividends in cash, if declared, will be made in euro. However, the Company may also declare dividends in kind by issuing new Shares or otherwise. Any dividends that are paid to Shareholders through Euroclear Nederland, will be automatically credited to the relevant Shareholders' accounts without the need for the Shareholders to present documentation proving their ownership of the Shares.

The Company may only make distributions to the Shareholders if its shareholders equity exceeds the sum of the nominal value of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law.

Profit is distributed after the adoption of the annual accounts from which it appears that distribution of such profit is admissible. The Management Board, subject to the approval of the Supervisory Board, may decide to make allocations to reserves and therefore decides how much of the profit will be allocated to reserves. The profits remaining shall be at the free disposal of the General Meeting. For more information see Chapter 13 "Description of Share Capital and Corporate Governance", section "Dividends and other distributions".

Indebtedness

	Actual	Adjustments	Adjustments	Adjustments	As Adjusted
	As at 30 September 2014	Redemption of 50% of the Shares, reduction of nominal value, Exercise of Warrants & Extraordinary Share Award	Net proceeds of the New Offer Shares	Refinancing	Including the adjustments in columns 2-4
	(€ thousand)				
Cash	2,935	(513)	119,024	(117,658)	3,789
Cash equivalents	-	-	-	-	-
Trading securities	-	-	-	-	-
Liquidity	2,935	(513)	119,024	(117,658)	3,789
Current financial receivables..	-	-	-	-	-
Current bank debt.....	-	-	-	-	-
Current portion of non-current debt.....	42,549	-	-	(40,549)	2,000
Other current financial debt	-	-	-	-	-
Current financial debt	42,549	-	-	(40,549)	2,000
Net Current Financial indebtedness	39,614	513	(119,024)	77,109	(1,789)
Non-current bank loans	74,800	-	-	(8,571)	66,229
Bonds issued	-	-	-	-	-
Other non-current loans.....	68,538	-	-	(68,538)	-
Non-current Financial Indebtedness	143,338	-	-	(77,109)	66,229
Net Financial Indebtedness	182,952	513	(119,024)	-	64,440

Since 30 September 2014 there has not been a material change in any of the information included in the tables above.

See Chapter 8 “Operating and Financial Review”, section “Off-balance sheet arrangements” for a discussion of the Group’s indirect and contingent indebtedness.

7 SELECTED HISTORICAL FINANCIAL AND OPERATIONAL INFORMATION

The selected historical financial and operational information of the Group shown in the tables below should be read in conjunction with the information contained in Chapter 3 "Important Information", section "Presentation of financial and other information", Chapter 6 "Capitalisation and Indebtedness", Chapter 8 "Operating and Financial Review", and the Financial Information.

The tables below contain selected unaudited consolidated financial information of the Group as at and for the six-month period ended 30 September 2014, which includes comparisons with the six-month period ended 30 September 2013, and should be read in conjunction with the accompanying notes thereto and the auditor's review report thereon, and selected audited consolidated financial information of the Group as at and for the fiscal year ended 31 March 2014, 31 March 2013, 31 March 2012 which should be read in conjunction with the accompanying notes thereto and the auditor's report thereon. The Financial Information has been prepared in accordance with IFRS.

Selected consolidated income statement data

	H1 2014/15	H1 2013/14	FY 2013/14	FY 2012/13	FY 2011/12
(€ thousand)					
Continuing operations					
Revenue	40,781	41,184	78,724	79,988	78,318
Cost of sales	(15,572)	(15,563)	(31,139)	(32,366)	(32,399)
Gross profit	25,209	25,621	47,585	47,622	45,919
Distribution and administrative expenses	(12,283)	(12,526)	(26,089)	(25,295)	(23,660)
Operating profit	12,926	13,095	21,496	22,327	22,259
Share of profit of joint ventures, net of tax	39	(51)	513	875	745
Finance income	-	4	31	51	49
Finance costs	(9,041)	(9,744)	(19,465)	(19,513)	(19,590)
Net finance costs	(9,041)	(9,740)	(19,434)	(19,462)	(19,541)
Profit before tax	3,924	3,304	2,575	3,740	3,463
Income tax expense	(1,965)	(1,676)	(2,352)	(2,328)	(2,117)
Profit	1,959	1,628	223	1,412	1,346

Selected consolidated statement of financial position data

	H1 2014/15	H1 2013/14 ⁽¹⁾	FY 2013/14	FY 2012/13	FY 2011/12
(€ thousand)					
Assets					
Property, plant and equipment	1,564	1,586	1,664	1,526	1,646
Intangible assets	214,943	214,943	214,943	214,743	214,743
Investments in joint-ventures	5,728	5,883	5,926	5,995	6,029
Other investments	599	1,034	599	664	836
Deferred tax assets	7,194	6,686	7,421	7,276	7,432
Total non-current assets	230,028	230,132	230,553	230,204	230,686
Inventories	6,561	5,329	7,605	5,324	6,258
Trade and other receivables	17,620	16,773	15,205	14,622	13,837
Derivative financial instruments	15	586	109	26	-
Cash and cash equivalents	2,935	1,508	3,120	3,822	713
Total current assets	27,131	24,196	26,039	23,794	20,808
Total assets	257,159	254,328	256,592	253,998	251,494
Equity					
Share capital	8,400	8,400	8,400	8,400	8,400
Hedging Reserve	(1,300)	306	(78)	(1,576)	(4,578)
Translation Reserve	(139)	(65)	(171)	(65)	(73)
Retained earnings	23,633	23,246	23,410	21,776	20,968
Result for the year	1,959	1,628	223	1,412	1,346
Total equity	32,553	33,515	31,784	29,947	26,063
Liabilities					
Subordinated loans	36,098	34,117	35,075	33,355	31,579
Other loans and borrowings	38,702	81,350	76,044	88,559	99,557
Other non-current fin. liabilities - Cum.					
Pref. Shares	68,538	61,452	64,794	58,109	52,140
Other non-current fin. Liabilities - Other	1,182	604	780	1,250	3,112
Employee benefits	465	492	465	518	190
Deferred tax liabilities	28,571	25,631	26,985	23,759	20,601
Total non-current liabilities	173,556	203,646	204,143	205,550	207,179
Loans and borrowings	42,549	8,944	9,611	8,535	7,475
Trade and other payables	7,095	6,118	9,752	6,285	7,548
Derivative financial instruments	1,406	2,105	1,302	3,681	3,229
Total current liabilities	51,050	17,167	20,665	18,501	18,252
Total liabilities	224,606	220,813	224,808	224,051	225,431
Total equity and liabilities	257,159	254,328	256,592	253,998	251,494

(1) The H1 2013/14 figures in this column are unaudited, not reviewed and are not part of the consolidated financial statements contained in Chapter 22 "Index to the Financial Statements".

Selected consolidated cash flow data

	H1 2014/15	H1 2013/14	FY 2013/14	FY 2012/13	FY 2011/12
(€ thousand)					
Cash flows from operating activities					
Profit for the period	1,959	1,628	223	1,412	1,346
Adjustments for:					
Depreciation of property, plant and equipment	259	260	586	460	387
Net finance costs	9,041	9,740	19,434	19,462	19,541
Release net-realised hedging reserve	(726)	(497)	(1,948)	(139)	(2,267)
Share of profit of joint ventures, net of tax	(39)	51	(513)	(875)	(745)
Income tax expense	1,965	1,676	2,352	2,328	2,117
Provisions and employee benefits	-	34	67	63	52
	12,459	12,892	20,201	22,711	20,431
Change in:					
Inventories	1,044	(5)	(2,281)	934	(340)
Trade and other receivables	(1,314)	(2,037)	(376)	(818)	(129)
Prepayments	(995)	(114)	-	-	-
Trade and other payables	(2,922)	(366)	3,246	(871)	(3,192)
Net changes in working capital	(4,187)	(2,522)	589	(755)	(3,661)
Proceeds from settlement of derivatives	-	-	939	2,282	-
Dividends from joint ventures	200	125	625	600	900
Net cash from operating activities	8,472	10,495	22,354	24,838	17,670
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	-	(298)	(298)	-	-
Acquisition of property, plant and equipment	(162)	(168)	(543)	(340)	(401)
Acquisition of other investments	-	-	-	(59)	-
Proceeds from partly repayment loan by joint-venture	-	-	-	-	335
Net cash from (used in) investing activities	(162)	(466)	(841)	(399)	(66)
Cash flows from financing activities					
Payment of transaction cost related to loans and borrowings	-	(650)	(682)	-	-
Repayment of borrowings	(4,806)	(6,625)	(11,702)	(10,627)	(5,850)
Interest received	-	4	31	51	49
Interest paid	(3,689)	(5,072)	(9,862)	(10,754)	(11,486)
Net cash from (used in) financing activities	(8,495)	(12,343)	(22,215)	(21,330)	(17,287)
Net increase in cash and cash equivalents	(185)	(2,314)	(702)	3,109	317
Cash and cash equivalents at start of period	3,120	3,822	3,822	713	396
Cash and cash equivalents at end of period	2,935	1,508	3,120	3,822	713

Selected other financial data

	<u>As Adjusted⁽¹⁾</u>	<u>H1 2014/15</u>	<u>H1 2013/14</u>	<u>FY 2013/14</u>	<u>FY 2012/13</u>	<u>FY 2011/12</u>
(€ thousand)						
EBIT ⁽²⁾	—	12,965	13,044	22,009	23,202	23,004
Net Contribution Margin ⁽³⁾ ...	—	18,311	17,890	32,167	31,747	30,827
Cash Conversion ⁽⁴⁾	—	56%	59%	78%	70%	68%
Finance Costs	(1,486)	(9,041)	(9,744)	(19,465)	(19,513)	(19,590)
Net Debt ⁽⁵⁾	60,696	115,784	125,242	119,450	128,656	140,683
Net Debt to EBIT ⁽⁶⁾	—	—	—	5.4	5.5	6.1
Net Debt/Equity Ratio ⁽⁷⁾	—	3.6	3.7	3.8	4.3	5.4

(1) Assuming the application of the net proceeds of €119,024 thousand and the refinancing having taken place as of 31 March 2014.

(2) The Group defines EBIT as operating profit plus Share of profit of joint ventures, net of tax. EBIT is not a measure of liquidity or performance calculated in accordance with IFRS and should be viewed as a supplement, not a substitute for, the Group's results of operations presented in accordance with IFRS. See Chapter 3 "Important Information", section "Presentation of financial and other information". The reconciliation of EBIT to operating profit is set forth below.

	<u>H1 2014/15</u>	<u>H1 2013/14</u>	<u>FY 2013/14</u>	<u>FY 2012/13</u>	<u>FY 2011/12</u>
(€ thousand)					
Operating profit	12,926	13,095	21,496	22,327	22,259
Share of profit of joint ventures, net of tax.....	39	(51)	513	875	745
EBIT	12,965	13,044	22,009	23,202	23,004

(3) The Group defines Net Contribution Margin as Gross profit minus A&P and distribution expenses plus Share of profit of joint ventures, net of tax. Net Contribution Margin is not a measure of liquidity or performance calculated in accordance with IFRS and should be viewed as a supplement, not a substitute for, the Group's results of operations presented in accordance with IFRS. See Chapter 3 "Important Information", section "Presentation of financial and other information". The reconciliation of net contribution margin to gross profit is set forth below.

	<u>H1 2014/15</u>	<u>H1 2013/14</u>	<u>FY 2013/14</u>	<u>FY 2012/13</u>	<u>FY 2011/12</u>
(€ thousand)					
Global brands					
Revenue.....	28,264	28,954	54,488	53,812	50,725
Cost of goods sold.....	(9,684)	(9,806)	(19,039)	(19,696)	(19,017)
Gross profit	18,580	19,148	35,449	34,116	31,708
A&P and distribution expenses.....	(6,053)	(6,727)	(13,731)	(13,957)	(12,509)
Share of profit of joint ventures, net of tax.....	13	(21)	38	64	55
Net Contribution Margin	12,540	12,401	21,756	20,223	19,254
Regional brands					
Revenue.....	12,517	12,229	24,236	26,176	27,593
Cost of goods sold.....	(5,888)	(5,757)	(12,100)	(12,670)	(13,382)
Gross profit	6,629	6,472	12,136	13,506	14,211
A&P and distribution expenses.....	(884)	(954)	(2,200)	(2,793)	(3,328)
Share of profit of joint ventures, net of tax.....	26	(30)	475	811	690
Net Contribution Margin	5,771	5,489	10,411	11,524	11,573

(4) Cash Conversion is calculated as operational free cash flow divided by EBITDA, whereby operational free cash flow is defined as EBIT multiplied by (1 minus statutory tax rate (25% for the relevant period)) plus D&A minus the change in Operating Working Capital minus capital expenditures. D&A forms part of the Group's overheads. Operating Working Capital is defined as inventories plus trade receivables less trade payables. Cash Conversion is not a term defined under IFRS and may not be comparable with similarly titled measures reported by other companies.

(5) Net Debt is calculated as the outstanding amounts under the existing credit facilities (excluding unamortised fees) less cash and cash equivalents.

- (6) Net Debt to EBIT is calculated as the Net Debt at the end of the period indicated divided by EBIT for the period indicated.
- (7) Net Debt to Equity Ratio is calculated as Net Debt at the end of the period indicated divided by total equity at the end of the period indicated.

8 OPERATING AND FINANCIAL REVIEW

You should read the following commentary together with the “Selected Historical Financial and Operational Information” included in Chapter 7, the Group’s unaudited consolidated financial statements as at and for H1 2014/15 and the Group’s audited consolidated financial statements as at and for FY 2013/14, FY 2012/13 and FY 2011/12, as well as the accompanying notes thereto, included in Chapter 22 “Index to the Financial Statements”. The Group’s audited consolidated financial statements as at and for FY 2013/14, FY 2012/13 and FY 2011/12 and the Group’s unaudited consolidated financial statements as at and for H1 2014/15 have been prepared in accordance with IFRS. The unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements.

This section may contain “forward-looking statements”. Such statements are subject to risks, uncertainties and other factors, including those set forth in Chapter 2 “Risk Factors”, that could cause the Group’s future results of operations, financial position or cash flows to differ materially from the results of operations, financial position or cash flows expressed or implied in such forward looking statements. See Chapter 3 “Important Information”, section “Forward-looking statements” for a discussion of risks associated with reliance on forward-looking statements.

Overview

The Group is a leading Netherlands based company selling a range of spirits brands with a heritage dating back to 1575. The Group has a portfolio of more than 20 brands across a range of spirits products, including liqueurs, genever, gin and vodka. The Group’s global brands, which represented 69.2% of the Group’s revenue in FY 2013/14, include Bols Liqueurs, Bols Genever, Damrak Gin, Bols Vodka, Galliano and Vaccari. The Group’s regional brands, of which Pisang Ambon, Bokma, Hartevelt and Coebergh are the largest, represented 30.8% of the Group’s revenue in FY 2013/14.

In 2014, the Group opened the Lucas Bols Distillery in the centre of Amsterdam, producing the heart (essential flavour distillates) for some of the Group’s products, being various Bols Genevers, various Bols Liqueurs and Damrak Gin.

Blending and bottling for the majority of the countries where the Group sells its products is outsourced to its joint venture Avandis, while the Bols Liqueurs for the US market are produced in the United States by Brown-Forman Corporation.

The Group’s products are distributed to and sold globally in more than 110 countries. The Group has long-standing relationships with its distributors, many of whom are alcohol beverage companies with their own distribution network. In the US market, the Company controls the distribution of its products through its own subsidiary Lucas Bols USA Inc. In the Netherlands, its products are distributed by its joint venture Maxxium.

The Group operates in four geographic markets: Western Europe (representing 46.2% of revenue in FY 2013/14), Asia-Pacific (representing 23.2% of revenue in FY 2013/14), North America (representing 18.1% of revenue in FY 2013/14) and Emerging Markets (representing 12.5% of revenue in FY 2013/14).

Key factors affecting the Group’s results of operations

Performance of the Group’s brand portfolio and impact on margin

The Group’s results of operations are impacted by the performance of its brand portfolio, which consists of global brands and regional brands. The global brands, which include Bols Liqueurs (in 39 flavours), Bols Genever, Bols Vodka, Damrak Gin, Galliano and Vaccari, are sold in all of its four geographic markets. Regional brands consist of more than 15 brands, including Pisang Ambon, Gold Strike, Bols Brandy, Bols Genever, Hartevelt, Claeryn, Hoppe, Bokma and Bootz, and are generally sold in Western Europe and the Emerging Markets, with a small portion of sales in Asia-Pacific. During H1 2014/15, FY 2013/14, FY 2012/13 and FY 2011/12, global brands accounted for 69.3%, 69.2%, 67.3% and 64.8%, respectively, of the Group’s revenue and regional brands accounted for 30.7%, 30.8%, 32.7% and 35.2%, respectively, of the Group’s revenue. Global brands generally have higher margins than regional brands as a result of global brands predominantly being sold on-trade. Portfolio segmentation enables the Group

to prioritise brand investments on a country-by-country basis to drive optimal volume and profit performance of the overall brand portfolio.

Sales of global brands, in the aggregate, have increased during the periods under review as a result of increased sales of global brands in Asia-Pacific, the Emerging Markets and North America, with stable sales of global brands in Western Europe. During the periods under review, the performance of each of the products within the global brands portfolio has varied depending upon the product and the geographic market. For example, sales of Galliano have decreased in Australia as a result of the increased regulations on the promotion and sale of “single serve” drinks in Australia. Increased sales of global brands in Asia-Pacific and the Emerging Markets have been driven by increased on-trade alcohol consumption, including consumption of cocktails and mixed drinks. For example, in Japan, a key growth driver has been the increased consumption of alcohol by female drinkers, especially young female drinkers choosing western-style cocktails. Likewise, in China, increased female alcohol consumption, combined with an expanding pub culture, has contributed to the growth of a western style on-trade. Sales of global brands in North America have increased as a result of the Group insourcing its distribution to its wholly-owned subsidiary, Lucas Bols USA Inc., thereby allowing for direct contact with state distributors; this has reduced costs previously paid to third party distributors but at the same time required investments in the Group’s organisation in the United States. In Western Europe, sales of global brands have remained stable, with sales decreasing in certain markets, such as Germany as a result of price increases, but increasing in other markets, such as the Netherlands.

Sales of regional brands, in the aggregate, have declined during the periods under review as a result of decreased sales in Western Europe, particularly the Netherlands, due largely to negative pressure on consumption as a result of generally weak economic conditions and governmental regulations. Regional brands are predominantly sold off-trade, where sales are more sensitive to the impact of regional and local market conditions, including macroeconomics and government regulations. In the Netherlands, one of the primary markets where the Group’s regional brands are sold, the Group’s results have been impacted by the continued economic slowdown of the local economy and the aging population. For example, sales of young jenever, a spirit that became popular in the 1970s, have declined in recent years as the primary drinkers of young jenever have aged and consumption of the spirit has decreased. Additionally, excise duty increases in 2013 and 2014 and a VAT increase in 2012 in the Netherlands have negatively impacted sales of regional brands during the periods under review. While sales of regional brands in the Netherlands have begun to stabilise in H1 2014/15 after declining for the past three fiscal years, the Group continues to grow sales of global brands in the Netherlands.

Diverse geographic coverage area and the impact of industry trends

The Group’s spirits brands are distributed in more than 110 countries with approximately 80% of its revenue during FY 2013/2014 generated in countries outside of the Netherlands. The Group’s products are sold in four geographic markets: Western Europe, Asia-Pacific, North America and the Emerging Markets. The Group generates more than 10% of its revenue in each of the Netherlands, the United States and Japan. For H1 2014/15, FY 2013/14, FY 2012/13 and FY 2011/12, revenue from the Netherlands was €8,971 thousand, €17,396 thousand, €19,335 thousand and €20,126 thousand, respectively, revenue from the United States was €5,153 thousand, €10,915 thousand, €9,490 thousand and €9,699 thousand, respectively, and revenue from Japan was €5,214 thousand, €9,412 thousand, €8,443 thousand and €7,050 thousand, respectively. The Group has the highest margins in Asia-Pacific and the lowest margins in Western Europe, as a result of the Group’s products predominantly being sold on-trade in Asia-Pacific and off-trade in Western Europe.

The Group’s results are impacted by the macroeconomic trends in the Group’s geographic markets and the conditions of the local and regional markets. Economic conditions can affect the consumers of the Group’s products and the bartender community as well as the Group’s suppliers and distributors in many ways that can be difficult for the Group to predict. When economic conditions are, or are perceived by consumers to be, weak, distributors may reduce inventory levels and product orders, competitors may reduce prices and consumers may change their social behaviours, such as opt for off-trade consumption over on-trade

consumption or trading down to lower priced products. For example, challenging economic conditions as a result of the economic slowdown following the global economic crisis, particularly in FY 2012/13, led to decreased sales of the Group's products in Western Europe. In certain countries of Western Europe, such as the United Kingdom, consumers opted to consume alcohol off-trade rather than on-trade and traded down to lower cost products. During FY 2013/14, the Group continued to experience decreased sales in the Netherlands as a result of the continued economic slowdown and increases in excise duty, but sales during H1 2014/15 have shown signs of stabilising. Additionally, in Argentina, weak economic conditions and high inflation have led to lower consumer confidence, which has resulted in decreased sales during FY 2013/14. In markets that have been less impacted by the economic slowdown and where consumer spending has remained more robust, such as Asia-Pacific and the Emerging Markets, the Group has generally experienced increased sales during the periods under review. Currently, in Russia, political and regional instability are driving decreased spending and high inflation; sales have decreased 30.6% (excluding the effect of foreign currency translations) during H1 2014/15 compared to H1 2013/14 and it is unclear what impact this will have for the remainder of the fiscal year.

Rapid wealth creation in the Emerging Markets and Asia-Pacific has led to increased disposable income, which the Group believes has led to an increase in consumption and changed cultural eating and drinking habits. For example, in China, increased financial independence of women has led to greater social acceptance of female alcohol consumption. Increased female alcohol consumption, combined with an expanding pub culture, has helped contribute to the development of a western-style on-trade in China. During each of the periods under review, the Group's results in Asia-Pacific, specifically Japan and China, have been positively impacted by these trends of increased female alcohol consumption and increased on-trade consumption. Between FY 2011/12 and FY 2013/14, sales in Asia-Pacific increased 18.2% or 8.7% annually.

There is also a general trend, referred to as "premiumisation", of consumers demanding higher quality and higher value products. In more mature markets, this trend is driven by an ageing population with increased disposable income. This trend is also linked to an expanding craft "cocktail culture", for example, in cities in North America such as New York and San Francisco, where value is placed on the quality of the ingredient. For example, in the United States, consumers are willing to pay higher prices for liqueurs imported from the Netherlands as opposed to cordials produced in the United States because of the perceived higher quality and value of such products. In more developing markets, such as the Emerging Markets, premiumisation is driven by a trading up by an emerging middle class, with consumers increasingly demanding the affordable luxury that premium and super-premium brands represent. The Group intends to capitalise on this trend of premiumisation, as well as the demand created by a strong craft "cocktail culture" in the United States and grow its market share by focusing on its distribution network in the United States, particularly through targeting on-trade and off-trade national accounts, which are accounts that cover multiple locations of, for example, a restaurant, bar or hotel chain.

Consumer preferences and demand

The Group's revenue has been, and will continue to be, affected by consumer demand and consumer preferences for spirits, in particular cocktails and mixed drinks, which, in turn, impact portfolio mix in each of the geographic markets in which the Group operates.

Shifts in consumer preferences and consumer demand for spirits relative to other beverages or in absolute terms can impact the Group's results. For example, the Group's revenue for global brands is primarily impacted by consumer demand for cocktails and mixed drinks and levels of on-trade alcohol consumption. Certain of the Group's brands, such as Bols Genever, are marketed to well-known cocktail cities such as New York, San Francisco, London, Berlin, Amsterdam, Moscow, Tokyo and Shanghai, with sales of global brands such as Bols Genever and Bols Liqueurs being predominately driven by cocktail consumption. While the success of the "cocktail culture" predicted by IWSR 2013 to generally increase in the Group's geographic markets, if consumer preferences and demand or cultural behaviour were to change, it could impact the Group's results. Consumer preferences and demand may change due to a variety of factors, including changes to demographics and social trends, actions of competitors, public

health regulations, changes in travel, vacation or leisure activity patterns, political actions and changes in economic conditions.

One method through which the Group gauges consumer demand is by monitoring shipments and depletions of its products. The Group refers to the sale of its products to a distributor as a shipment and the sale by distributors of the Group's products to on-trade and off-trade channels as a depletion. A decrease in depletions indicates a slowdown in consumer demand, which then generally leads to a decrease in shipments to distributors and negatively impacts the Group's sales. For example, during H1 2014/2015, depletions decreased in Russia, followed by a decrease in shipments to Russia as a result of decreased consumer spending and higher inflation driven by increasing political and regional instability. Alternatively, during periods of increased demand, for example in China during FY 2012/2013, depletions increased, followed thereafter by an increase in shipments.

Additionally, the Group's performance is impacted by the preferences of its distributors and the trade. Liquor companies are increasingly competing for placement with consumers, with distributors playing a role by promoting one product in its portfolio over another and bartenders playing a role in determining which products are stocked on bar shelves, which products are placed on cocktail menus, the quantity of products ordered and which products the consumer desires. To this end, the Group works to create demand for its products within the trade, in particular the bartender community, in several different ways such as educating the bartender community, with the help of its brand ambassadors, about the Group's products, operating the Bols Bartending Academy and hosting Bols Around the World, tasting events and bartending competitions.

Foreign currency risk

While the euro is the Group's reporting currency, the Group invoices in local currency, which impacts the pricing of its products, and ultimately the volume of products sold. As a result of invoicing in the local currency, the Group's revenue is denominated mainly in the local currencies of the respective markets where the Group sells its products. However, a significant portion of the Group's costs, mainly costs related to blending and bottling, interest and overheads, are denominated in the euro. Approximately 54% of the Group's revenue for FY 2013/14 was generated in local currencies other than the euro, with a large portion of revenue generated in the Japanese yen, US dollar and Australian dollar.

Additionally, the Group has operations in the United States, where it records its revenue and expenses in US dollars. As a result, the Group is exposed to both transaction and translation exchange rate risk. The Group's results and financial condition have historically been impacted by fluctuations in foreign currency exchange rates. The Group seeks to mitigate the impact of fluctuations in foreign currency exchange rates on cash flow and earnings by entering into hedging agreements to hedge approximately 60% to 80% of its exposure at the start of the financial year. In consultation with the Group's Supervisory Board, the Group may deviate from this policy and eventually hedge greater amounts for longer periods of time or defer the timing of hedging to a later time during the financial year. For example, during FY 2011/12, the Group entered into hedging agreements for multi-year hedges of the Japanese yen, the last of which expires in March 2015. The Group also entered into multi-year hedges of the US dollar which expired at the end of FY 2013/14. Through its hedging policy, the Group has been able to mitigate the negative impact of the strengthening of the euro on the Group's results during FY 2013/14.

New product innovation

Through its new product innovations and brand extensions, the Group aims to be recognised as a driver of innovation in the cocktail market. The Group has introduced 20 new products over the past seven years in the global brands portfolio and 17 new products in the regional brands portfolio. During FY2013/14, these product innovations represented approximately 5% of the Group's revenue. New products are launched on a country-by-country basis, which allows the Group to employ targeted marketing efforts with low A&P. The country specific approach also allows the Group to work closely with its distribution partners and brand ambassadors in each market to develop new products to meet market demand and provide innovative products to

bartenders. At the Bols Bartending Academy and the House of Bols, the Group tests new products and further gauges consumer market demand. New products generate new revenue and improve the Group's profitability. However, even new products with lower revenue, serve as important marketing resources and contribute to Lucas Bols brand recognition, such as is the case with Bols Foam.

Long-standing network relationships provide route to market

The Group outsources most of its bottling and blending, logistics and distribution functions. The Group's performance and results are impacted by its relationships with its network of providers, producers, distributors and suppliers.

The Group produces the distillates for its genevers and some of its liqueurs and gins at the Lucas Bols Distillery, located in the heart of Amsterdam. The Group acquired the distillery during FY 2012/13 and in 2014, after expanding the distillery's operations, began moving the heart of the Group's production activities to the distillery. The Group also continues to produce distillates with a third party but expects to move most of its distillation to the Lucas Bols Distillery within one year. The Group delivers the distillates for blending and bottling to its joint venture, Avandis, which blends and bottles the Group's products for a substantial majority of the markets outside the United States. Avandis is a cost-based joint venture whereby costs are charged to the Group based on the volume of the Group's products blended and bottled. If a greater volume of the Group's products are blended and bottled by Avandis, general costs per bottle will decrease and margins will be positively impacted. In the United States, the Group's products are blended and bottled on an exclusive basis by Brown-Forman Corporation, with whom the Group has had a long-standing relationship since 1956. The Group pays Brown-Forman Corporation for the actual cost of raw materials and a fixed production fee per bottle, which is adjusted annually in accordance with the production price index. Additionally, the Group's products are locally produced in South Africa, Argentina, Poland, Canada and India pursuant to various types of agreements, including a joint venture agreement, royalty agreements and production agreements, which typically have fixed production costs per bottle.

The Group distributes its products in accordance with three distribution structures: (i) in the United States, through its wholly-owned subsidiary Lucas Bols USA Inc., (ii) in the Netherlands, through its joint venture, Maxxium, and (iii) in markets around the world, through its third party distribution partners. As 50% owner in Maxxium, the Group has the ability to influence financial and board matters. Third party distribution agreements are generally for a fixed term of five years. Almost all of the Group's revenue (outside the United States) during H1 2014/15 and FY 2013/14 was earned from distributors that the Group had a relationship of five years or more. During FY 2013/14, the Group renewed its distribution agreements for a major part of its portfolio until 2019. The Group's relationship with its distributors, who are mainly other spirits companies, impacts the Group's results as the Group depends on distributors to focus their efforts on marketing the Group's products. In many markets, particularly in Japan and China, the Group believes its results have been positively impacted by relationships with distributors who believe that the Group's products fit strategically into and enhance the distributor's portfolio.

The Group also relies on its relationships with other partners in the supply chain, in particular the bartender community. The Group generally focuses its marketing efforts towards the bartender community with the strategy of becoming the worldwide bartender authority. Through tasting events, bartending competitions, the Bols Bartending Academy, Bols Around the World, its website, social media and brand ambassadors, the Group works to develop a relationship with the trade. Additionally, the Group's performance can be impacted during times of negotiation between distributors and the trade community. For example, during price negotiations, retailers may require the pre-shipment of products as well as use order stops as a negotiating measure.

Impact of regulation, excise duty and VAT

The Group operates in a highly regulated environment, which can impact its results. With sales of the Group's products in more than 110 countries, the Group is subject to extensive regulatory requirements regarding production, importation, marketing and promotion, labelling, distribution, pricing and trade practices. In addition to regulations relating to trading hours for on-trade and

off-trade sales of alcohol, minimum drinking ages, maximum blood alcohol concentrations for operating motor vehicles and maximum alcohol content in products, the following have significant effects on results:

Excise duty and VAT

The Group does not include excise duty and VAT when it reports revenue. The rate of excise duty on alcoholic beverages has an impact on the Group's revenue in terms of sales volume and pricing. The rate of excise duty on alcoholic beverages has a greater impact on the Group's revenue in those markets where regional brands are sold or where the Group's products are sold off-trade such as the Netherlands. While VAT rates are broadly comparable across the Group's markets, rates of excise duty vary considerably.

Increases in the rate of excise duty on alcoholic beverages also have a direct impact on the Group's cash flow and revenue in terms of timing, thus creating volatility in cash flow and revenue levels when changes to tax are imminent as there is often forward buying by the trade immediately prior to an increase in excise duty and reduced purchases by distributors following such an increase. Additionally, changes to excise duty may result in decreased (short term) demand following the effective date of the increase. The Group's working capital in the United States may also be impacted by US federal excise tax increases. In the United States, unlike in other countries, the Group pays federal excise tax and then re-invoices United States federal excise tax to its customers. In markets outside the United States, the Group is isolated from the direct impact of excise duty increases because the Group's products are bonded, meaning that payment of tax on the products is deferred until the products are sold to the consumer in the respective country; however, the Group is indirectly impacted by changes in excise duty as such changes affect consumer consumption. Regional brands are more heavily impacted by increases in excise duty and VAT because a greater percentage of regional brands are sold off-trade, with off-trade sales being more sensitive to price pressure. The Group has experienced excise duty and VAT increases in many markets in Western Europe as well as in Central and Eastern Europe.

Governmental actions

Governmental actions, including among others, legislation, economic or trade sanctions, military conflicts, intergovernmental disputes, restrictions on sales or other practices, or other serious interventions in the market, and the suddenness and unpredictability of such actions can affect the Group's results. For example, in 2013, the Central Bank of Argentina imposed restrictions on Argentine individuals and corporations from transferring money abroad without prior approval, especially in relation to the payment of royalty income. As a result of these restrictions, the Group has been collecting royalty income on a delayed basis of approximately one year from a royalty contract in Argentina, which provides for the blending and bottling of Lucas Bols products locally in Argentina. The Group's results have also been impacted by regulations in the Netherlands and Australia. Effective 1 January 2014, the Netherlands increased the minimum legal drinking age from 16 to 18 years old. As a result of this increase, sales in the Netherlands of some of its products have decreased during H1 2014/15. Additionally, the Australian government has tightened restrictions on the promotion and sale of "single serve" drinks, resulting in a slight decrease in sales in Australia.

The US has a three tier system that regulates alcohol distribution for producers, distributors and retailers. In certain states within the US, referred to as Control States, alcoholic beverages may only be sold by licensed vendors or distributors that have been approved by the relevant State's liquor board. Approval by certain federal regulatory agencies may be required (for example, the Alcohol and Tobacco Tax and Trade Bureau must approve labels for certain alcoholic beverages). The various approval processes may take between six and twelve months, or longer. Time and costs involved in complying with the US regulatory structure could impact the Group's results.

Additional regulations in the United States and other countries around climate change and other environmental issues could increase the Group's operating costs. Increased regulation of fuel emissions could increase the cost of energy, including fuel, required to transport and distribute

the Group's products, thereby increasing the distribution and supply chain costs associated with the Group's products.

Prohibitions and limits on advertising and marketing

The Group is subject to limitations on advertising and marketing spirits, including regulations related to the blending, bottling and sale of the Group's products such as labelling requirements. For example, in Europe, regulators in a number of countries have adopted or are considering legislation to impose severe limitations on the marketing and sale of alcoholic beverages. Russia has banned all television, newspaper, magazine and internet advertising for alcoholic beverage products and Turkey has adopted measures to ban all alcoholic beverage advertising and increase restrictions on sales. Increased regulations of this nature could cause a decline in consumer awareness of new products the Group introduces to the market. Additionally, prohibitions or limitations on advertising act as a barrier to entry into the alcoholic beverage markets in certain countries, which, if removed could allow more competitors to enter the markets in which the Group operates.

Seasonality

The Group's business is to a certain extent affected by seasonal consumer buying patterns. The Group generally has higher A&P spending as a result of increased advertisements and promotions during the second half of its fiscal year. Additionally, distributors, such as Maxxium, generally have increased sales from October through December related to the Christmas and New Year's season. For this reason, higher intercontinental shipments (with normally higher gross margins) are done in the period between August and September leading to higher sales in the first half of the fiscal year as well as a higher working capital position (mainly trade receivables) in the end of the first half of the fiscal year. Additionally, the Group's gross margins have generally been higher during the first half of the fiscal year due to increased contribution of global brands during the first half of the fiscal year.

Cost and availability of raw materials

The Group's products are blends of raw materials based on long-standing (secret) recipes. For example, the Bols Genever recipe dates back to 1820. The largest component of the Group's cost of sales is raw material costs. Raw materials include, primarily, grain, alcohol, sugar, fruit juice, berries, concentrates and packaging materials, including glass, caps, labels and carton boxes. The largest component of the raw material costs are alcohol and glass.

Commodity price changes and availability of raw materials impact the cost of goods and can affect the Group's results and financial condition. Additionally, the Group relies on third parties to supply raw materials and packaging materials and may be impacted by relations with these third party suppliers. Typically, the Group enters into supply contracts with third party suppliers through its partners, such as Avandis and Brown-Forman Corporation, for the Group's raw materials such as glass, sugar and berries. These supply contracts generally are on a fixed cost basis and have a term of three months to two years. During FY 2011/12, the Group experienced increased costs for raw materials such as sugar and in FY 2012/13, the Group experienced increased costs for raw materials such as glass.

Governmental regulations, including EU regulations and policy, can also have an impact on the Group's revenue and costs. For example, the price of sugar, a raw ingredient in the Group's products, is affected in part by the EU sugar policy under the EU Common Agricultural Policy, which includes production quota management. The quota system limits the maximum amount of sugar that may be produced in the EU and guarantees sugar farmers in the EU a minimum production price for sugar produced within the quota. The quota system reduces the supply of sugar in the EU, which may impact the price of sugar. In FY 2011/12, the Group experienced an increase in sugar prices, driven in part by the EU sugar quota falling short of demand. The EU has announced that the quota system will be abolished in 2017.

Impact of results of joint ventures

The Group's results of operations are impacted by the performance of its joint ventures. The Group has a 33.3% ownership interest in Avandis, a joint venture in the Netherlands that blends and bottles the Group's products and manages logistics, procurement and storage of the

Group's products, a 50% ownership interest in Maxxium, a joint venture in the Netherlands that distributes the Group's products, and a 50% ownership interest in Bols Kyndal, a joint venture in India that produces and distributes Bootz Brandy in India. The performance of the joint ventures is impacted by similar international, regional and local conditions, such as macroeconomics and government regulations, as the Group. For example, during FY 2013/14, Maxxium's results were negatively impacted by the continued economic slowdown in the Netherlands and increased VAT and excise duty levied on spirits, which the Company believes led many customers to increase the amount of alcohol purchased outside the Netherlands. Additionally, the results of the joint ventures are impacted by the joint venture's product portfolio. For example, Maxxium's results were positively impacted during FY 2012/13 by successfully integrating a spirit into its portfolio and increasing its market share. In the future, the Company believes both Maxxium and Avandis will seek opportunities to add additional third party spirits to their respective brand portfolio, which will positively impact the Group's EBIT based on the profit sharing structure of the joint ventures.

Impact of financial expenses

The Group's results are impacted by its financial expenses. During H1 2014/15, FY 2013/14, FY 2012/13 and FY 2011/12, the Group's financial expenses were €9,041 thousand, of which €5,153 thousand was tax deductible and €3,888 thousand was non-tax deductible as it relates to dividends and interest on the Preference Shares, €19,465 thousand, of which €12,492 thousand was tax deductible and €6,973 thousand was non-tax deductible, €19,513 thousand, of which €13,256 thousand was tax deductible and €6,257 thousand was non-tax deductible, and €19,590 thousand, of which €13,973 thousand was tax-deductible and €5,617 thousand was non-tax deductible, respectively. In connection with the Offering, the Group will repay outstanding amounts under its existing credit facilities and redeem its Preference Shares, thereby reducing its outstanding debt and lowering its financial expenses. On an as adjusted basis, assuming the Company receives net proceeds of €119,024 thousand from the Offering, and the refinancing and entry into the New Senior Credit Facilities occurring as of 31 March 2014, in the period ended 30 September 2014, the Group's financial expenses would have been €1,486 thousand. See below under "Liquidity and capital resources".

Tax effect

The statutory corporate tax rate in the Netherlands for 2014, 2013 and 2012 was 25%. The Group's effective tax rate has been higher due to the impact of non-tax deductible dividends accrued on the Preference Shares. During FY 2013/14, FY 2012/13 and FY 2011/12, the Group's effective tax rate was 91.3%, 62.2% and 61.1%, respectively. On an as adjusted basis, assuming the Company receives net proceeds of €119,024 thousand from the Offering, the Group will redeem the Preference Shares, which in turn will lower the Group's effective rate to 24.9% as of 31 March 2014.

For tax purposes, the Group depreciates the Bols brand value over a period of ten years to a residual value of zero. As a result, the Group effectively had a negative profit for tax purposes for the periods FY 2013/14, FY 2012/13 and FY 2011/12 and as a consequence, has not paid cash taxes for these periods. The negative profit for tax purposes for the periods FY 2013/14, FY 2012/13 and FY 2011/12 resulted in net operating tax losses carried forward. These losses have been recognised as deferred tax assets in the balance sheet. The last term of the fiscal depreciation of the Bols brand is in FY 2015/16, as of which time the Group anticipates the tax loss carry forward will be available to offset future profits. When the losses carried forward are fully consumed, the Group will start paying cash taxes.

As at H1 2014/15, the Group had tax assets of €7,194 thousand, mainly explained by €6,281 thousand derived from tax loss carry forwards in an aggregate amount of €25,125 thousand and tax on the negative value of the derivatives in the amount of €614 thousand as of such date. These tax assets are based on the applicable corporate tax rate in accordance with IFRS.

Recent developments

The Group's results during the third quarter of the current fiscal year are expected to be in line with the trends exhibited during the periods under review. The Group's gross margin increased as compared to the same period during FY 2013/14. Revenue decreased slightly as compared to the same period during FY 2013/14, primarily due to foreign currency exchange effects.

In Western Europe, revenue continued to stabilise as a result of the further strengthening during the third quarter of FY 2014/15 of the Group's market share in the Netherlands with respect to its regional brands. Gross margins increased compared to gross margins during the third quarter of FY 2013/14.

In Asia-Pacific, the growth of the global brands continued within the Japanese and Chinese markets. Shipment levels were lower as compared to the third quarter of FY 2013/14 as a result of reductions in stock within the South East Asian market and higher shipment levels in the third quarter of FY 2013/14 in anticipation of customers gained in Asia-Pacific, particularly Japan.

In North-America, revenue in the third quarter of the current fiscal year was in line with revenue in the same period during FY 2013/14. The Group believes that the transition period for moving its distribution of Bols Liqueurs to its wholly owned subsidiary Lucas Bols USA Inc. is largely completed.

In the Emerging Markets, increased sales to the Caribbean and Africa offset decreased sales to Russia as a result of political and regional instability.

Description of principal income statement line items

The following is a discussion of the Group's key income statement line items.

Revenue

Revenue consists of sales revenue generated principally from the sale of the Group's products, net of returns and allowances, trade discounts and volume rebates, and to a lesser extent royalties and services rendered. Royalties are proceeds from royalties, net of sales tax. Services rendered are proceeds from ticket sales, training and special events.

Cost of sales

Cost of sales consists of the Group's cost of products sold.

Gross profit

Gross profit is the Group's sales minus cost of sales.

Distribution and administrative expenses

Distribution & administrative expenses consists of A&P expenses, distribution expenses, personnel expenses, other administrative expenses and depreciation and amortisation.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures, net of tax, are gains and/or losses on investments in joint ventures.

Finance income

Finance income includes the Group's interest income and the net gain on interest hedging instruments.

Finance costs

Finance costs include interest expense, including the release of amortised finance fees, dividends on Preference Shares and the net loss on interest hedging instruments.

Income tax expense

Income tax expense includes current tax expense and the annual change in both temporary and permanent deferred taxes.

Results of operations

Consolidated income statement for H1 2014/15 compared to H1 2013/14

The table below sets forth the Group's results of operations and the period on period percentage of change for the periods under review.

	<u>H1 2014/2015</u> (€ thousand)	<u>H1 2013/2014</u> (€ thousand)	<u>Change in %</u>
Revenue	40,781	41,184	(1.0)
Cost of sales	(15,572)	(15,563)	(0.1)
Gross profit	25,209	25,621	(1.6)
Distribution and administrative expenses	(12,283)	(12,526)	1.9
Operating profit	12,926	13,095	(1.3)
Share of profit of joint ventures, net of tax	39	(51)	n.m. ⁽¹⁾
Finance income	—	4	n.m. ⁽²⁾
Finance costs	(9,041)	(9,744)	7.2
Profit before tax	3,924	3,304	18.8
Income tax expense	(1,965)	(1,676)	17.2
Profit	1,959	1,628	20.3

Notes:

- (1) Not meaningful since change of 176.0% results from relatively small figures compared to a large difference.
- (2) Not meaningful since change of minus 100.0% results from relatively small figures compared to a large difference.

	<u>H1 2014/15</u> (€ thousands)	<u>H1 2013/14</u> (€ thousands)	<u>Change in %</u>
Operating profit	12,926	13,095	(1.3)
Share of profit of joint ventures, net of tax	39	(51)	n.m. ⁽¹⁾
EBIT	12,965	13,044	(0.6)

Notes:

- (1) Not meaningful since change of 176.0% results from relatively small figures compared to a large difference.

Revenue

The Group's revenue decreased by €403 thousand, or 1.0%, from €41,184 thousand in H1 2013/14 to €40,781 thousand in H1 2014/15. Excluding the effect of foreign currency translation, the Group's revenue increased by €72 thousand, or 0.2%, in H1 2014/15 compared to H1 2013/14. The decrease was driven by the effect of foreign currency translation.

The table below sets forth, for each of the periods indicated, the Group's revenue by geographic market and as a percentage of total revenue, and the percentage increase or decrease by geographic market from period to period.

	<u>H1 2014/15</u>		<u>H1 2013/14</u>		<u>Change in %</u>
	(€ thousand)	(in % of revenue)	(€ thousand)	(in % of revenue)	
Western Europe	19,060	46.7	18,436	44.8	3.4
Asia-Pacific	9,805	24.0	9,536	23.2	2.8
North America	6,541	16.0	7,544	18.3	(13.3)
Emerging Markets	5,375	13.2	5,668	13.8	(5.2)
Total	40,781	100.0	41,184	100.0	(1.0)

An analysis of the Group's revenue by geographic market is set forth below:

Western Europe: The Group's revenue in Western Europe increased by €624 thousand, or 3.4%, from €18,436 thousand in H1 2013/14 to €19,060 thousand in H1 2014/15. Excluding the effect of foreign currency translation, the Group's revenue in Western Europe increased by €624 thousand, or 3.4%, in H1 2014/15 compared to H1 2013/14. The increase was driven by increased sales for regional brands as a result of market share gains in the Netherlands.

Asia-Pacific: The Group's revenue in Asia-Pacific increased by €269 thousand, or 2.8%, from €9,536 thousand in H1 2013/14 to €9,805 thousand in H1 2014/15. Excluding the effect of foreign currency translation, the Group's revenue in Asia-Pacific increased by €454 thousand, or 4.8%, in H1 2014/15 compared to H1 2013/14. The increase was driven by strong sales in China, where on-trade consumption and demand for cocktails increased as a result of increased disposable income and changing cultural behaviours, and Japan.

North America: The Group's revenue in North America decreased by €1,003 thousand, or 13.3%, from €7,544 thousand in H1 2013/14 to €6,541 thousand in H1 2014/15. Excluding the effect of foreign currency translation, the Group's revenue in North America decreased by €1,004 thousand, or 13.3%, in H1 2014/15 compared to H1 2013/14. The decrease was driven by relatively high shipments in H1 2013/14 in the United States in order to maintain adequate stock levels in the market during the transition of the distribution to Lucas Bols USA Inc., as well as optimisation of the sales portfolio during H1 2014/15 following the transition and lower shipments to Canada.

Emerging Markets: The Group's revenue in Emerging Markets decreased by €293 thousand, or 5.2%, from €5,668 thousand in H1 2013/14 to €5,375 thousand in H1 2014/15. Excluding the effect of foreign currency translation, the Group's revenue in Emerging Markets decreased by €2 thousand, or 0.0%, in H1 2014/15 compared to H1 2013/14. The decrease was driven by a decrease in sales in Russia as a result of decreased spending and high inflation due to political and regional instability, offset by sales in expanding markets such as the Caribbean, Africa and the Middle East.

The table below sets forth, for each of the periods indicated, the Group's revenue by product segment and as a percentage of total revenue, and the percentage increase or decrease by product segment from period to period.

	H1 2014/15		H1 2013/14		Change in %
	(€ thousand)	(in % of revenue)	(€ thousand)	(in % of revenue)	
Global brands	28,264	69.3	28,955	70.3	(2.4)
Regional brands	12,517	30.7	12,229	29.7	2.4
Total	40,781	100.0	41,184	100.0	(1.0)

An analysis of the Group's revenue by product segment is set forth below:

Global brands: The Group's revenue for global brands decreased by €690 thousand, or 2.4%, from €28,955 thousand in H1 2013/14 to €28,264 thousand in H1 2014/15. Excluding the effect of foreign currency translation, the Group's revenue for global brands decreased by €216 thousand, or 0.7%, in H1 2014/15 compared to H1 2013/14. The decrease was driven by lower sales to Russia as a result of decreased spending and high inflation due to political and regional instability and lower sales in the United States as result of optimisation of the sales portfolio. For more information on the global brands see Chapter 10 "Business", section "Global brands".

Regional brands: The Group's revenue for regional brands increased by €288 thousand, or 2.4%, from €12,229 thousand in H1 2013/14 to €12,517 thousand in H1 2014/15. Excluding the effect of foreign currency translation, the Group's revenue for regional brands increased by €288 thousand, or 2.4%, in H1 2014/15 compared to H1 2013/14. The increase was driven by increased sales in Asia-Pacific and sales stabilising in the Netherlands following market share

gains. For more information on the regional brands see Chapter 10 “Business”, section “Regional brands”.

Cost of sales

The Group’s cost of sales increased by €9 thousand, or 0.1%, from €15,563 thousand in H1 2013/14 to €15,572 thousand in H1 2014/15. As a percentage of revenue, cost of sales increased from 37.8% in H1 2013/14 to 38.2% in H1 2014/15. The increase was mainly driven by effects of foreign currency translation.

Gross margin

The Group’s average gross margin decreased by 0.4%, from 62.2% in H1 2013/14 to 61.8% in H1 2014/15. The decrease was mainly driven by the effects of foreign currency translation. On a like-for-like basis, the gross margin was 62.3% in H1 2014/15.

The table below sets forth, for each of the periods indicated, the Group’s gross margin by geographic market, and the percentage increase or decrease by geographic market from period to period.

	H1 2014/15	H1 2013/14	Change
	(Gross margin %)	(Gross margin %)	
Western Europe	56.4	55.7	0.7
Asia-Pacific	72.1	73.3	(1.2)
North America	58.7	56.8	1.9
Emerging Markets	66.1	72.0	(5.9)
Average	61.8	62.2	(0.4)

The table below sets forth, for each of the periods indicated, the Group’s gross margin by product segment, and the percentage increase or decrease by product segment from period to period.

	H1 2014/15	H1 2013/14	Change
	(Gross margin %)	(Gross margin %)	
Global brands	65.7	66.1	(0.4)
Regional brands	53.0	52.9	0.1
Average	61.8	62.2	(0.4)

Distribution and administrative expenses

The table below sets forth the Group’s distribution and administrative expenses for each of the periods indicated

	H1 2014/15	H1 2013/14	Change in %
	(thousands)	(thousands)	
A&P	(5,488)	(5,872)	(6.5)
Distribution expenses	(1,449)	(1,809)	(19.9)
Overheads ⁽¹⁾	(5,346)	(4,845)	10.3
Distribution and administrative expenses	(12,283)	(12,526)	(1.9)

Notes:

(1) Depreciation was €259 thousand for H1 2014/15 and €260 thousand for H1 2013/14.

The Group’s distribution and administrative expenses decreased by €243 thousand, or 1.9%, from €12,526 thousand in H1 2013/14 to €12,283 thousand in H1 2014/15. As a percentage of revenue, distribution and administrative expenses decreased from 30.4% in H1 2013/14 to 30.1% in H1 2014/15. Excluding the effect of foreign currency translation, distribution and administrative expenses decreased by €168 thousand, or 1.3%, in H1 2014/15 compared to H1 2013/14. The decrease was primarily driven by decreased A&P spending in Russia and comparatively high distribution expenses in the United States in H1 2013/14 as a result of

distribution fees paid to third parties, offset by higher overheads as a result of strengthening the Lucas Bols organisation in the United States and the integration of Wynand Fockinck.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures, net of tax, increased by €90 thousand, from minus €51 thousand in H1 2013/14 to €39 thousand in H1 2014/15. There was no effect of foreign currency translation in H1 2014/15 compared to H1 2013/14. The increase was driven by increased sales at Maxxium.

EBIT

EBIT is a non-IFRS measure and is not a substitute for any IFRS measure. The Group uses this measure for management reporting. For a reconciliation of EBIT to Operating Profit, see Chapter 7 "Selected Historical Financial and Operational Information".

EBIT decreased by €79 thousand, or 0.6%, from €13,044 thousand in H1 2013/14 to €12,965 thousand in H1 2014/15. The decrease in EBIT was driven by €400 thousand from foreign currency effect.

Finance income

The Group's finance income decreased by €4 thousand, or 100.0%, from €4 thousand in H1 2013/14 to €0 thousand in H1 2014/15.

Finance costs

The Group's finance costs decreased by €703 thousand, or 7.2%, from €9,744 thousand in H1 2013/14 to €9,041 thousand in H1 2014/15. The decrease was a result of decreased interest charges from €5,893 thousand in H1 2013/14 to €4,683 thousand in H1 2014/15 due to reduced interest following entry into a new lower interest rate swap, and a reduced amount of debt outstanding, offset by an increase in accrued dividends on the Preference Shares from €3,487 thousand in H1 2013/14 to €3,888 thousand in H1 2014/15.

Income tax expense

The Group's income tax expense increased by €289 thousand, or 17.2%, from €1,676 thousand in H1 2013/14 to €1,965 thousand in H1 2014/15. The Group's effective tax rate decreased from 50.7% in H1 2013/14 to 50.1% in H1 2014/15. The decrease in effective tax rate was due to a higher profit before tax.

Consolidated income statement for FY 2013/14 compared to FY 2012/13

The table below sets forth our results of operations and the period on period percentage of change for the periods under review.

	FY 2013/14	FY 2012/13	Change in %
	(€ thousand)	(€ thousand)	
Revenue	78,724	79,988	(1.6)
Cost of sales	(31,139)	(32,366)	(3.8)
Gross profit	47,585	47,622	(0.1)
Distribution and administrative expenses.....	(26,089)	(25,295)	3.1
Operating profit	21,496	22,327	(3.7)
Share of profit of joint ventures, net of tax....	513	875	(41.4)
Finance income.....	31	51	(39.2)
Finance costs	(19,465)	(19,513)	(0.2)
Profit before tax	2,575	3,740	(31.1)
Income tax expense	(2,352)	(2,328)	(1.0)
Profit for the period	223	1,412	(84.2)

	FY 2013/14	FY 2013/12	Change in %
	(€ thousands)	(€ thousands)	
Operating profit	21,496	22,327	(3.7)
Share of profit of joint ventures, net of tax....	513	875	(41.4)
EBIT	22,009	23,202	(5.1)

Revenue

The Group's revenue decreased by €1,264 thousand, or 2.0%, from €79,988 thousand in FY 2012/13 to €78,724 thousand in FY 2013/14. Excluding the effect of foreign currency translation, the Group's revenue decreased by €27 thousand, or 0.0%, in FY 2013/14 compared to FY 2012/13. The decrease in revenue was driven by a decrease in sales and royalty income, offset by an increase in services rendered income. The decrease in sales was driven by the challenging market conditions in the Netherlands as a result of the continued economic slowdown and the increase in excise duty and VAT, which resulted in decreased sales of regional brands. The decrease was partly offset by increased sales of global brands in Asia-Pacific as a result of increased on-trade consumption and increased sales in North America as a result of the Group insourcing its distribution in the United States to its wholly-owned subsidiary, Lucas Bols USA Inc., allowing it to establish direct relationships with state distributors and reduce costs previously paid to third party distributors but at the same time incurring increased overheads.

The table below sets forth, for each of the periods indicated, the Group's revenue by geographic market and as a percentage of total revenue, and the percentage increase or decrease by geographic market from period to period.

	FY 2013/14		FY 2012/13		Change in %
	(€ thousand)	(in % of revenue)	(€ thousand)	(in % of revenue)	
Western Europe	36,403	46.2	39,283	49.1	(7.3)
Asia-Pacific	18,271	23.2	17,808	22.3	2.6
North America	14,243	18.1	12,969	16.2	9.8
Emerging Markets	9,807	12.5	9,928	12.4	(1.2)
Total	78,724	100.0	79,988	100.0	(1.6)

An analysis of the Group's revenue by geographic markets is set forth below:

Western Europe: The Group's revenue in Western Europe decreased by €2,880 thousand, or 7.3%, from €39,283 thousand in FY 2012/13 to €36,403 thousand in FY 2013/14. Excluding the effect of foreign currency translation, the Group's revenue in Western Europe decreased by €2,851 thousand, or 7.3%, in FY 2013/14 compared to FY 2012/13. The decrease was driven by reduced demand in the Netherlands due to the continued economic slowdown and an increase in excise duty and VAT, partly offset by growing sales in the southern part of Western Europe.

Asia-Pacific: The Group's revenue in Asia-Pacific increased by €463 thousand, or 2.6%, from €17,808 thousand in FY 2012/13 to €18,271 thousand in FY 2013/14. Excluding the effect of foreign currency translation, the Group's revenue in Asia-Pacific increased by €1,460 thousand, or 8.2%, in FY 2013/14 compared to FY 2012/13. The increase was driven by strong sales in Japan and China, where on-trade consumption and demand for cocktails increased as a result of increased disposable income and changing cultural behaviours.

North America: The Group's revenue in North America increased by €1,273 thousand, or 9.8%, from €12,969 thousand in FY 2012/13 to €14,243 thousand in FY 2013/14. Excluding the effect of foreign currency translation, the Group's revenue in North America increased by €1,453 thousand, or 11.2%, in FY 2013/14 compared to FY 2012/13. The increase was driven by the Group insourcing its distribution in the US to its wholly-owned subsidiary, Lucas Bols USA Inc., allowing it to establish direct relationships with state distributors and reduce costs previously paid to third party distributors but at the same time incurring increased overheads.

Emerging Markets: The Group's revenue in Emerging Markets decreased by €121 thousand, or 1.2%, from €9,928 thousand in FY 2012/13 to €9,807 thousand in FY 2013/14. Excluding the effect of foreign currency translation, the Group's revenue in Emerging Markets decreased by €88 thousand, or 0.9%, in FY 2013/14 compared to FY 2012/13. The decrease in revenue was mainly driven by lower royalty income due to the challenging macroeconomic environment in Argentina, leading to reduced consumer confidence.

The table below sets forth, for each of the periods indicated, the Group's revenue by product segment and as a percentage of total revenue, and the percentage increase or decrease by product segment from period to period.

	FY 2013/14		FY 2012/13		Change in %
	(€ thousand)	(in % of revenue)	(€ thousand)	(in % of revenue)	
Global brands	54,488	69.2	53,812	67.3	1.3
Regional brands	24,236	30.8	26,176	32.3	(7.4)
Total	78,724	100.0	79,988	100.0	(1.6)

An analysis of the Group's revenue by product segment is set forth below:

Global brands: The Group's revenue for global brands increased by €676 thousand, or 1.3%, from €53,812 thousand in FY 2012/13 to €54,488 thousand in FY 2013/14. Excluding the effect of foreign currency translation, the Group's sales for global brands increased by €1,776 thousand, or 3.3%, in FY 2013/14 compared to FY 2012/13. The increase was driven by the continued increase in sales in Asia-Pacific as a result of increased on-trade consumption and demand for cocktails as well as increased sales in North America as a result of insourcing the Group's distribution in the United States and reducing costs previously paid to third party distributors but at the same time incurring increased overheads, offset by lower sales in Australia resulting from local supply chain changes.

Regional brands: The Group's revenue for regional brands decreased by €1,940 thousand, or 7.4%, from €26,176 thousand in FY 2012/13 to €24,236 thousand in FY 2013/14. Excluding the effect of foreign currency translation, the Group's sales for regional brands decreased by €1,803

thousand, or 6.9%, in FY 2013/14 compared to FY 2012/13. The decrease was driven by the continued economic slowdown in Western Europe causing on-trade consumption to decrease and consumers to trade down to lower priced products as well as increased excise duty and VAT in the Netherlands.

Cost of sales

The Group's cost of sales decreased by €1,227 thousand, or 3.8%, from €32,366 thousand in FY 2012/13 to €31,139 thousand in FY 2013/14. As a percentage of revenue, cost of sales decreased from 40.5% in FY 2012/13 to 39.6% in FY 2013/14. The decrease was mainly driven by lower sales volumes.

Gross margin

The Group's average gross margin increased by 0.9%, from 59.5% in FY 2012/13 to 60.4% in FY 2013/14. The increase was driven by increased sales to higher margin markets such as Asia-Pacific and North America as well as increased sales of global brands, which are higher margin products as a result of generally being sold on-trade.

The table below sets forth, for each of the periods indicated, the Group's gross margin by geographic market, and the percentage increase or decrease by geographic market from period to period.

	<u>FY 2013/14</u>	<u>FY 2012/13</u>	<u>Change</u>
	(Gross margin %)	(Gross margin %)	
Western Europe	52.9	53.8	(0.9)
Asia-Pacific	73.3	71.5	1.8
North America	57.6	52.5	5.1
Emerging Markets	68.4	70.0	(1.6)
Average	60.4	59.5	0.9

The table below sets forth, for each of the periods indicated, the Group's gross margin by product segment, and the percentage increase or decrease by product segment from period to period.

	<u>FY 2013/14</u>	<u>FY 2012/13</u>	<u>Change</u>
	(Gross margin %)	(Gross margin%)	
Global brands	65.1	63.4	1.7
Regional brands	50.1	51.6	(1.5)
Average	60.4	59.5	0.9

Distribution and administrative expenses

The table below sets forth the Group's distribution and administrative expenses for each of the periods indicated.

	<u>FY 2013/14</u>	<u>FY 2012/13</u>	<u>Change in %</u>
	(thousands)	(thousands)	
A&P	(12,566)	(13,709)	(8.3)
Distribution expenses	(3,365)	(3,041)	10.7
Overheads ⁽¹⁾	(10,158)	(8,545)	18.8
Distribution and administrative expenses	(26,089)	(25,295)	3.1

Notes:

(1) Depreciation was €586 thousand for FY 2013/2014 and €460 thousand for FY 2012/2013.

The Group's distribution and administrative expenses increased by €794 thousand, or 3.1%, from €25,295 thousand in FY 2012/13 to €26,089 thousand in FY 2013/14. As a percentage of revenue, distribution and administrative expenses increased from 31.6% in FY 2012/13 to 33.1% in FY 2013/14. Excluding the effect of foreign currency translation, distribution and administrative expenses increased by €1,131 thousand, or 4.5%, in FY 2013/14 compared to

FY 2012/13. The Group's A&P expenses decreased by €1,143 thousand, or 8.3%, from €13,709 thousand in FY 2012/13 to €12,566 in FY 2013/14. The Group's distribution expenses increased by €324 thousand, or 10.7%, from €3,041 thousand in FY 2012/13 to €3,365 thousand in FY 2013/14. The Group's overheads increased by €1,613 thousand, or 18.8%, from €8,545 thousand in FY 2012/13 to €10,158 thousand in FY 2013/14. The Group's A&P decreased while its distribution expenses and overheads increased as a result of insourcing its distribution in the US to its wholly-owned subsidiary, Lucas Bols USA Inc.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures, net of tax decreased by €362 thousand, or 41.4%, from €875 thousand in FY 2012/13 to €513 thousand in FY 2013/14. As a percentage of revenue, share of profit of joint ventures, net of tax, decreased from 1.1% in FY 2012/13 to 0.7% in FY 2013/14. There was no effect of foreign currency translation. The decrease was driven by reduced sales at Maxxium due to the continued economic slowdown in the Netherlands and increased VAT and excise duties. Annually, the Group amortises €275 thousand on the customer portfolio of Maxxium, capitalised as part of its purchase price allocation.

EBIT

EBIT is a non-IFRS measure and is not a substitute for any IFRS measure. The Group uses this measure for management reporting. For a reconciliation of EBIT to Operating Profit, see Chapter 7 "Selected Historical Financial and Operational Information".

EBIT decreased by €1,193 thousand, or 5.1%, from €23,202 thousand in FY 2012/13 to €22,009 thousand in FY 2013/14. The decrease in EBIT was mainly driven by €1,000 thousand from foreign currency effect.

Finance income

The Group's finance income decreased by €20 thousand from €51 thousand in FY 2012/13 to €31 thousand in FY 2013/14.

Finance costs

The Group's finance costs decreased by €48 thousand, or 0.2%, from €19,513 thousand in FY 2012/13 to €19,465 thousand in FY 2013/14. The decrease was a result of decreased interest charges on outstanding external financing from €13,256 thousand in FY 2012/13 to €12,492 thousand in FY 2013/14 due to reduced interest following entry into a new interest rate swap, which was set at a lower level, and a reduced amount of debt outstanding, offset by an increase in accrued dividends on the Preference Shares from €6,257 thousand in FY 2012/13 to €6,973 thousand in FY 2013/14.

Income tax expense

The Group's income tax expense increased by €24 thousand, from an expense of €2,328 thousand in FY 2012/13 to an expense of €2,352 thousand in FY 2013/14. The Group's nominal tax rate in FY 2013/14 was 25% and the effective tax rate in FY 2013/14 was 91.3% compared to the effective tax rate in FY 2012/13 of 62.2%. The increase in effective tax rate was due to the impact of the non-tax deductible dividend on the Preference Shares as the cost of the Preference Shares increased.

Consolidated income statement for FY 2012/13 compared to FY 2011/12

The table below sets forth our results of operations and the period on period percentage of change for the periods indicated.

	FY 2012/13 (€ thousand)	FY 2011/12 (€ thousand)	Change in %
Revenue	79,988	78,318	2.1
Cost of sales	(32,366)	(32,399)	(0.1)
Gross profit	47,622	45,919	3.7
Distribution and administrative expenses	(25,295)	(23,660)	6.9
Operating profit	22,327	22,259	0.3
Share of profit of joint ventures, net of tax	875	745	17.4
Finance income	51	49	4.1
Finance costs	(19,513)	(19,590)	(0.4)
Profit before tax	3,740	3,463	8.0
Income tax expense	(2,328)	(2,117)	10.0
Profit for the period	1,412	1,346	4.8

	FY 2012/13 (€ thousands)	FY 2011/12 (€ thousands)	Change in %
Operating profit	22,327	22,259	0.3
Share of profit of joint ventures, net of tax	875	745	17.4
EBIT	23,202	23,004	0.9

Revenue

The Group's revenue increased by €1,671 thousand, or 2.1%, from €78,318 thousand in FY 2011/12 to €79,988 thousand in FY 2012/13. Excluding the effect of foreign currency translation, the Group's revenue increased by €295 thousand, or 0.4%, in FY 2012/13 compared to FY 2011/12. The increase was driven by an increase in sales and royalty income, partly offset by a decrease in services rendered income. The increase in sales was driven by an increase in sales in Asia-Pacific as a result of increased on-trade consumption and demand for cocktails, particularly in China and Japan, as well as an increase in sales in Emerging Markets, partly offset by decreased sales in North America and Western Europe.

The table below sets forth, for each of the periods indicated, the Group's revenue by geographic market and as a percentage of revenue, and the percentage increase or decrease by geographic market from period to period.

	FY 2012/13		FY 2011/12		Change in %
	(€ thousand)	(in % of revenue)	(€ thousand)	(in % of revenue)	
Western Europe	39,283	49.1	40,073	51.2	(2.0)
Asia-Pacific	17,808	22.3	15,459	19.7	15.2
North America	12,969	16.2	13,322	17.0	(2.6)
Emerging Markets	9,928	12.4	8,464	10.8	17.3
Maxxium compensation ⁽¹⁾	—	—	1,000	1.3	—
Total	79,988	100.0	78,318	100.0	2.1

Notes:

(1) €1,000 thousand related to payments received in connection with the dissolution of Maxxium WW in 2009.

An analysis of the Group's revenue by geographic market is set forth below:

Western Europe: The Group's revenue in Western Europe decreased by €790 thousand, or 2.0%, from €40,073 thousand in FY 2011/12 to €39,283 thousand in FY 2012/13. Excluding the effect of foreign currency translation, the Group's revenue in Western Europe decreased by €724 thousand, or 1.8%, in FY 2012/13 compared to FY 2011/12. The decrease was driven by continued weak market conditions in the Netherlands as a result of the continued economic slowdown, offset by stable market conditions in the rest of Western Europe where the decline in sales of regional brands was largely offset by increases in sales of global brands.

Asia-Pacific: The Group's revenue in Asia-Pacific increased by €2,349 thousand, or 15.2%, from €15,459 thousand in FY 2011/12 to €17,808 thousand in FY 2012/13. Excluding the effect of foreign currency translation, the Group's revenue in Asia-Pacific increased by €1,043 thousand, or 6.7%, in FY 2012/13 compared to FY 2011/12. The increase was driven by increased sales in Japan and China as a result of increased trade consumption and demand for cocktails.

North America: The Group's revenue in North America decreased by €353 thousand, or 2.6%, from €13,322 thousand in FY 2011/12 to €12,969 thousand in FY 2012/13. Excluding the effect of foreign currency translation, the Group's revenue in North America decreased by €395 thousand, or 3.0%, in FY 2012/13 compared to FY 2011/12. The decrease was driven by lower sales in the United States and Canada as a result of market developments.

Emerging Markets: The Group's revenue in Emerging Markets increased by €1,464 thousand, or 17.3%, from €8,464 thousand in FY 2011/12 to €9,928 thousand in FY 2012/13. Excluding the effect of foreign currency translation, the Group's revenue in Emerging Markets increased by €1,371 thousand, or 16.2%, in FY 2012/13 compared to FY 2011/12. The increase was mainly driven by increased sales in Russia, and positive sales development in Mexico.

The table below sets forth, for each of the periods indicated, the Group's revenue by product segment and as a percentage of total revenue, and the percentage increase or decrease by product segment from period to period.

	FY 2012/13		FY 2011/12		Change in %
	(€ thousand)	(in % of revenue)	(€ thousand)	(in % of revenue)	
Global brands	53,812	67.3	50,725	64.8	6.1
Regional brands	26,176	32.7	27,593	35.2	(5.1)
Total	79,988	100.0	78,318	100.0	2.1

An analysis of the Group's revenue by product segment is set forth below:

Global brands: The Group's revenue for global brands increased by €3,087 thousand, or 6.1%, from €50,725 thousand in FY 2011/12 to €53,812 thousand in FY 2012/13. Excluding the effect of foreign currency translation, the Group's revenue for global brands increased by €1,849 thousand, or 3.6%, in FY 2012/13 compared to FY 2011/12. The increase was driven by increased sales in Asia-Pacific, particularly Japan and China, as a result of increased on-trade consumption and demand for cocktails, and in Emerging Markets, particularly Russia.

Regional brands: The Group's revenue for regional brands decreased by €1,417 thousand, or 5.1%, from €27,593 thousand in FY 2011/12 to €26,176 thousand in FY 2012/13. Excluding the effect of foreign currency translation, the Group's revenue for regional brands decreased by €1,554 thousand, or 5.6%, in FY 2012/13 compared to FY 2011/12. The decrease was driven by the continued economic slowdown in Western Europe as well as increased VAT and excise duty in the Netherlands, offset by higher sales of regional brands in Asia-Pacific.

Cost of sales

The Group's cost of sales decreased by €33 thousand, or 0.1%, from €32,399 thousand in FY 2011/12 to €32,366 thousand in FY 2012/13. As a percentage of revenue, cost of sales decreased from 41.4% in FY 2011/12 to 40.5% in FY 2012/13. The decrease was driven by lower raw material prices as well as sales of higher margin products.

Gross margin

The Group's average gross margin increased by 0.9%, from 58.6% in FY 2011/12 to 59.5% in FY 2012/13. The increase was driven by a shift to higher margin markets, as well as a shift from regional brands to global brands and a positive foreign exchange effect.

The table below sets forth, for each of the periods indicated, the Group's gross margin by geographic market, and the percentage increase or decrease by geographic market from period to period.

	<u>FY 2012/13</u>	<u>FY 2011/12</u>	<u>Change</u>
	<i>(Gross margin %)</i>	<i>(Gross margin %)</i>	
Western Europe	53.8	53.2	0.6
Asia-Pacific	71.5	71.2	0.3
North America	52.5	50.0	2.5
Emerging Markets	70.0	70.2	(0.2)
Average	59.5	58.6	0.9

The table below sets forth, for each of the periods indicated, the Group's gross margin by product segment, and the percentage increase or decrease by product segment from period to period.

	<u>FY 2012/13</u>	<u>FY 2011/12</u>	<u>Change</u>
	<i>(Gross margin %)</i>	<i>(Gross margin %)</i>	
Global brands	63.4	62.5	0.9
Regional brands	51.6	51.5	0.1
Average	59.5	58.6	0.9

Distribution and administrative expenses

The table below sets forth the Group's distribution and administrative expenses for each of the periods indicated

	<u>FY 2012/13</u>	<u>FY 2011/12</u>	<u>Change in %</u>
	<i>(thousands)</i>	<i>(thousands)</i>	
A&P	(13,709)	(12,676)	8.1
Distribution expenses	(3,041)	(3,161)	(3.8)
Overheads ⁽¹⁾	(8,545)	(7,823)	9.2
Distribution and administrative expenses	(25,295)	(23,660)	6.9

Notes:

(1) Depreciation was €460 thousand for FY 2012/13 and €387 thousand for FY 2011/12.

The Group's distribution and administrative expenses increased by €1,635 thousand, or 6.9%, from €23,660 thousand in FY 2011/12 to €25,295 thousand in FY 2012/13. As a percentage of revenue, distribution and administrative expenses increased from 30.2% in FY 2011/12 to 31.6% in FY 2012/13. Excluding the effect of foreign currency translation, distribution and administrative expenses increased by €1,260 thousand, or 5.3%, in FY 2012/13 compared to FY 2011/12. The Group's A&P expenses increased by €1,033 thousand, or 8.1%, from €12,676 thousand in FY 2011/12 to €13,709 thousand in FY 2012/13. The Group's distribution expenses decreased by €120 thousand, or 3.8%, from €3,161 thousand in FY 2011/12 to €3,041 thousand in FY 2012/13. The Group's overheads increased by €722 thousand, or 9.2%, from €7,823 thousand in FY 2011/12 to €8,545 thousand in FY 2012/13. The increase in the Group's A&P was a result of higher investments behind the global brands while overheads increased as a result of investments in the Group's US organisation in anticipation of insourcing distribution in the United States beginning 1 July 2013.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures, net of tax increased by €130 thousand, or 17.4%, from €745 thousand in FY 2011/12 to €875 thousand in FY 2012/13. As a percentage of revenue, share of profit of joint ventures, net of tax increased from 1.0% in FY 2011/12 to 1.1% in FY 2012/13. There was no foreign currency translation effect. The increase was driven by increased sales at Maxxium due to Maxxium increasing the number of products in its third party product portfolio.

EBIT

EBIT is a non-IFRS measure and is not a substitute for any IFRS measure. The Group uses this measure for management reporting. For a reconciliation of EBIT to Operating Profit, see Chapter 7 "Selected Historical Financial and Operational Information".

EBIT increased by €198 thousand, or 0.9%, from €23,004 thousand in FY 2011/12 to €23,202 thousand in FY 2012/13. From FY2011/12 to FY2012/13 EBIT included a positive effect of foreign currency of €1,000 thousand, which was offset by the ending of €1,000 thousand compensation from Maxxium.

Finance income

The Group's finance income increased by €2 thousand, or 4.1%, from €49 thousand in FY 2011/12 to €51 thousand in FY 2012/13.

Finance costs

The Group's finance costs decreased by €77 thousand, or 0.4%, from €19,590 thousand in FY 2011/12 to €19,513 thousand in FY 2012/13. The decrease was the result of decreased interest charges from €13,973 thousand in FY 2011/12 to €13,256 thousand in FY 2012/13 as a result of a reduced amount of debt outstanding, offset by an increase in accrued dividends on the Preference Shares from €5,617 thousand in FY 2011/12 to €6,257 thousand in FY 2012/13.

Income tax expense

The Group's income tax expense increased by €211 thousand, from an expense of €2,117 thousand in FY 2011/12 to an expense of €2,328 thousand in FY 2012/13. The Group's nominal tax rate in FY 2012/13 was 25% and the effective tax rate in FY 2012/13 was 62.2%, compared to the effective tax rate of 61.1% in FY 2011/12. The increase in effective tax rate as compared to the nominal tax rate is a result of the impact of non-taxable deductible dividend on the Preference Shares.

Liquidity and capital resources

The Group's principal source of funds is cash flow from operating activities. The Group's cash flow from operating activities is affected by the Group's results and changes in the Group's working capital.

Cash flows

The following table sets forth the principal components of the Group's cash flows in H1 2014/15, H1 2013/14, FY 2013/14, FY 2012/13 and FY 2011/12.

	<u>H1</u> <u>2014/15</u> <i>(€ thousand)</i>	<u>H1</u> <u>2013/14</u> <i>(€ thousand)</i>	<u>FY</u> <u>2013/14</u> <i>(€ thousand)</i>	<u>FY</u> <u>2012/13</u> <i>(€ thousand)</i>	<u>FY</u> <u>2011/12</u> <i>(€ thousand)</i>
Cash flow from operating activities	8,472	10,495	22,354	24,838	17,670
Cash flow from investing activities	(162)	(466)	(841)	(399)	(66)
Cash flow from financing activities	(8,495)	(12,343)	(22,215)	(21,330)	(17,287)
Cash and cash equivalents at the beginning of the period	3,120	3,822	3,822	713	396
Cash and cash equivalents at period end	2,935	1,508	3,120	3,822	713

Cash flow from operating activities

The Group's cash flow from operating activities decreased by €2,023 thousand from €10,495 thousand in H1 2013/14 compared to €8,472 thousand in H1 2014/15. The decrease was due primarily to higher investments in working capital leading to an increase in working capital of €1,665 thousand by the end of H1 2014/15 compared to H1 2013/14. This higher amount is mainly attributable to higher inventory, which is under rationalisation following the transition of distribution to Lucas Bols Inc. in the United States.

In FY 2013/14, the Group's cash flow from operating activities decreased by €2,484 thousand from €24,838 thousand in FY 2012/13 compared to €22,354 thousand in FY 2013/14. The decrease was due primarily to: (i) a decrease in proceeds of €1,343 thousand from €2,282

thousand in FY 2012/13 to €939 thousand in FY 2013/14 from settlement of foreign exchange derivatives; although the foreign exchange proceeds resulted in cash flow, as part of the Group's hedge position, they are taken to profit in accordance with the original term of the foreign exchange derivative; and (ii) a decrease of €1,189 thousand of profit from €1,412 thousand in FY 2012/13 to €223 thousand in FY 2013/14 due to lower results from operating activities, offset by a positive change in working capital in the amount of €1,344 thousand from minus €755 thousand in FY 2012/13 to €589 thousand in FY 2013/14.

In FY 2012/13, the Group's cash flow from operating activities increased by €7,168 thousand from €17,670 thousand in FY 2011/12 compared to €24,838 thousand in FY 2012/13. The increase was due primarily to: (i) an increase of proceeds of €2,282 thousand from €0 in FY 2011/12 compared to €2,282 thousand in FY 2012/13 from the settlement of foreign exchange derivatives due to no foreign exchange derivatives being unwound during FY 2011/12; and (ii) a positive change in net working capital of €2,906 thousand from minus €3,661 thousand in FY 2011/12 to minus €755 thousand in FY 2012/13 as the Group had a very low net working capital beginning FY 2011/12.

Cash flow from investing activities

The Group's cash out flow from investing activities decreased by €304 thousand from minus €466 thousand in H1 2013/14 compared to minus €162 thousand in H1 2014/15. The decrease was due primarily to the acquisition in H1 2013/14 of 100% of the shares of Pijlsteeg B.V. (formerly named Wynand Fockink Experience B.V.), the entity that owned the distillery and its nearby tasting room.

In FY 2013/14, the Group's cash out flow from investing activities increased by €442 thousand from minus €399 thousand in FY 2012/13 compared to minus €841 thousand in FY 2013/14. Of this increase, €298 thousand was due to the acquisition of 100% of the shares of Pijlsteeg B.V. (formerly named Wynand Fockink Experience BV) in H1 2013/14, the entity that owned the distillery and its nearby tasting room. Another €144 thousand was invested in property, plant and equipment in the distillery at Wynand Fockink after the acquisition.

In FY 2012/13, the Group's cash out flow from investing activities increased by €333 thousand from minus €66 thousand in FY 2011/12 compared to minus €399 thousand in FY 2012/13. The increase was due primarily to a repayment by Avandis of a portion of a loan to Avandis, in the amount of €335 thousand in FY 2011/12.

Cash flow from financing activities

The Group's cash flow from financing activities increased by €3,848 thousand from minus €12,343 thousand in H1 2013/14 compared to minus €8,495 thousand in H1 2014/15. The increase was due primarily to lower repayment of loans and lower interest payments.

In FY 2013/14, the Group's cash flow from financing activities decreased by €885 thousand from minus €21,330 thousand in FY 2012/13 compared to minus €22,215 thousand in FY 2013/14. The decrease was due primarily to: (i) an increase of €1,075 thousand in the repayment of loans from €10,627 thousand in FY 2012/13 to €11,702 thousand in FY 2013/14; (ii) banking fees amounting to €682 thousand paid in FY 2013/14 related to an amendment to the Group's existing credit facilities to extend the duration of the facilities; and (iii) a decrease of interest paid of €892 thousand from €10,754 thousand in FY 2012/13 to €9,862 thousand in FY 2013/14 as a result of a reduction of the net cash interest on the Senior Credit Facilities and the Mezzanine Facilities due to a reduced applicable interest rate.

In FY 2012/13, the Group's cash flow from financing activities decreased by €4,043 thousand from minus €17,287 thousand in FY 2011/12 compared to minus €21,330 thousand in FY 2012/13. The decrease was due primarily to: (i) an increase of €4,777 thousand in repayment of loans from €5,850 thousand in FY 2011/12 to €10,627 thousand in FY 2012/13; and (ii) offset by €732 thousand of lower interest paid from €11,486 thousand in FY 2011/12 to €10,754 thousand in FY 2012/13 as a result of a reduction of the net cash out interest on the Senior Credit Facilities and Mezzanine Facilities due to a reduced applicable interest rate.

Capital expenditures

The Group's capital expenditure has historically been at a level of approximately €400 thousand with expenditure mainly related to investments in IT equipment, furniture and investment in fixtures and fittings (primarily, in The House of Bols).

In H1 2014/15, the Group's capital expenditure was €162 thousand. The Group's capital expenditure decreased by €6 thousand, from €168 thousand in H1 2013/14 to €162 thousand in H1 2013/14.

In FY 2013/14, the Group's capital expenditure increased by €203 thousand from €340 in FY 2012/13 to €543 thousand in FY 2013/14, due primarily to investments in the Lucas Bols Distillery, which became operational in FY 2013/14.

In FY 2012/2013, the Group's capital expenditure decreased by €61 thousand, from €401 thousand in FY 2011/12 to €340 thousand in FY 2012/13.

Effect of Offering, New Senior Credit Facilities and repayment of existing indebtedness

In connection with the Offering, the Group will enter into the New Senior Credit Facilities and repay the outstanding amounts under its existing credit facilities and redeem the Preference Shares. The impact of these repayments and redemptions will lower the Group's total interest bearing liabilities, which will reduce the Group's financial expenses. On an as adjusted basis, assuming the Company receives net proceeds of €119,024 thousand from the Offering, and the refinancing and entry into the New Senior Credit Facilities as of 31 March 2014, the Group's financial expenses would have been €1,486 thousand as of 30 September 2014.

Indebtedness

On an as adjusted basis, after giving effect to the issuance of the Offer Shares and the application of net proceeds of the Offering as described in Chapter 4 "Reasons for the Offering and Use of Proceeds", and entry into the New Senior Credit Facilities as of 31 March 2014, the Group's total indebtedness would have been €66,229 thousand as of 30 September 2014.

The table below sets forth the Group's indebtedness as at 30 September 2014, on an as adjusted basis after giving effect to the issuance of the Offer Shares, the application of the net proceeds of the Offering as described in Chapter 4 "Reasons for the Offering and Use of Proceeds" and entry into the New Senior Credit Facilities and the payments of the Group's financing arrangements which are in place as of Settlement.

	As at 30 September 2014⁽¹⁾		
	Total	< 1 year	1-5 years
New Senior Credit Facilities ⁽²⁾			
Term Facility	22,000	4,000	18,000
Revolving Facility	44,097	-	44,097
Other loan ⁽³⁾	132	28	104

(1) The amounts shown relate to payments on the principal amount outstanding on 30 September 2014, on an adjusted basis, and do not reflect or include any amounts of accrued interest owed thereon (including capitalised interest).

(2) The Term Facility and the Revolving Facility will be entered into upon Settlement for a period of five years. The Revolving Facility loans must be repaid or renewed by each borrower on the last day of its interest period (see for more information Chapter 20 "General Information", section "Material contracts", under "Finance agreements" - "New Senior Credit Facilities").

(3) The other loan relates to the acquisition of Pijlsteeg B.V. (formerly named Wynand Fockink Experience B.V.) and bears interest at a rate of 5% per annum and matures in 2018 (see for more information Chapter 20 "General Information", section "Material contracts", under "Share purchase agreement").

Secured bank loans

For a description of the Group's secured bank loans, see Chapter 20 "General Information", section "Material contracts", under "Finance agreements".

Contractual obligations

For a description of the Group's obligations under its finance agreements, see Chapter 20 "General Information", section "Material contracts", under "Finance agreements".

Other financial obligations: contribution and defined benefit plans

For a description of certain contribution and defined benefit plans and obligations, see note 3 in the Financial Information.

The total liability for the Group's defined benefit obligations regarding pensions amounted to €1,534 thousand as of 30 September 2014. The obligations are offset mainly by plan assets amounting to €1,069 thousand, leading to a net liability of €465 thousand as of 30 September 2014.

Off-balance sheet arrangements

The company has granted a guarantee amounting to INR 132 million (approximately €1,700 thousand) to Rabobank for the issuance of a working capital facility to Bols Kyndal. For more information on the guarantee, see Chapter 20 "General Information", section "Material contracts".

Quantitative and qualitative disclosures about financial risk

Market risk

Market risk represents the risk of loss that may result from the potential change in exchange rates, interest levels, refinancing and credit risks. For additional information, see note 25 in the Financial Information.

Credit risk

The Group has implemented a credit policy and monitors its exposure to credit risk on an ongoing basis. Credit risk arises through liquid assets, derivative instruments and balances with banks and finance institutes, as well as credit exposures towards customers, including outstanding receivables and agreed transactions.

During FY 2012/13, the Central Bank of Argentina imposed restrictions on Argentine individuals and corporations from transferring money abroad without prior approval, especially in relation to the payment of royalty income. As a result of these restrictions the Group has been collecting royalty income on a delayed basis of approximately one year from a royalty contract in Argentina. As of 30 September 2014, the Group had not received €795 thousand.

Interest rate risks

The Group is subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest bearing liabilities mature or reprice at different times or in differing amounts. Borrowings with variable interest rates result in interest risks in our cash flows, while borrowings and investments with fixed interest rates expose the Group to interest risks in relation to actual value. In accordance with the Group's policy, the Group aims to achieve an appropriate mix of exposure to fixed and floating rate instruments. This policy ensures that at least 80% of the Group's exposure to changes in interest rates on borrowings (net of surplus cash) is hedged through the use of interest rate swaps. At 30 September 2014, on an as adjusted basis, after giving effect to the application of the net proceeds from the Offering, and entry into the New Senior Credit Facilities as of 31 March 2014, 90% of the Group's borrowings were at fixed interest rates, and 10% of the Group's borrowings were at variable interest rates. The table below shows the Group's borrowings at the balance sheet date.

Borrowings divided into different currencies	FY 2013/14	FY 2012/13
Euro	100%	100%
Borrowings divided between fixed and variable interest		
Fixed interest	88.4%	90.4%
Variable interest	11.6%	9.6%

All external borrowings at fixed interest have been achieved through using interest swaps. The Group has entered into certain hedging instruments in order to manage its exposure to interest rate fluctuations. The Group entered into three interest rate swap transactions with Rabobank and NIBC to hedge the risk of fluctuations in the interest rates associated with its obligations under the conditions set forth in the Senior Credit Facilities and Mezzanine Facilities.

Currency risks

The Group operates internationally and is subject to currency risks that arise from different currency exposures on sales and purchases that are denominated in a currency other than the euro. The currency risks arise through future business transactions, assets and liabilities accounted for as well as net investments in foreign operations. The currencies giving rise to the Group's currency risks are primarily Japanese yen, US dollar and Australian dollar. As at 30 September 2014, 122% of the Group's operating cash flow was denominated in currencies other than the euro.

Per the Group's policy, the Group minimises its exposure to currency risk by hedging approximately 60% to 80% of its expected net cash for the year in foreign currencies. The Group's strategy is to hedge the currency risk through the application of term contracts. The Group uses forward exchange contracts with maturities of less than one year from the date of the balance sheet; on occasion, the Group also enters into multi-year term contracts.

Annually, the Group enters into currency swaps transactions with Rabobank to hedge the risk of fluctuations in, amongst others, the Japanese yen, US dollar and Australian dollar. The nominal amount of the cross currency swap contracts with Rabobank is 85.9% of the Group's operating cash flow as of 30 September 2014.

The Group's net income would be reduced by approximately €68 thousand, €44 thousand and €28 thousand for FY 2013/14, if the euro appreciated by 1 percentage point against the Japanese yen, US dollar and Australian dollar, respectively, assuming the same transaction exposure as in FY 2013/14 and no hedging.

For additional information on hedging contracts entered into to hedge the Group's risks related to currency exchange, see note 25 in the Financial Information.

Liquidity risk

The Group handles its liquidity risk by having sufficient liquid funds and available financing through an agreed credit facility. The Group's cash and cash equivalents amounted to €2,935 thousand at H1 2014/15, €3,120 thousand at FY 2013/14 and €3,822 thousand at FY 2012/13 in addition to an unused credit facility amounting to €3,162 thousand at 31 March 2014 and €3,162 thousand at H1 2014/15.

Critical accounting policies

See note 2 in the Financial Information.

9 INDUSTRY

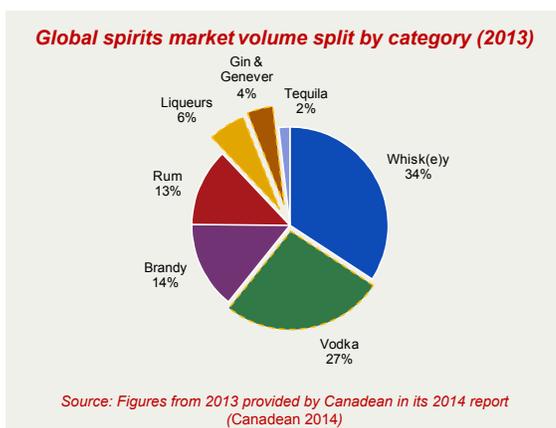
The information presented in this Chapter is taken or derived from the sources identified in Chapter 3 “Important Information”, section “Market and industry Information”. In addition, certain statements below are based on the Company’s own proprietary information, insights, opinions or estimates, and not on any third party or independent source; these statements contain words such as ‘the Group believes’, ‘the Group expects’, ‘the Group sees’, and as such do not purport to cite, refer to or summarise any third party or independent source and should not be so read.

Overview of the global spirits market

On a global basis, the alcoholic beverage market is generally divided into the spirits, wine and beer markets.

The Group is active in the spirits market. The main spirits categories, as defined by Canadean on a global basis, are Whisk(e)y, Vodka, Brandy, Rum, Liqueurs, Gin & Genever and Tequila. These categories are also referred to as International Western Style Spirits. The spirits market also includes the Specialty Spirits category, which consists of domestically consumed spirits, such as Chinese Baijiu, Japanese Sake and Brazilian Cachaça, but this category has been excluded from the scope of this industry overview because of its predominantly local characteristic. References herein to the global spirits market will, therefore, systematically exclude the Specialty Spirits category.

The different categories of the global spirits market are split by volume as per the graph below.



The most relevant categories for the Group are Liqueurs, Gin & Genever and Vodka.

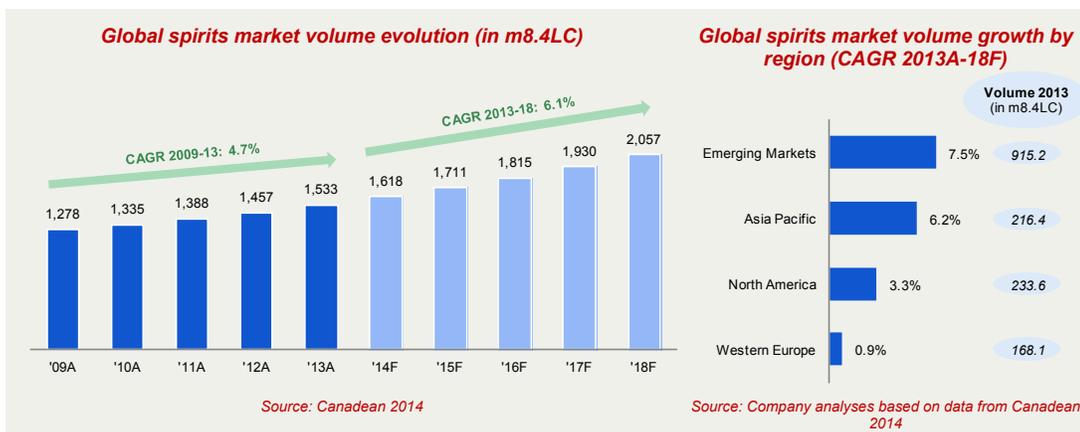
Geographic markets in which the Group operates its business

The Group’s spirits are distributed across more than 110 countries. The Group reports under four geographic segments: Western Europe (44.9% of the Group’s volume, representing 46.2% of revenue in FY 2013/14), Asia-Pacific (10.6% of the Group’s volume, representing 23.2% of revenue in FY 2013/14), North America (18.7% of the Group’s volume, representing 18.1% of revenue in FY 2013/14) and Emerging Markets (25.8% of the Group’s volume, representing 12.5% of revenue in FY 2013/14). In the Group’s definition, Emerging Markets comprise Central & Eastern Europe, Central & South America (including Mexico), Middle East & Africa and India. The sourced data from Canadean is presented based on the Group’s geographic segmentation.

Key industry trends

According to Canadean, the global spirits market is expected to show strong growth over the coming years, with a compound annual growth rate (CAGR) from 2014 to 2018 of 6.1% expected.

In the graphs below the following abbreviations are used: m8.4LC, which refers to million 8.4-liter cases; A, which refers to actual; and F, which refers to forecast.



In 2013, the Asia-Pacific and the Emerging Markets regions comprised approximately 60% of the global spirits market measured by volume, and are expected to be the largest contributors to forecast growth of this market. In volume terms, the mature Western European and North American regions are expected to contribute to growth to a lesser extent (based on Canadean 2014).

There are a number of factors and trends that the Group believes characterise the evolution of the global spirits market and the main categories the Group is active in (Liqueurs, Gin & Genever and Vodka): (i) population growth; (ii) urbanisation; (iii) increase in per capita disposable income and per capita expenditure on spirits; (iv) premiumisation; (v) product innovation; (vi) on-trade consumption development; and (vii) development of the cocktail scene.

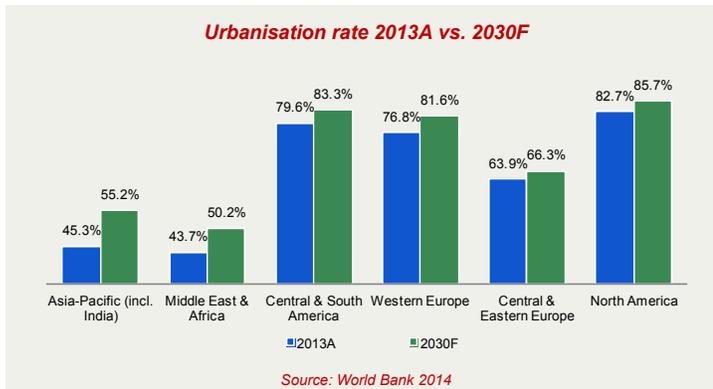
Population growth

Population over 21 years old development 2013A-2020F (in million)			
	2013A	2020F	CAGR 2013-2020
Asia-Pacific (incl. India)	2,445	2,676	1.3%
Middle East & Africa	764	921	2.7%
Central & South America	384	434	1.8%
Western Europe	372	385	0.5%
Central & Eastern Europe	305	301	(0.2%)
North America	255	273	1.0%
Total	4,526	4,990	1.4%

Source: World Bank 2014

The growing population over the age of 21 increases the global spirits consumer base, especially in Middle East & Africa and Central & South America.

Urbanisation



Urban population is increasing, resulting in more people having access to bars, restaurants and retail shops, which the Group believes increases spirits consumption.

The effect of population growth and urbanisation is observed by the Group to be driving spirits consumption in Asia, especially in China and India.

Increase in per capita disposable income and per capita expenditure on spirits

Per capita annual disposable income⁽¹⁾

	2013A	2018F	CAGR 2013-2018
Asia-Pacific (incl. India)	2,488	2,883	3.0%
Middle East & Africa ⁽²⁾	1,971	2,228	2.5%
Central & South America ⁽³⁾	4,122	4,525	1.9%
Western Europe	18,972	20,328	1.4%
Central & Eastern Europe	6,026	7,006	3.1%
North America	32,841	35,036	1.3%
World (51 countries)	6,207	6,732	1.6%

Source: EIU 2014

Per capita annual expenditure on spirits at legal drinking age⁽⁴⁾

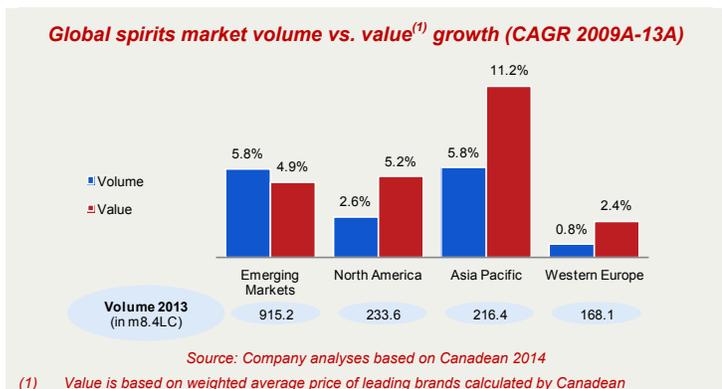
	2013A	2018F	CAGR 2013-2018
Asia-Pacific (incl. India)	49	67	6.4%
Middle East & Africa	24	34	7.0%
Central & South America	68	94	6.7%
Western Europe	182	196	1.5%
Central & Eastern Europe	128	213	10.8%
North America	209	253	3.9%
World (72 countries)	75	97	5.4%

Source: Euromonitor 2014

(1) Rebased to 2005 constant prices and translated into USD.
 (2) Middle East & Sub-Sahara Africa.
 (3) Latin America (Main 6 Countries).
 (4) In current USD with fixed exchange rate.

Disposable income per capita is forecast to increase globally, particularly in the Emerging Markets and Asia-Pacific regions where there is an expanding middle class. Per capita expenditure in spirits is forecast to grow faster, suggesting a positive relationship between disposable income and expenditure on spirits.

Premiumisation



According to IWSR 2014 premiumisation (i.e. consumers trading up to higher quality and higher value products) influences the spirits industry in both developed and developing markets.

In developed markets, this trend is driven by (i) an ageing population with a rising disposable income and (ii) more consumers in slowly

recovering economies that are looking for a quality on-trade experience, which results in more consumer demand for spirits. In developed markets, the demand for higher quality alcoholic beverages is demonstrated by the increase in market share by value of craft-beverages, most notably in Whisk(e)y, Vodka and Gin & Genever. These premium and super-premium craft spirits are produced by small craft distilleries and sold on local markets, often taking share from more established brands (IWSR 2014). This development started approximately ten years ago in the US and the Group is observing this phenomenon expanding into Western Europe.

In developing markets, the Group has observed a consumption pattern where consumers are switching from domestically produced Specialty Spirits (including Baijiu, Sake, Cachaça) to brown spirits (including Cognac (Brandy), Whisk(e)y, dark Rum) and eventually to premium White Spirits (including Liqueurs, Vodka, white Rum) often consumed in a “night-life” setting and mixed in cocktails. This trend is driven by (i) an up-trading from the emerging middle class who want to display their newly acquired status, as International Western Style Spirits are viewed as affordable luxury goods, and (ii) overall consumer confidence that has been less impacted by the economic downturn compared to developed markets. Further upside by premiumisation is expected in developing markets, as the middle class is foreseen to more than double in the next two decades (World Bank 2012 ‘China 2030, Building a Modern, Harmonious, and Creative Society’, 2013) and the penetration of international spirits is still small in these markets.

On-trade consumption development

On-trade refers to the sales of spirits by pubs, bars, clubs, restaurants and other catering channels outside home, while off-trade refers to the sales of spirits by traditional retail channels, such as local shops, or modern retail channels, such as superstores, for consumption at home.

On-trade consumption corresponds to approximately 29% of total spirits volume worldwide and has grown by approximately 4.6% per year in 2009-2013 (Canadean 2014). On-trade consumption is gaining momentum in developed and developing markets, driven by various factors, including: (i) urbanisation; (ii) economic recovery following the 2008 financial crisis; and (iii) population growth.

The Group believes increasing population living in large urban areas coupled with increasing disposable income per capita increases the on-trade consumption. Urbanisation is a global trend, but is even stronger in developing markets (World Bank 2014).

The Group also believes on-trade consumption is recovering gradually following the 2008 financial crisis, which hit consumer confidence and reduced bar and restaurant foot traffic, especially in developed markets.

Development of the cocktail scene

A growing cocktail scene has been emerging and has over the last decade driven Liqueurs consumption. According to IWSR, bartenders and mixologists set the quality standard and help to develop the mixology and cocktail trend at the consumer level, hence the cocktail culture expands on the back of the growing on-trade consumption.

The cocktail scene benefits from the rising number of high-end on-trade outlets, particularly in urban Asia and cutting-edge cocktail markets like New York and San Francisco, which enhances cocktail consumption in these regions.

Cocktail consumption has also been increasing among women who often prefer cocktails over traditional white or brown spirits because of the lower alcohol by volume (**ABV**) (IWSR 2013).

In addition, the cocktail culture is expanding from the original on-trade location to retail, where consumers can find cocktail kits and premium spirits enabling them to enjoy the cocktail experience at home. An off-trade opportunity is therefore opening up for Liqueurs producers and retailers are beginning to target the segment and providing additional shelf space for Liqueurs (IWSR 2014).

Product innovation

Since the spirits market is a highly competitive market where customers are constantly looking for new drinking experiences, product innovation is essential for market participants to differentiate themselves and capture growth. Within spirits, differentiation can be achieved by introducing new flavours but also by launching distinctive and appealing packaging to improve the perceived quality.

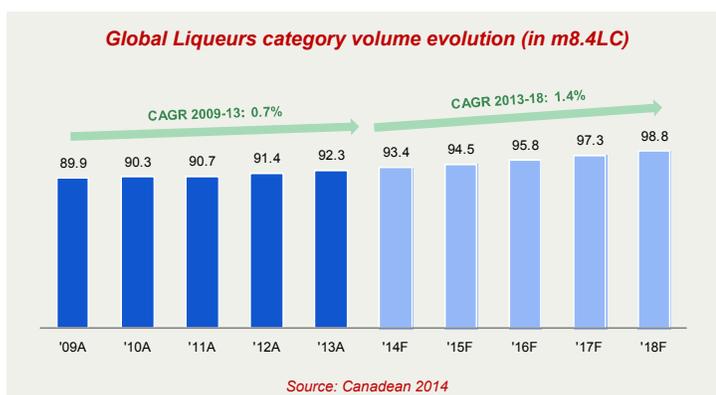
In the Liqueurs category, new flavour launches claim a large share of innovation. A good illustration of this trend is the tremendous success of Fireball, a cinnamon-flavoured whisky-based Liqueur, which has been qualified by IWSR as hottest Liqueurs brand in the US in 2013. The Group successfully launched Bols Natural Yoghurt (awarded the IWSR Gold Award in 2011), Bols Foam (awarded the 2012 Innovation Award at the Horecava, the largest Dutch on-trade fair) and its new flavoured liqueurs, including Elderflower, Honey, Pumpkin Spice and Watermelon.

Overview of the Group's key product categories

The major industry trends described above apply to the three key product categories, Liqueurs, Gin & Genever and Vodka, in which the Group is active. These categories will be further described below.

The global Liqueurs category

Overview of the global Liqueurs category



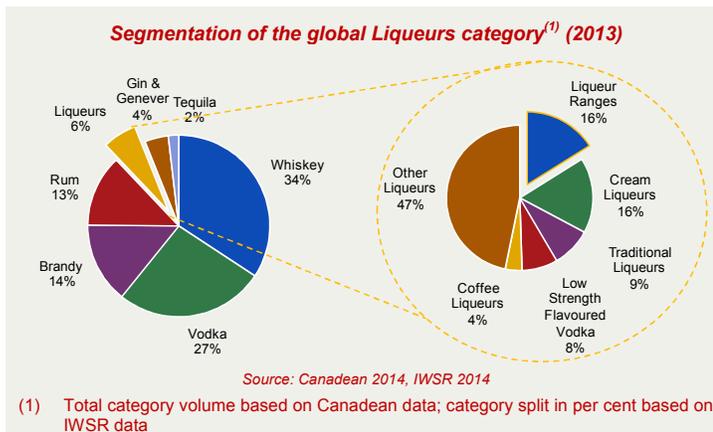
Liqueurs is a resilient category that has had a CAGR by volume of approximately 0.7% per year in 2009-2013 and is expected by Canadean to grow by approximately 1.4% per year in 2013-2018. This expected growth is supported by the major industry trends described above, in particular the development of the cocktail scene.

The category is dominated by Western Europe (approximately 34% of total volume in 2013) followed by North America (approximately 28% of total volume in 2013), Emerging Markets (approximately 27% of total volume in 2013) and Asia-Pacific (approximately 11% of total volume in 2013) (Canadean 2014). However, the future growth is expected to be driven by Emerging Markets (expected volume increase of 3.0% per year in 2013-2018), especially in Central & South America, and by Asia-Pacific (expected volume increase of 4.5% per year in 2013-2018). With an expected

CAGR of 1.1% and minus 1.5%¹, respectively from 2013 to 2018, Western Europe and North America are both mature markets where the Group believes volumes are decreasing in the Traditional Liqueurs segment, but increasing for innovative products in the Liqueur Ranges and other Liqueurs segments, as further discussed below.

On-trade consumption corresponds to approximately 28% of the total Liqueurs category volume in 2013 (Canadean 2014). The category has seen the on-trade consumption in the period from 2009-2013 growing approximately twice as fast as the off-trade consumption², the Group believes due to an increasing urban population and a trend toward increasing cocktail consumption.

Overview of the Liqueur Ranges segment



According to Canadean, the Liqueurs category represented 6% of the overall global spirits market by volume in 2013. The Liqueur category comprises a wide range of very different segments, including Liqueur Ranges, Cream Liqueurs like Baileys and Coffee Liqueurs like Kahlua.

The Liqueur Ranges and Cream Liqueurs are the largest defined segments according to IWSR 2014

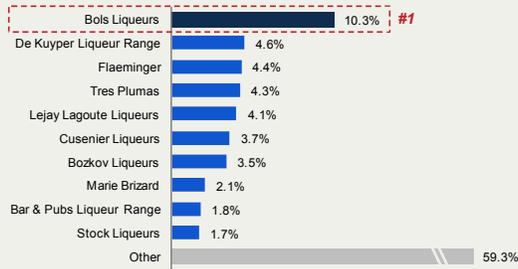
figures.

The Group is active in the Liqueur Ranges segment under its Bols brand and competes in different geographic markets with international competitors, such as De Kuyper, Marie Brizard and Cusenier. In general the competition in the Liqueur Ranges segment is mainly on pricing. Sometimes certain flavours are promoted or new flavours are introduced to influence the brand preferences of bartenders. Occasionally competition in the Liqueur Ranges segment is on product quality and advertising. However, with some of its global competitors Lucas Bols competes on brand value and brand loyalty. In the off-trade, the Group encounters competition from (local) private labels competing on pricing with classic flavours. However, this enables the Group and other international competitors to compete on product quality in the off-trade. The Liqueur Ranges comprise a large variety of flavours and different alcohol percentages and serve as an essential component to any cocktail (Drinks International, 2014). Overall, the consumption of Liqueur Ranges is positively impacted by a growing cocktail culture.

¹ Derived from Canadean 2014 figures.

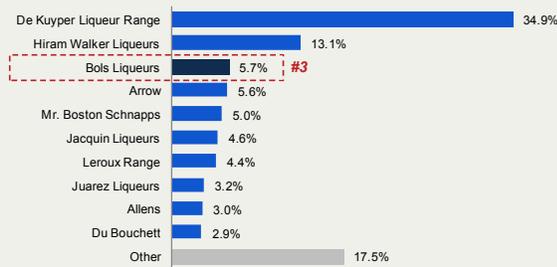
² Derived from Canadean 2014 figures (data available for 50 countries only, representing approximately 75% of the global market).

Top 10 Liqueur Ranges brands by volume outside the US market (2013)



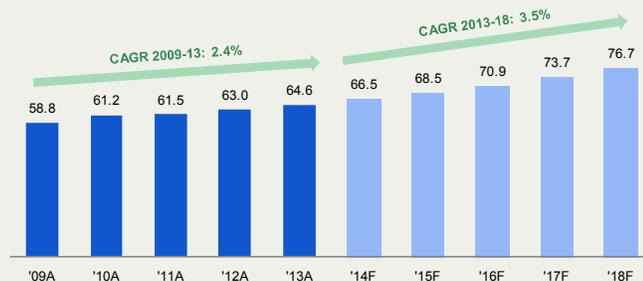
Source: IWSR 2014

Top 10 Liqueur Ranges brands by volume in the US market (2013)



Source: IWSR 2014

Global Gin & Genever category volume evolution (in m8.4LC)



Source: Canadean 2014

Liqueur Ranges is a core segment for the Group that enjoys a number one position in the world outside the US and a number three position in the US (according to market volume data from IWSR 2014). The US is the largest Liqueur Ranges market (approximately 47% of the total category volume in 2013 (IWSR 2014)) and is dominated by De Kuyper.

The global Gin & Genever category

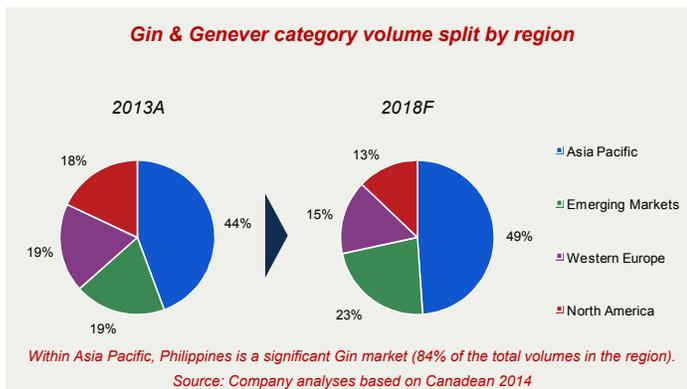
Overview of the global Gin & Genever category

Gin & Genever is a growing category that has had a CAGR by volume of approximately 2.4% per year in 2009-2013 and is expected to accelerate to approximately 3.5% per year in 2013-2018, due to the major industry trends described above.

The category is dominated by consumption in the Asia-Pacific region (approximately 44% of total volume in 2013) followed by Emerging Markets (approximately 19% of total volume in 2013), Western Europe (approximately 19% of total volume in 2013) and North America (approximately 18% of total volume in 2013) (Canadean 2014).

The future growth is expected to be driven by consumption in the Emerging Markets (expected volume increase of 7.2% per year in 2013-2018), especially Central & South America, and by Asia-Pacific (expected volume increase of 5.6% per year between 2013-2018). With an expected CAGR of minus 0.1% and minus 3.3%³ respectively from 2013-2018, Western Europe and North America are both mature markets where the Group believes growth potential exists, especially on the on-trade channel for premium and super-premium brands.

³ Based on Canadean 2014 figures.

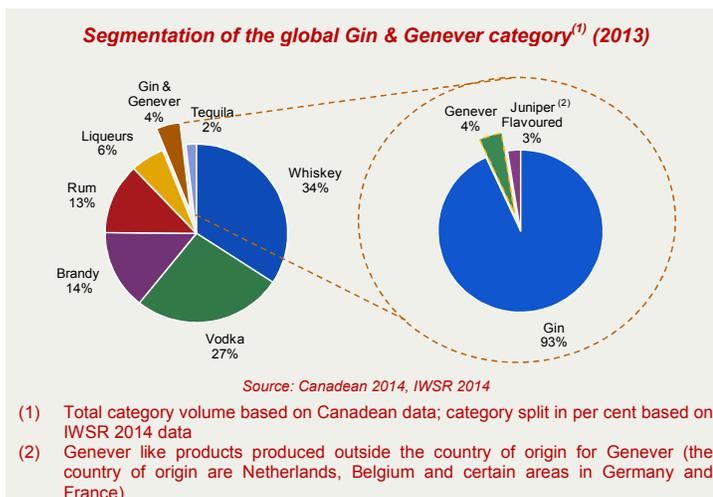


On-trade consumption corresponds to approximately 43% of the total Gin & Genever category volumes in 2013 (Canadean 2014). Bartenders play a key role in developing the category which has seen the on-trade consumption growing almost twice as fast as the off-trade consumption in the period 2009-2013⁴, driven by the revival of Gin & Tonic cocktails. The Group is active in this segment with its super-

premium Damrak Gin brand that enables it to benefit from the craft distilling trend. It competes with other super-premium Gin brands such as Bombay Sapphire produced by Bacardi, Tanqueray Gin produced by Diageo and Hendricks Gin which is produced by William Grant & Sons.

The Gin & Genever category is expected to experience premiumisation in the period 2013-2018 in Asia-Pacific (outside the Philippines), Western Europe and North America.⁵

Overview of the Genever segment



Genever is a traditional Dutch liquor from which gin evolved and is a niche segment within the Gin & Genever category. It is a key ingredient to classic cocktails and many original recipes that can be found in the handwritten Bols recipes book dating back to 1820.

The Genever segment is concentrated in the Netherlands, Belgium and Argentina which accounted for approximately 95% of global volume in 2013 (IWSR 2014). The Group is the

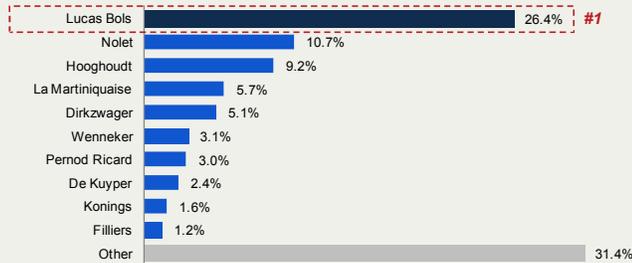
market leader in the Netherlands (Nielsen 2014) as well as globally (IWSR 2014). The Group is seeking to grow the Genever category by introducing new trendy genever brands and cocktails based on traditional recipes adapted to modern consumer tastes. In the Netherlands and Belgium, the Genever segment is an off-trade orientated market. The Group, like one of its major competitors in this segment, Nolet, competes for most of its genever brands on brand loyalty and brand value, while most other players in the Genever segment compete on pricing. Since the genever brands competing on pricing provide for high sales volumes, the Group participates in this segment with some of its brands. In Argentina, where the Group is the market leader⁶, the competition is limited.

⁴ Derived from Canadean 2014 figures (data available for 50 countries only, representing approximately 75% of the global market).

⁵ Derived from Canadean 2014 figures (data available for 50 countries only, representing approximately 75% of the global market).

⁶ Figures from 2012 provided by IWSR in its 2013 report.

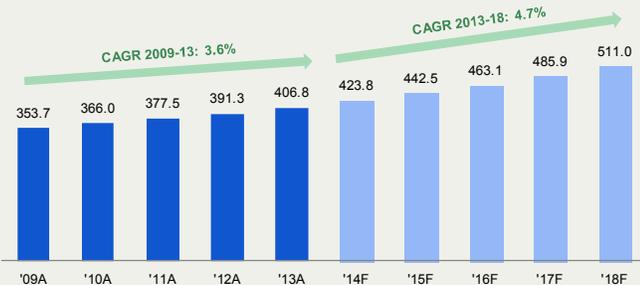
Volume share of key player in the Genever segment globally (2013)



Source: IWSR 2014

The global Vodka category

Global Vodka category volume evolution (in m8.4LC)



Source: Canadean 2014

Vodka is a fast growing category that has had a CAGR by volume of approximately 3.6% per year in 2009-2013 and is expected to accelerate to approximately 4.7% per year in 2013-2018, due to the major industry trends described above.

The category is dominated by consumption in the Emerging Markets region (approximately 70% of total

volume in 2013, of which approximately 83% is Central & Eastern Europe), followed by North America (approximately 20% of total volume in 2013), Western Europe (approximately 8% of total volume in 2013) and Asia-Pacific (approximately 2% of total volume in 2013) (Canadean 2014).

The Group is active in this category with its Bols Vodka brand, it being noted that its current global market position is small. Key markets for the Group (measured by volume) are Sweden, Argentina and Canada. Another important market for Bols Vodka (measured by volume) is Eastern Europe, where the Group (through its predecessor) entered into a licensing agreement with CEDC. Pursuant to this agreement, CEDC is permitted to use the brand name in relation to the manufacturing, marketing and sale of the products supplied under the brand name Bols Vodka in Poland, Russia and Hungary on an exclusive and royalty-free basis.

The future growth in the Vodka category is expected to be driven by Asia-Pacific (expected volume increase of 12.1% per year in 2013-2018), North America (expected volume increase of 5.5% per year in 2013-2018) and to a lesser extent Emerging Markets (expected volume increase of 4.5% per year in 2013-2018) and Western Europe (expected volume increase of 1.7% per year in 2013-2018).⁷

On-trade consumption corresponds to approximately 30% of the total Vodka category volume in 2013 according to Canadean. The category has seen the on-trade consumption in the period from 2009-2013 growing slightly faster than the off-trade consumption.⁸

The Vodka category is expected to experience premiumisation in the period 2013-2018 in Western Europe and to a lesser extent in North America. Asia-Pacific and Emerging Markets are expected to remain volume-driven markets.⁹

⁷ Derived from Canadean 2014 figures.

⁸ Derived from Canadean 2014 figures (data available for 50 countries only, representing approximately 75% of the global market).

10 BUSINESS

Certain statements in the section “Competitive strengths” may constitute “forward-looking statements”. Such statements are subject to risks, uncertainties and other factors, including those set forth in Chapter 2 “Risk Factors”, that could cause the Group’s future results of operations, financial position or cash flows to differ materially from the results of operations, financial position or cash flows expressed or implied in such forward looking statements. See Chapter 3 “Important Information”, section “Forward-looking statements” for a discussion of risks associated with reliance on forward-looking statements.

Overview

The Group is a leading Netherlands based company selling a range of spirits brands with a heritage dating back to 1575. Lucas Bols is one of the oldest Dutch companies still active and Bols is the oldest distilled spirits brand in the world. The Group started 440 years ago, when the Bols family opened a small liqueurs distillery in the centre of Amsterdam, called ‘t Lootsje’ (The Shed). In 1664, Lucas Bols began distilling genever. Lucas Bols’ genever quickly spread around the world with the sailors of the Dutch East India Company (VOC). Since then, Lucas Bols has mastered the art of mixing and blending with old recipes and new flavours for liqueurs and genevers, consumed pure or as part of a wide range of cocktails.

The Group has a portfolio of more than 20 brands across a range of spirits products, including liqueurs, genever, gin and vodka. The Group’s global brands, which represented 69.2% of the Group’s revenue in FY 2013/14, include Bols Liqueurs, Bols Genever, Damrak Gin, Bols Vodka, Galliano and Vaccari. In addition, the Group has a portfolio of more than 15 regional brands, which represented 30.8% of the Group’s revenue in FY 2013/14, of which Pisang Ambon, Bokma, Hartevelt and Coebergh are the largest. The Group has leading market positions in the Liqueur Ranges category with a number one position in the world outside the US and a number three position in the US, which represents the world’s largest liqueurs market (according to market volume data from IWSR 2014 and Canadean 2014). Many of the Group’s other products have market or category-leading positions in the Group’s geographic markets.

The Bols brands also include the House of Bols Cocktail & Genever Experience, and Europe’s largest bartending school, the Bols Bartending Academy. The House of Bols Cocktail & Genever Experience offers visitors an experience into the world of cocktails and bartending, as well as a discovery of the traditional Dutch genever. The Group works in close collaboration with professional bartenders from all over the world to develop new products, create new flavours and adapt old recipes, in line with the cocktail trends of today, resulting in a wide range of products. The ability to innovate and to build and maintain long-standing relationships with professional bartenders in the geographic markets where the Group is active are key factors which the Group believes contributes to the success of Lucas Bols.

In 2014, the Group opened the Lucas Bols Distillery in the centre of Amsterdam, producing the heart (essential flavour distillates) for some of the Group’s products, being various Bols Genevers, various Bols Liqueurs and Damrak Gin. The Lucas Bols Distillery is a modern yet authentic distillery, where craftsmanship in extracting flavours from natural ingredients is still practised, as it was over four centuries ago.

Blending and bottling for the majority of the countries where the Group sells its products is outsourced to its joint venture Avandis, while the Bols Liqueurs for the US market are produced in the US by Brown-Forman Corporation.

The Group’s products are distributed to and sold globally in more than 110 countries. The Group holds long-standing relationships with its distributors that are mainly alcohol beverage companies having their own distribution network. In the US market, the Company controls the distribution of its products through its own subsidiary Lucas Bols USA Inc. In the Netherlands, its products are distributed by its joint venture Maxxium.

The Group operates in four geographic markets: Western Europe (44.9% of the Group’s sales volume, representing 46.2% of revenue in FY 2013/14), Asia-Pacific (10.6% of the Group’s

⁹ Derived from Canadean 2014 figures.

sales volume, representing 23.2% of revenue in FY 2013/14), North America (18.7% of the Group's sales volume, representing 18.1% of revenue in FY 2013/14) and Emerging Markets (25.8% of the Group's sales volume, representing 12.5% of revenue in FY 2013/14).

Competitive strengths

Global spirit player with unique heritage dating back to 1575

Lucas Bols is one of the oldest Dutch companies still active and the oldest distilled spirits brand in the world with 440 years of unique history of mastering the art of distilling, mixing and blending, and creating tastes for liqueurs and genevers. The sales and marketing of the Group's brand portfolio is predominantly focused on the on-trade segment, in particular the global bartender community. See for more information section "Marketing and sales" below.

The Group has leading market positions in the Liqueur Ranges category with a number one position in the world outside the US and a number three position in the US, which represents the world's largest liqueurs market (according to market volume data from IWSR 2014 and Canadean 2014). The Group is number one globally in the Genever segment (according to market volume data from IWSR 2014). Furthermore, the Group has competitive positions in other regional markets and spirit categories and has built a substantial and growing presence in Asia-Pacific and the Emerging Markets.

The Group believes that its leading market positions, global presence and its diverse range of flavours has made it the leading brand in the Liqueur Ranges category.

Core offering of premium and super-premium global brands, complemented with strong regional brands

The Group believes it has a strong global premium and super-premium brand portfolio and a strong regional brand portfolio. The strength of the Group's global brand portfolio is illustrated by the Bols Liqueurs brand with an overall ranking of 89 in the spirits and wine ranking (which is up six positions in comparison to 2013), out of nearly 10,000 brands globally, and a number 12 ranking within the flavoured spirits brands category, in The Power 100 World's Most Powerful Spirits & Wines Brands 2014. Furthermore, Bols Genever is offered in more than 40 of the top 50 cocktail bars in the world (as published in 2013 by Drinks International).

The Group's global brands include the Bols Liqueurs range, a portfolio of White Spirits brands and its Italian Liqueurs. The Bols Liqueurs range include 39 flavours which enables bartenders to create high quality and great tasting cocktails. In the White Spirits category, the Group's global brands include Bols Vodka, Bols Genever and Damrak Gin, which together can be used to create a wide range of classic cocktails. The Group's Italian Liqueur Galliano is an essential ingredient in various well known cocktails, such as the Harvey Wallbanger and Hot Shot cocktails, and Vaccari is a leading Sambuca brand.

The Group believes its global brand products are a "must have" for the global bartender community. The Group's global brand portfolio has category-leading positions, supported by its high quality, which encourages loyalty in the on-trade channel. The Group complements its global brand portfolio with new innovative flavours and liqueurs on an ongoing basis.

The Bols Liqueurs range and Bols Vodka are positioned in the premium segment. The Group's White Spirits Bols Genever and Damrak Gin and its Italian Liqueurs, Galliano and Vaccari, are positioned in the super-premium segment. The Group believes the positioning of its premium and super-premium spirits will continue to contribute to highly attractive gross margins.

The Group's portfolio is complemented with strong regional brands, consisting of several traditional Dutch genevers and a successful range of other liqueur and spirits brands such as Henkes, Bootz, Coebergh, Pisang Ambon and the Strike brands. The regional brand portfolio has shown to be a resilient business with limited A&P spending and working capital requirements, resulting in strong and stable cash generation. In addition, the Group believes some of the regional brands with strong heritage have the key attributes to be developed internationally, particularly in the Emerging Markets.

Well-positioned to capture growth opportunities on the back of positive cocktail and spirits market trends

The Group has strong market positions in mature cocktail markets (e.g., the US and Western Europe) and is building a strong footprint in Asia-Pacific and the Emerging Markets, where a vibrant cocktail culture is emerging and where the Group has the opportunity to grow and capitalise on various other underlying market trends. In mature, but sizable cocktail markets, including the US, the Group believes it has significant upside potential, as the Company now operates its own commercial organisation in the US. This enables the Group to have direct contact with State Distributors which sell directly to the on- and off-trade. The Group's regional brand portfolio has been optimised in Western Europe and revenue is stabilising in H1 2014/15.

In the developing cocktail scene in the Emerging Markets and Asia-Pacific, the urbanisation trend is driving the growth of on-trade consumption, thriving on an increasing number of appealing high-end cocktail bars and restaurants, as well as a growing and trendsetting bartending community (IWSR 2014). As spirits markets mature, this generally results in consumption shifting from local to brown to white spirits. By being present in over 110 countries worldwide, the Group believes that it is well positioned to benefit from these underlying market trends.

Over the last three fiscal years the Group's revenue growth was in line with the market in Asia-Pacific with a CAGR of 8.7% per fiscal year versus a market value growth with a CAGR of 9.4% per year in 2011-2013. The Group has been outperforming in Emerging Markets with revenue growth with a CAGR of 7.6% per fiscal year over the last three fiscal years versus a market value growth with a CAGR of 3.6% per year in 2011-2013. The Group's revenue growth in North America had a CAGR of 3.4% per fiscal year over the last three fiscal years versus a market value growth with a CAGR of 6.1% per year in 2011-2013. The Group's revenue in Western Europe declined with a CAGR of minus 4.7% per fiscal year over the last three fiscal years versus a market value growth with a CAGR of 1.9% per year in 2011-2013.¹⁰

Fully focused on innovation, strategic marketing and managing long-standing distribution arrangements

The Group is fully focused on managing the core value chain activities of its business, including innovation, strategic marketing and long-standing distribution arrangements.

Lucas Bols' fully owned craft distillery in Amsterdam produces the essential flavour distillates, that form the heart of the Group's Genever, Liqueurs and Gin. Under the supervision of master distiller Piet van Leijenhorst, who has almost 30 years of relevant experience, and his envisaged successor, the craft distillery is responsible for the creation and production of high quality and innovative distilled products aimed at responding rapidly to changes in consumer demand.

The Group believes it has a strong culture of, and skills in, product innovations as a result of the long-standing relationships with its distributors as well as its direct relationship with bartenders worldwide via the Group's sales force and the Bols Bartending Academy. For example, based on bartender feedback signalling consumer demand for a honey flavour, in 2013 the Group was able to bring to market the new Honey Liqueur flavour within six months. Other examples of successful and rapid innovative responses to new consumer demands are the launch of the Bols Natural Yoghurt flavour globally and the Bols Green Tea flavour in Japan.

The Group manages an extensive distribution network with global reach for the sale of its products. The Group has selected reputable and sizable distributors for whom the Lucas Bols brands support strategic depth to their portfolios. In most markets, the Group generally obtains exclusivity in distribution contracts on the Bols Liqueurs range and Genever. The Group holds long-standing relationships with its distributors. In 2014, the Group renewed the distribution agreements relating to the major part of its product portfolio until 2019.

The Group has a focused marketing approach that uses innovative marketing initiatives including the House of Bols Cocktail & Genever Experience (Amsterdam, the Netherlands), which aims to create brand awareness among end consumers, the Bols Bartending Academy

¹⁰ Market value growth figures (CAGR 2011A-2013A) are based on Canadean 2014 figures. Market value is based on weighted average price of leading brands calculated by Canadean.

and the Bols Bartending World Championship, which marketing initiatives are aimed at creating brand ambassadors around the world and in particular in the bartending community.

Flexible and asset-light business model allowing management to focus on core activities

The Group has an asset-light business model in which a large portion of the production process (blending and bottling) is outsourced to strategic partners. The production joint venture Avandis, in which the Group has a 33% participation, undertakes the blending and bottling process for the majority of the countries where the Group sells its products. This production facility is located in Zoetermeer (the Netherlands) and is well situated near the Rotterdam harbour, which facilitates an efficient logistical organisation. The Bols Liqueurs for the US market are blended and bottled locally by Brown-Forman Corporation, with whom the Group has had a long-standing relationship since 1956.

For each individual market in which the Group is present, the Group operates a distribution model tailored to specific needs of the Group in that market. In the Netherlands, the distribution of the Group's products is arranged by Maxxium, which is owned by the Group and The Edrington Group on a 50%-50% basis. In the US, the Group distributes its products through its wholly-owned subsidiary, Lucas Bols USA Inc.. In other markets, the Group relies on its strong and long-standing relationships with its distribution partners in order to ensure the route-to-market of its products.

The Group operates via a cost efficient and flexible organisational structure. It has no ageing stock on its balance sheet and a history of very limited uncollectable trade receivables. The Group believes the outsourcing set up of both blending and bottling and distribution allows it to focus on product development and innovation to quickly react to market trends and new opportunities, thus providing it with a competitive advantage.

Attractive financial performance with a strong EBIT margin and strong Cash Conversion

The Group has benefitted from a favourable product mix: from its higher margin global brand portfolio and stable cash generation from its regional brand portfolio. The Group's global brand portfolio has shown top-line growth combined with increasing gross margins.

The Group believes its premium and super-premium spirits offer attractive gross margins, in combination with its asset-light business model allowing the Group to generate strong Cash Conversion of 78% in FY 2013/14 which was above cash conversion levels of other listed spirits companies. Cash Conversion is generally lower in the first half of the fiscal year due to higher net working capital investments during this part of the fiscal year.

The Group has delivered a strong and highly profitable performance over the past three years with stable EBIT margins of 31.8% in H1 2014/15, 31.7% in H1 2013/14, 28.0% in FY 2013/14, 29.0% in FY 2012/13 and 29.4% in FY 2011/12. EBIT margins slightly declined over the past fiscal years as a result of the set-up of the Company's fully owned subsidiary Lucas Bols USA Inc. Furthermore, EBIT margins are generally higher in the first half of the fiscal year due to higher A&P and distribution spending in the second half of the fiscal year. The Company expects to continue to generate strong and stable cash flows, which the Company believes will support its dividend policy and further deleveraging with a target average mid-term leverage structure of maximum 2x EBITDA.

Highly regarded and experienced management team with proven track record in the spirits industry

The Group believes its Management Board and Senior Management are highly regarded in the global spirits industry and have extensive multinational experience and industry background. As a result, the Group believes that it can continue to benefit from industry-leading practices in sales and marketing, brand management, distribution, supply-chain management, innovative product development and finance. With the current management team, the Group has successfully expanded its geographical spread, as demonstrated by the expansion in the Emerging Markets, such as India and Russia and in Asia-Pacific, such as China, where it benefits from a first mover advantage, and Japan. The Group enjoys a number one position in India, Russia and China and a number two position in Japan within the Liqueur Ranges category in 2013 (IWSR 2014). In addition, the Group has successfully expanded its product range with a strong focus on its growing global brands.

Strategy

The Group's strategy is to strengthen and grow its global brands in the international cocktail market while maintaining the competitiveness of its regional brands in regional and local markets, thereby driving organic growth of recurring EBIT. To accomplish this, the Group intends to focus on the key strategic initiatives set out below.

The Group uses Brand Market Units (**BMU**) as an administrative and commercial forecasting tool to tailor its strategy per brand and per region. A BMU refers to a specific brand in a specific geographic market of the Group. In total the Group distinguishes over 350 BMUs. The Group's strategy per BMU differentiates between (i) investing in the brand versus maintaining the brand position, or (ii) growing the brand position versus using the brand as a cash generator.

Build the brand equity

The Group will continue to seek to increase its market position by further premiumisation of its global brands. The Group plans to build its brands both in the countries in which it is already active and by introducing its brands in new countries within the Group's geographic markets. Product innovations and tailored marketing efforts should optimally position the Bols brand as a consistent and coherent global brand and optimise its performance in the global cocktail market. These efforts to build its brand equity are supported by optimising the Group's brand investments and spending on A&P.

- **Liqueurs range.** The Group seeks to position Bols Liqueurs as the number one brand for the international cocktail market. To this end, the brand is actively marketed towards the bartending community through a variety of marketing and commercial initiatives, including the Group's network of brand ambassadors. Moreover, the Group continuously optimises its Liqueurs range to create new trends in the cocktail market, including by introducing new products and flavours.
- **White Spirits.** The Group aims to position its White Spirits as the essential base spirits for cocktails, thereby complementing the Liqueurs Range. Bols Genever, Damrak Gin and Bols Vodka are sold internationally to, support and accelerate the growth of the Liqueurs Range.
- **Italian Liqueurs.** The Group seeks to position Vaccari and Galliano to attract the attention of both the (consumer) end users and the cocktail community. The Italian Liqueurs provide an addition to the Bols cocktail platform creating synergy potential, whilst maintaining their Italian identity in the eye of the (consumer) end user.
- **Regional brands.** The Group's regional brands are established brands with strong positions in regional and local markets that add value by supporting the growth of the Group's global brands through their strong and stable cash generation due to limited A&P spending and working capital requirements. The Group strives to maintain the competitiveness of the regional brands in their respective markets by focusing on market share growth and cash generation. By selectively introducing new brands,

introducing existing brands in new markets and withdrawing brands from the market, the Group plans to continuously reshape and improve its portfolio.

Lead the development of the cocktail market

The Group is actively involved in new product development and product innovation and believes this has contributed to its leading brands and strong market position.

- **Product innovations.** The Group aims to tailor the brand positioning via strategic innovation initiatives (for example Bols Natural Yoghurt and Bols Foam) to optimise the brand portfolios and strives to continue and exploit its innovative strength to increase the high-quality image of the brands. Over the last years, the Group has actively invested in expanding the range of Bols Liqueur flavours (amongst other Honey, Mango, Watermelon, Green Tea and Elderflower). Additionally, the White Spirits range has been expanded with the introduction of Bols Genever.
- **Marketing.** The Group uses several initiatives to market itself both 'Business to Business' (B2B) and 'Business to Customer' (B2C) and intends to continue this path to stay close to its customers and consumers and further premiumise its brand. B2B initiatives, such as the Bols Bartending Academy and Bols Around The World, are used to capture the interest of the bartending community and create an ambassador network that perceives Bols as the leading cocktail brand. B2C initiatives include the House of Bols Cocktail & Genever Experience and the continuous improvements on bottle shapes and colour use to stimulate awareness of Lucas Bols' high quality products.

Accelerate global brand growth

The Group intends to grow in its geographic markets through its broad portfolio of products. The largest growth is expected in North America, Asia-Pacific and the Emerging Markets. Within the Group's geographic markets the following markets are considered most relevant for future growth of the Group's global brands: Japan, the US, China, the Netherlands, Russia and Poland.

North America, and especially the US, is regarded as a global trend setter within the spirits and cocktail business by the Company and therefore a key market for the Group. By strengthening its sales and marketing efforts through its wholly-owned subsidiary Lucas Bols USA Inc. the Group aims to increase its market share for its Bols Liqueurs range and to continue the growth of its super-premium brands, Bols Genever, Damrak Gin and Galliano in the US.

For the Emerging Markets, the Group aims to continue to grow its global brands and to pursue selective growth opportunities for its regional brands. The Group aims to expand to countries where it currently does not sell products.

In Asia-Pacific, the Group aims to continue to grow its super-premium brands, Bols Genever, Damrak Gin and Galliano, increasingly focusing on growth of its brands in Japan and China.

In Western Europe, the sales of the Group's global brands is regarded as a key driver for growth. The Group aims to grow its global brands in a select number of other countries in Western Europe outside its key markets, Benelux, France, Germany and Scandinavia. For the Netherlands, the Group aims to continue to grow its global brands by using Maxxium's network and leading market position as distributor. The pursuit of this strategic focus may possibly lead to selective acquisitions, joint ventures and/or partnerships relating to new spirits brands.

Leverage operational excellence

The Group plans to maintain its current business model with a mix of in-house and outsourced activities providing optimal flexibility and generating maximum operational leverage. For the production and distribution, the aim is to continue to select the best possible business partners and build long-term strategic relationships.

- **Production.** For production of the heart (distillate) of the Bols Genevers, Bols Liqueurs and Damrak Gin, the Group uses its own Lucas Bols Distillery in Amsterdam. The blending and bottling is done at the joint venture Avandis. The Group aims to attract additional volume from third parties for this production joint venture in order to increase efficiency and optimise cost of goods. The Group has a long-standing relationship with Brown-Forman Corporation for the production of the Bols Liqueur Range which is sold in the US market.
- **Distribution.** The Group's strong distribution capability in the markets in which it operates has allowed the Group to grow its global brands and obtain leadership positions in many markets. The Group combines distribution via joint venture participations and subsidiaries with outsourced distribution via third parties. When working with third parties, the Group aims to partner with distributors for whom the Group's brand portfolio offers strong added value to the existing brand portfolio of the distributors in that specific region. The Group is considering adding additional brands to the distribution platforms of its joint venture Maxxium and its wholly-owned subsidiary Lucas Bols USA Inc..

History

The following table summarises key dates and events in the Group's history.

1575	The Bols family arrived in Amsterdam to open 'het Lootsje' where they would distil liqueurs. The starting point of what would become the world's oldest distilled spirits brand. The Bols distillery grew quickly and the original 'Lootsje', a wooden shed, was replaced by stone buildings. The name 'Lootsje' remained.
1652	In 1652, Lucas Bols was born. He was an influential business man, living in the Golden Age, when Amsterdam was the world's major trading city. Lucas Bols managed to turn Bols into an international brand and greatly expanded the range of liqueurs. The herbs and spices of the Dutch East India Company (VOC), which was the first company with publicly traded shares, played an important role in this development and Lucas Bols had, as a major shareholder in the VOC, first choice of the 'new' herbs and spices that seafaring merchants brought into Amsterdam from the West Indies. With his knowledge of distilling, he created 300 different liqueurs, by distilling, macerating and percolating those natural ingredients.
1664	The company started producing the first genever, at that time a very common drink.
1816	After years of prosperity the last male member of the Bols family died in 1816. The company was sold under the proviso that the name Lucas Bols should always be retained. The new owner received approximately 300 original, handwritten Bols recipes as part of the legacy.
1868	The company was sold to the Moltzer family who put a lot of effort into large scale export of Bols products.
1954	The last member of the Moltzer family left the board of directors and Bols Distilleries became a listed company in Amsterdam.
1956	Lucas Bols started its cooperation with Brown-Forman Corporation in the United States, currently one of the leading global spirits companies.
1969	Lucas Bols moved to Nieuw Vennep, because further expansion in Amsterdam was impossible.
1997	The merger with Koninklijke Wessanen, which was effected in 1993, was dissolved, whereafter Lucas Bols moved to Zoetermeer. The product range meanwhile

included many well-known brands, such as Bols, Bokma, Hartevelt, Coebergh, Pisang Ambon, Gold Strike, Hoppe and Henkes.

- 2000 Lucas Bols was taken over by Rémy Cointreau and the Avandis production joint venture (the Netherlands) was formed.
- 2006 Lucas Bols became independent by means of a buy-out by its management and AAC in 2006 and moved its organisation back to Amsterdam.
- 2007 The Company opened the House of Bols Cocktail & Genever Experience, winner of the Dutch Design Award in 2007 and created the Bols Bartending Academy.
- 2008 The Company re-launched Bols Genever from 1820 and was awarded Best Cocktail Initiative 2008 by Drinks International Magazine and Best New Spirit at Tales of the Cocktail 2009 (New Orleans). In addition, the Company established the production joint venture Bols Kyndal (India).
- 2009 The Group renegotiated a major part of its distribution agreements following the dissolution of the distribution network Maxxium World Wide and acquired 50% in the distribution joint venture Maxxium (the Netherlands).
- 2010 In 2010, the Company set up a fully owned subsidiary in the US as distributor for Bols Genever, Damrak Gin and Galliano.
- 2013 The Group acquired Wynand Fockink, a distillery and its nearby tasting room 'Proeflokaal Wynand Fockink'. Wynand Fockink is an artisanal Amsterdam liqueur and genever brand that dates back to 1679 with a wide range of products. All these products are available in the 'Proeflokaal Wynand Fockink'. The Group also took the distribution of the Bols Liqueurs in the US in its own hands.
- 2014 The distillery acquired in 2013 was opened in 2014 and all distillery activities have moved to the renewed Lucas Bols Distillery located in the centre of Amsterdam, next to the Dam square and close to the Rozengracht where the Bols-family started its activities in 1575.

Brand history

Many of the Group's core brands have long and distinguished histories, and the Company continues to add new brands to its product range. Set out below are the dates of inception of the Group's core brands.

Global brands ***Date of Inception***

Global brands & utilities:

▪ Bols Liqueurs	1575
▪ Bols Genever 1820	1820
▪ Galliano	1896
▪ Bols Vodka	1989
▪ Vaccari	1990
▪ Damrak Gin	2000
▪ House of Bols Cocktail & Genever Experience	2007
▪ Bols Bartending Academy	2007
▪ Lucas Bols Distillery	2014

Regional brands

▪ Bols Jenever	1664
▪ Wynand Fockink	1679
▪ Blankenheym	1714
▪ Hartevelt	1734
▪ Hoppe	1780
▪ Bootz	1816
▪ Els La Vera Bitters	1821
▪ Henkes	1824
▪ Bokma	1826
▪ Gold Strike	1849
▪ Coebergh	1877
▪ Silvertop	1922
▪ Pisang Ambon	1948
▪ Claeryn	1952
▪ Zwarte Kip	1957
▪ Bols Brandy	1958
▪ Bols Corenwyn	1962
▪ Parade	1964

Products

The Group sells approximately 3 million standard cases (each containing 12 bottles of 0.7 liter) per year. Portfolio segmentation and the use of BMUs enables the Company to prioritise brand investments to drive optimal volume and profit performance of the overall portfolio. See for more information regarding BMUs Chapter 10 “Business”, section “Strategy”. The global brands are a strategic asset of the Group and key to the innovation of the cocktail culture in the Group’s geographic markets, whilst the sale of regional brands (which incur relatively low A&P costs) are used to fund the product innovation of the global brands. The Group’s products are sold through an extensive distribution network (see section “Distribution” below). The regional brands are mainly sold by distributors to retail chains, and in general consumption takes place at home. The global brands are mainly distributed via wholesale channels, and are predominately utilised in an on-trade environment.

Global brands

Bols Liqueurs

Bols Liqueurs are made from high quality and natural products. The Group works in close collaboration with professional bartenders to create new flavours and adapt old recipes, to respond to the cocktail trends. The Bols Liqueurs are available in 39 unique flavours, categorised in six different groups; citrus, orchard, berries, tropical, indulgent and herbs & botanicals. These spirits are widely used by bartenders to create cocktails but are also consumed at home.

Together with some of the best bartenders in the world, the Group developed an award-winning bottle for Bols Liqueurs, awarded by Drinks International in 2004 and Wine & Spirits International in 2005. This ergonomically-optimised bottle has an iconic shape that is specially designed for easy pouring and flair bartending. Bols Liqueurs is the most distributed liqueur range worldwide, number one outside the US with a market share of 10.3% in 2013 and number three in the US with a market share of 5.7% in 2013 (IWSR 2014). One of the Bols Liqueurs, Bols Natural Yoghurt, won the IWSR Gold Award in 2011. Key markets (measured by volume) are the US, Canada, Argentina, Japan, China, Germany, the United Kingdom (**UK**), Russia and Scandinavia.

Bols Genevers

Bols Genever was re-introduced in 2008, as an authentic premium white spirit in distinctive packaging with exclusive focus on on-trade sales in well-known cocktail cities world-wide like New York, San Francisco, London, Berlin, Amsterdam, Moscow, Tokyo, Shanghai.

Bols Genever is an original Dutch spirit, created from lightly distilled Dutch grains and a complex botanical mix, made according to the original 1820 Lucas Bols recipe. The Netherlands has been designated as the country of origin for Genever products (together with Belgium and certain areas in Germany and France). Consequently, Bols Genever can only be made in the Netherlands (together with the other regions mentioned) and must contain a unique grain distillate, called malt wine which gives genever its characteristic smooth malty taste. This malt wine is made from long-fermented rye, corn and wheat, triple-distilled in copper pot stills and is infused with a carefully selected distillate of botanicals and brought to 42% alcohol. See Chapter 11 “Regulation of the Group”, section “Geographical indications of spirit drinks” for more information on the regulation of the production of Genever.

Genever is traditionally drunk straight called “Dutch Courage”. It is also one of the first spirits ever used in cocktails in the 19th century because of its smooth malty taste that stands out in any drink.

Bols Barrel-Aged Genever is an authentic aged Genever from Amsterdam, blended according to the original 19th century Lucas Bols recipe. Bols Barrel-Aged Genever is a limited production that is stored for a minimum period of 18 months in oak casks from the French Limousin region. These barrels impart a pale golden colour and a rich, oaky, sweet flavour to the Bols Barrel-Aged Genever.

For centuries, genever has been bottled and shipped around the world in brown clay genever jugs. They are still found in old shipwrecks or during archaeological activities. Bols Genever and Bols Barrel-Aged Genever are bottled in updated versions of the original brown clay genever jug. The typography is inspired by the original 19th century Bols logo and the typical 19th century hand-painted signage on Amsterdam's café windows that can still be seen in the old city centre. For Bols Genever, the iconic jug shape is made from smoked grey glass.

Bols Genever 21, is a 21st century recipe co-created by the Group's master distiller Piet van Leijenhorst and Casper Reinders, who is well known in the Amsterdam bartending community. The design of the bottle incorporates a visual of the actual hand of Vincent van de Waal, a Dutch designer and artist. Bols Genever 21 has an easy sweet and malty tone taste. It can be drunk straight or as a cocktail. Due to its palatable taste and packaging appeal, the Company believes an opportunity exists to develop Bols Genever as a retail proposition.

Key markets for Bols Genever (measured by volume) are the US, the Netherlands, Russia, the UK, Japan and Australia.

Damrak Gin

Damrak Amsterdam Original Gin combines no less than 17 botanicals and is distilled five times for unparalleled clarity in a refreshing spirit containing 41.8% alcohol by volume, that is pure Dutch. Botanicals used are juniper berry, coriander, lemon peel, orange peel, aniseed, cinnamon, honeysuckle and some other botanicals, which are the master distiller's secret. Key markets are the US and the Netherlands. The Company also sees an opportunity to develop Damrak Gin as a retail proposition.

Bols Vodka

Bols Vodka is made from rye and goes through a four-step distillation and filtration process to ensure an exceptionally smooth high quality and well balanced vodka with a light accent at the end. Bols Vodka is filtered twice (at 38% alcohol by volume), through both copper and charcoal filters, resulting in a high level of purity. Bols Vodka received the Superior Taste Award (3 stars) by the International Taste & Quality Institute (iTQi) in 2010.

Key markets (measured by volume) are Sweden, Argentina and Canada.

Galliano

Galliano traces its roots back to 1896, when Arturo Vaccari first made the iconic liqueur in the Tuscan coastal town of Livorno. The liqueur was originally created to celebrate the exploits of an Italian army major, called Guiseppe. Arturo Vaccari went to great lengths to choose and blend flavours that reflected the passion, grandeur, artistic brilliance and sensuality of his country. Galliano soon became a favourite and gained international fame as a key ingredient in the Harvey Wallbanger cocktail in the US during the 1970's and continued its popularity with the Hot Shot (Galliano coffee and cream) in Scandinavia in the 1990's.

The processing of Galliano is complex and unique, including seven infusions and distillations. It starts with the meticulous sorting of some 30 herbs and spices, including Mediterranean anise, juniper, lavender, peppermint and vanilla. All the essential distillates for Galliano are produced at Maraschi e Quirici near Turin (Italy), whilst the blending and bottling takes place at Avandis in the Netherlands. Australia is the most important market (measured by volume) for Galliano, where the Group moved from promoting Galliano as a single serve (shots) drink to an ingredient for cocktails. Other key markets (measured by volume) are the US, Scandinavia, Canada, Germany and the UK.

Vaccari

Vaccari Sambuca was launched in 1990 by the Rémy Cointreau Group. The brand was named in honour of the creator of Galliano, the distiller Arturo Vaccari. Vaccari Sambuca is distilled in Italy by Maraschi & Quirici near Turin and blended and bottled at Avandis in the Netherlands. Vaccari Sambuca has a distinctive packaging reflecting its product and brand quality. Key markets (measured by volume) are Mexico, the Netherlands and Ireland. A well-managed on-trade distribution is key to the success of Vaccari Sambuca since Sambuca is a category call and not a brand call, meaning that consumers do not order a specific brand but order a Sambuca. Therefore, distributors only need one Sambuca brand in their portfolio.

Bols Bartending Academy

As the largest bartending academy in Europe, the Bols Bartending Academy offers professional and international bartending courses with 12 fully equipped bar stations. The courses provide a high level of training for professional bartenders, equipping them with the skills necessary to generate a greater volume of sales. The Bols Bartending Academy enjoys an internationally recognised status by mixologists and bartenders around the world. As a bartender and cocktail brand, Lucas Bols offers professional and fun courses and workshops for bartenders and consumers. The Bols Bartending Academy is a place to enhance and enjoy cocktail and bartending skills.

The House of Bols

The House of Bols, Cocktail and Cocktail & Genever Experience offers the public an engaging, multi-sensory, interactive and inspiring experience into the world of cocktails, bartending and the Dutch local drink, genever. It welcomes over 50,000 visitors a year and is one of the top 10 tourist attractions in Amsterdam. The interior of the House of Bols surprises with a spectacular mix of contemporary design and authentic history.

Regional brands

The Group's regional brands include (i) Pisang Ambon, a green banana-based liqueur predominantly sold in the Benelux, France, Scandinavia and Portugal, (ii) Gold Strike, a cinnamon based liqueur and (iii) a portfolio of trading brands (including Henkes, Bols Brandy and Bootz) which are sold in specific regions globally.

In addition, the Group offers a domestic Dutch portfolio including a wide range of jenever and vieux brands (such as Hartevelt, Henkes, Parade, Hoppe and Bokma).

Within the Group's brand portfolio, the regional brands serve as a stable cash generator.

Product innovation

The Group is focussed on developing new products to better serve its customers and increase its market share by strengthening its footprint in the bartender community. Many of the Group's products are made from long-established traditional recipes and have a pedigree which the Group believes appeals to consumers internationally. Product innovation runs alongside this history as an important part of the Group's vision for future growth. The Group aims to bring to market original brands designed and adapted to consumer tastes while maintaining its historic reputation for quality.

An important role within the Group is reserved for the master distiller who can build on the Lucas Bols heritage and ensure the quality of the Group's products. For each product, he defines the exact flavour characteristics of the original ingredient and uses various techniques, such as distilling, macerating and percolating to create the specific flavour needed for use in cocktails.

The Group has introduced 20 product innovations over the past seven years in the global brands portfolio, including Bols Genever, twelve new flavours in the Bols Liqueurs range (amongst other Bols Natural Yoghurt, Honey, Mango, Watermelon, Green Tea and Elderflower), Bols Foam and Galliano Ristretto. In the same period, 17 new products have been added to the regional brands portfolio, including extensions of Bols Corenwyn (4 and 6 years of age),

Coebergh, Bokma as well as a new Pisang Ambon range. These product innovations represented approximately 5% of Group's revenue in FY2013/14.

Blending and bottling

The Group sources its goods from a range of suppliers. The main raw materials required for the Group's operations include sugar, raw and rectified alcohol, berries, grain and packaging materials, including glass, caps, cartons and labels. The two main blending and bottling companies are Avandis and Brown-Forman Corporation. Production for the majority of the countries where the Group sells its products is outsourced to Avandis, whilst products for the US market are produced locally by Brown-Forman Corporation.

Avandis, a joint venture in which the Group holds a 33.3% participation, has been contracted for blending and bottling services, including related procurement, storage and other logistics operations. The production agreement has an indefinite term and is linked to the joint venture agreement. Its production facility in Zoetermeer, the Netherlands, is well situated near the Rotterdam harbour, which enables an efficient route to the market. The production process of Avandis can be divided in two main activities: (i) the preparation of distilled alcoholic drinks and (ii) the bottling process. Based on a wide range of proprietary recipes, a broad range of quality drinks are produced in the modern tanks Avandis has at its disposal. For the bottling process, Avandis has seven bottling lines for distilled drinks under operation that can fill up to 200 different types of bottles. Annually, the Group files a plan with Avandis setting out, on a monthly basis, the production forecast and expected purchase orders. Avandis is a cost based joint venture, consequently it operates on a zero-base result, as cost prices are charged to the Group on a full actual cost basis. See for more information on the joint venture agreement with respect to Avandis Chapter 20 "General Information", section "Material contracts", under "Joint venture agreements".

The blending and bottling, including labelling, packaging, warehousing and shipment of Bols Liqueurs for the US market is on an exclusive basis done by Brown-Forman Corporation. The relation with Brown-Forman Corporation dates back to 1956. Brown-Forman Corporation purchases, in its own name and for its own account, the raw materials used for the blending and bottling of the Bols Liqueurs. Annually, the Group provides Brown-Forman Corporation with a twelve-month rolling production requirement forecast, which is updated on a quarterly basis. This production requirement forecast is the basis for general production planning by Brown-Forman Corporation. However, the production requirement forecast does not constitute a binding commitment by the Group to place purchase orders. To enable Brown-Forman Corporation to produce the Bols Liqueurs, the Group has provided Brown-Forman Corporation with product formulas and product and packaging specifications.

Distribution

Since 2006, the Company holds an extensive distribution network with global reach for the sale of the Group's products. The Group has long-standing relationships with various distributors, which are mainly alcohol beverage production companies that have their own distribution network. In 2014, the Group renewed its distribution agreements relating to a major part of its product portfolio until 2019. The Group enters into agreements with its third party distributors for the distribution of the Group's products mainly on an exclusive basis. These agreements are generally for a fixed term of five years. The distribution agreements contain targets with respect to the sale and distribution of products of the Group. In addition, most agreements provide for a strategic marketing and a commercial plan for the brands. Since targets are of great importance for the Company, the failure of a distributor to reach certain targets entitles the Group to terminate the agreement without consideration. In FY 2013/14, the revenue from sales through these third party distributors represented 67.7% of the Group's total revenue of which 88.6% can be attributed to the ten largest distributors (based on sales in euro).

In March 2009 Lucas Bols Amsterdam B.V. and Maxxium entered into a distribution agreement in relation to the exclusive distribution of (certain of) the Group's products in the Netherlands. See for more information Chapter 20 "General Information", section "Material contracts", under "Joint venture agreements".

In the US market, the Company controls the distribution of its own network through its local distributor, Lucas Bols USA Inc.

In the US, there is a three-tier system for alcohol distribution which is based on the individual state liquor codes. These codes were passed in the 1930's and 1940's, after repeal of the national alcohol prohibition in the US in 1933 (the Prohibition), and codify the laws regulating the sale and delivery of alcohol within each state's borders. Most states have adopted a three-tier system which separates producers and importers, wholesale distributors and retailers from being financially interested in or controlled by one another (the **Open States**). Pursuant to this system, producers and importers may only sell their products to wholesale distributors, who in turn may only sell to retailers. With limited exceptions for in-state manufacturers, only retailers may sell to consumers. There is also a system of licensing at each tier, which is governed by the state liquor control agency, and sometimes locally at the county or municipal level, for issuance of licenses.

In addition, following repeal of the Prohibition, some states elected to become alcoholic beverage control jurisdictions (the **Control States**). In the Control States, part or all of the distribution tier and sometimes also the off-premises retailing tier, are operated by a State Liquor Control Board. Such Liquor Control Boards generally consist of elected officials who are commissioners that oversee the agency that controls the selection, distribution and sale of alcoholic beverage products in that state. The State Liquor Control Boards grant licenses to independent (private) on-premises retailers who must buy their products from the state store or distribution centres, in order to serve such products in their establishment. These State Liquor Control Boards approve new alcoholic product listings and new variants of existing products before such products are permitted to be sold in the market through the statewide control system. A State Liquor Control Board may also decide to de-list an alcoholic product, as a consequence of which such product may no longer be sold through the relevant state system.

Currently, approximately one third of the states are Control States and two thirds of the states are Open States (Washington State's laws were recently changed from mandating a control system for spirits to a privatised market; making it one of the most liberal of three-tier states in the country). Since the states may regulate the distribution of alcohol themselves, the nature of the three-tier system varies significantly from state to state.

In India, the Company operates a joint venture, Bols Kyndal, selling locally produced Bols Brandy and Bootz in the southern states of India.

Marketing and sales

The Group has its own local sales and marketing operations in the Netherlands and the US. The Group's marketing strategy aims to provide inspiration and innovation to both bartenders and consumers in order to be perceived as the authority in the cocktail and spirits market and one of the leading companies in the bartending community.

The Bols Bartending Academy, which offers both in-house bartending courses as well as workshops on location, performs an important role in the Group's strategy to become a favourite brand within the bartender community. The Group's brand ambassadors, which are mainly bartenders, are a key factor to ensure retaining the attention and preference of bartenders for the Group's global brands. The brand ambassadors market the Bols brands on a country-by-country basis.

Among consumers, the Group aims to increase awareness of the global brands and to inspire consumers to make and drink their own cocktails at home using the Group's products. The contact strategy of the Group is to ensure brand visibility at certain cultural events such as festivals and in bars, clubs and other licensed premises. Cocktail category and brand management by retailers is promoted by the Group's distributors and the Group endeavours to ensure prominent shelf space at retail stores. In addition, promotion is done via the Group's website on www.Bols.com.

Corporate social responsibility

Corporate social responsibility is an important aspect of the spirits industry. The Group continually works to modify its products and processes, within its organisation as well as at its suppliers, to become even more sustainable. In the recent past the Group optimised its logistic set up in the Netherlands and Canada to minimise distances between bottling and the consumer. Where possible it ships globally on a multi modal basis (*i.e.* using different transport forms) in order to use most energy friendly routes.

Promoting responsible consumption of alcohol is a cornerstone of the Group's business. The Group advocates responsible consumption of alcohol and is involved in the STIVA (*Stichting Verantwoord Alcoholgebruik*), the Dutch industry board, responsible for setting guidelines for social responsible communication and marketing of alcoholic beverages. Since 2006 Mr. H.L.M.P. van Doorne (CEO) has held a board position with STIVA. As a business and as part of an industry, the Group bears a significant responsibility in this field, together with retailers and consumers. Responsible consumption of the Group's spirits products is also an important topic in the programs of the Group's bartending school, the Bols Bartending Academy that annually trains over 3,000 bartenders. Social responsible communication is also an important topic in discussions with the Group's distributors. Internationally the Group aims to work with companies who share the Group's values ensuring that customers enjoy the Group's products in a responsible manner.

Intellectual property

The Group owns a large portfolio of trademarks and several domain names as well as copyright, know-how and confidential information relating to its business. It also owns the trademarks relating to all of the brands it produces as part of its business. The Group is, therefore, substantially dependent on the maintenance and protection of its trademarks and all related rights.

In 2005, the Group (through its predecessor) entered into a licensing arrangement with CEDC regarding the licensing out of the Bols Vodka brand. Pursuant to the agreement, the CEDC is permitted to use, on a perpetual and royalty free basis the brand name in relation to the manufacturing, marketing and sale of the products supplied under the brand name Bols Vodka. The use of the brand name Bols Vodka by CEDC is limited to Poland, Russia and Hungary. The Group is not allowed to sell its Bols Vodka in these markets. The agreement may be terminated by the Group if the CEDC uses the brand name Bols Vodka for other purposes than those agreed upon, materially devalues the brand name, enters into bankruptcy or liquidation or becomes a competitor of the Group.

The Group generally seeks to protect its formulas and production processes by keeping them secret, in line with the prevailing industry practice. The Group's policy is to actively protect its intellectual property rights and monitor the use by third parties in order to detect breaches throughout the world. NLO Shieldmark B.V., being one of the largest intellectual property consultancy firms in Europe, advises and assists the Group on a continuing basis in its intellectual property rights management.

Property, plant and equipment

The following tables provide an overview of the Group's leased offices as of the date of this Prospectus.

Offices

<u>Country</u>	<u>Office Location</u>	<u>City</u>
the Netherlands	Paulus Potterstraat 12/14/16	1071 CZ Amsterdam
the Netherlands	Pijlsteeg 31/33	1012 HH Amsterdam
US	227 West 29 th Street #2F	NY 10001 New York
the Netherlands	Wattstraat 61/63	2723 RB Zoetermeer

Production facilities

In 2013, the Group acquired Wynand Fockink, a distillery and its nearby tasting room "Proeflokaal Wynand Fockink", located in the centre of Amsterdam. Since the acquisition, the capacity of the distillery has been extended and most of the distillation activities of the Group have moved to the renovated distillery, which was opened in 2014 as the renewed Lucas Bols Distillery.

The Lucas Bols Distillery produces the heart (essential flavour distillates) for some of the Group's products, being various Bols Genevers, various Bols Liqueurs and Damrak Gin. The Lucas Bols Distillery delivers the distillates to the joint venture Avandis for blending and bottling of the Group's products. See section "Blending and bottling" above. For more information regarding the joint venture Avandis reference is made to Chapter 20 "General Information", section "Material contracts", under "Joint venture agreements".

Principal investments

In the past three years the Group has completed one acquisition. Through its subsidiary Lucas Bols Amsterdam B.V., the Company acquired 100% of the shares in the share capital of Pijlsteeg B.V. (formerly named Wynand Fockink Experience B.V.), the entity that owned the distillery and its nearby tasting room 'Proeflokaal Wynand Fockink'. The total consideration for this acquisition amounted to €447,000 (including goodwill in the amount of €200,000). Part of the consideration is in the form of a vendor loan issued by the seller to Lucas Bols Amsterdam B.V. for an amount equal to €150,000, of which an amount of €120,000 is still due and will be paid in monthly instalments in the period 2015-2018. The Group acquired its own distillery in view of Regulation (EC) No. 110/2008 on, among others, geographical indications of spirits drinks, which provides that the Netherlands is the country of origin for Genever products (together with Belgium and certain areas in Germany and France). See for more information Chapter 11 "Regulation of the Group", section "Geographical indications of spirit drinks".

Insurance

The Group is insured under insurance policies that are customary in the spirits industry. Its insurance policies are with several insurance firms covering various risks, including global material damage and business interruption, global product liability, personal accident and travel, product contamination, transport and supply and director and officer insurance. The Group also maintains an insurance policy for its employees under conditions that are customary for these type of insurances.

Employees

As of 30 September 2014, the Group employed 43 full time employees (FTEs) in the Netherlands and 23 FTEs in the United States.

Since 30 September 2014 there were no significant changes in the numbers of employees employed by the Group measured in FTEs.

11 REGULATION OF THE GROUP

The Group's activities are subject to a wide range of food related regulatory requirements in the countries or regions in which it operates. These concern certain relevant EU Regulations which apply directly in all Member States of the EU (in each case, as amended) and certain relevant laws and regulations in the Netherlands.

In the jurisdictions in which the Group operates outside of the EU, the Group faces a wide range of laws and regulations, the majority of which deal with the same general themes discussed in the Chapter. Although these regulations vary from jurisdiction to jurisdiction, in general the regulatory environment in most jurisdictions outside of the EU is more uncertain (reference is made to Chapter 2 "Risk Factors", under "The Group's operations are for a significant part in emerging markets where there is a risk of economic and regulatory uncertainty"). The Group's joint venture in India (Bols Kyndal) produces and distributes products locally and is therefore subject to relevant Indian legislation. As these activities are carried out on a small scale, we will not further elaborate on the specifics of such legislation.

Regulatory environment in the EU

On a European level, general principles and requirements of food law are laid down in - among others - Regulation (EC) No. 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and setting down procedures in matters of food safety. The Regulation also imposes a duty on all parties in a food supply chain to ensure full traceability of all their products at any time and to establish crisis management procedures.

This Regulation applies to 'food' (or 'foodstuff'), being: "any substance or product, whether processed, partially processed or unprocessed, intended to be, or reasonably expected to be ingested by humans". This broad definition also covers "drinks" (including alcoholic drinks), and any substance thereof, and applies to each of the food-related Regulations set out below.

The provisions in the Regulations summarised below apply to the Group's production of distillates for its spirits and small-scale production of certain of its products in its distillery in Amsterdam, the Netherlands. These Regulations also apply to the joint venture Avandis which carries out the blending, bottling, packaging and labelling of the Group's products which are sold mainly in the EU market. Regulation (EC) No. 852/2004 relating to food hygiene also applies to the distributors of the Group's products in the EU. Reference is made to the section "Regulations relevant to the Group's service providers" below.

Food hygiene

Regulation (EC) No. 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs aims to ensure food hygiene at every production stage, and provides for the application of the Hazard Analysis and Critical Control Points system (the so-called HACCP System). Pursuant to Section 6 of Regulation (EC) No. 852/2004, food producers must notify the competent regulatory authorities in order to effect registration of their production facilities.

Definition, description, presentation, labelling and the protection of geographical indications of spirit drinks.

Regulation (EC) No. 110/2008 of the European Parliament and of the Council of 15 January 2008 sets out the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks.

This Regulation applies to: (i) all spirits placed on the market in the EU, whether produced in the EU or in third countries; (ii) all spirits produced in the EU for export outside the EU; and (iii) the use of ethyl alcohol and/or distillates of agricultural origin in the production of alcoholic beverages in the EU.

The Regulation provides that spirits - such as Gin, Genever and Vodka - that are placed on the EU market and/or are produced in the EU shall have the specific characteristics and shall be labelled as detailed in the Regulation.

Furthermore, the Regulation provides for 'geographical indications', which are indications that identify a spirit drink as originating in the territory of a country (or a region or locality in that territory), where a given quality, reputation or other characteristic of that spirit drink is essentially attributable to its geographical origin. The Regulation protects such geographical indications (as listed in Annex III of the Regulation) against, for example, any misuse, imitation, or any other any other false or misleading indications on the description, presentation or labelling of a product, which could convey a false impression as to its origin.

For the Group, it is relevant that *genever* (*jenever*) is currently listed in Annex III of the Regulation (under the general category "Juniper-flavoured spirit drinks"), as a spirit drink having such geographical indication. For *Jonge jenever*, *oude jenever*, *graanjenever*, *vruchtenjenever* and *jenever* (young genever, old genever, grain genever, fruit genever and genever) the Netherlands is listed as Country of origin (together with Belgium and certain areas in Germany and France), which means that the listed genevers may only be produced in the named areas.

Section 20 of the Regulation, however, determines that for each geographical indication currently registered in Annex III, EU Member States have to submit a 'technical file' not later than 20 February 2015. If an EU Member State fails to do so, the Commission shall remove the geographical indication from Annex III. There is no indication that the Netherlands will not meet the deadline of 20 February 2015.

Labelling requirements

Regulation (EU) No. 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers establishes a legal framework in the EU with regard to information related to foodstuffs provided to consumers by food business operators at all stages of the food supply chain. The Regulation contains key provisions for the labelling of food products. Areas that are covered by the Regulation are, amongst others, nutrition information, origin labelling and allergens labelling.

Food additives and flavourings

As the Company's subsidiary, Pijlsteeg B.V., uses some food additives and flavourings in the production process, the Group has to take into account Regulation (EC) No. 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules.

This Regulation sets forth rules for harmonising legislation on the official controls performed to ensure the verification of compliance with feed and food law. Several further Regulations were introduced in 2008, setting out a harmonised approval procedure for food additives and flavourings and providing for rules on the labelling of these products (namely, Regulations (EC) No. 1331/2008, 1333/2008 and 1334/2008).

Regulatory environment in the Netherlands

The following summarises certain Dutch laws and regulations which are relevant to the Group's operations in the Netherlands.

Quality norms

Producers of alcoholic beverages in the Netherlands are subject to extensive regulation on production, packaging, storage and labelling standards. The primary goals of these regulations are to protect consumers and prevent illegal alcoholic beverage production and tax evasion.

Consumer Goods Act (Decrees)

The Consumer Goods Act (*Warenwet*) is the Dutch framework act providing for general principles and general conditions pertaining to foodstuffs and consumer products. For example, the Consumer Goods Act contains rules on public health, product safety, fairness of trade and proper information. The Netherlands Food and Consumer Product Safety Authority (*Nederlandse Voedsel- en Waren Autoriteit, NVWA*) is the competent authority enforcing compliance with the Consumer Goods Act.

Specific conditions pertaining to foodstuffs are set out in more detail in specific decrees, so called Consumer Goods Act Decrees (*Warenwetbesluiten*), such as the '*Warenwetbesluit informatie levensmiddelen*', implementing Directive 2000/13/EC of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs (and replacing the '*Warenwetbesluit etikettering van levensmiddelen*' and the '*Warenwetbesluit Voedingswaarde-informatie levensmiddelen*').

Alcohol Licensing and Catering Act 2013

The Alcohol Licensing and Catering Act 2013 (*Drank- en horecawet 2013*) provides for requirements related to alcohol-selling businesses and applies to the 'House of Bols' and the 'Proeflokaal Wynand Fockink'.

Product Board regulations

Product Boards (*productschappen*) are public organisations of companies within the same production chain. A Product Board has a public law status and therefore also has the power to establish certain rules. For example, the Product Board on Alcoholic Beverages (*Productschap Dranken*) has issued several regulations concerning (the use of definitions of) spirits, such as the '*Verordening benaming gedistilleerde en zwak gedistilleerde dranken 2009*', and the '*Verpakkingsverordening Productschap Dranken*'. The rules laid down in such regulations are binding for all legal entities that operate a business or carry out activities within the field for which the Product Board has been established.

As from 1 January 2015, the Product Boards have been abolished. Their duties are since then carried out by the Dutch Ministry of Economic Affairs.

Promotion of spirits

In the Netherlands various self-regulatory codes apply to the promotion of foodstuffs. The self-regulation of the promotion of alcoholic beverages is laid down in the Advertising Code for Alcoholic Beverages (*Reclamecode voor Alcoholhoudende Drank*). This code was drafted by the STIVA (*Stichting Verantwoord Alcoholgebruik*), the Dutch industry board, responsible for setting guidelines for social responsible communication and marketing of alcoholic beverages. It is therefore also referred to as the STIVA-code. STIVA also acts as a spokesperson for the businesses in the alcohol industry and as an advisory body for the government when it comes to the responsible use of alcohol.

The STIVA-code is part of the Dutch Advertising Code (*Nederlandse Reclame Code*) and provides for certain general restrictions regarding the content of the advertisement. The STIVA-code contains rules that apply to alcohol promotions during events and sponsoring. The STIVA-code also provides for an obligation to include either a warning slogan or a warning logo pertaining to alcohol use in advertisements for alcoholic beverages.

Furthermore, the advertising and promotion of alcoholic beverages in the Netherlands is subject to certain non-self-regulatory restrictions. Such advertising (regardless of its medium) may, for example, not encourage immoderate consumption of alcoholic beverages and/or target persons under 18 years of age. The specific conditions related to the advertising and promotion are laid down in various acts, rules and regulations.

For example, the Media Act 2008 (*Mediawet 2008*) governs the promotion of alcoholic beverages through television and radio communication. This Act prohibits (among others) advertisements or teleshopping spots for alcoholic beverages through any media between 06:00 - 21:00 hours.

Other acts that could be applicable to the promotion of alcoholic beverages are, for instance, the Alcohol Licensing and Catering Act 2013 (*Drank- en horecawet 2013*), as described in the previous paragraph, and the Dutch Civil Code (*Burgerlijk Wetboek*, **DCC**).

Environmental matters

Producers of alcoholic beverages in the Netherlands are subject to relatively extensive regulation with respect to environmental protection and emission control, such as the Environmental Management Act (*Wet Milieubeheer*), and acts related to water and soil protection. These acts all relate to the protection of the environment and consumer safety.

Regulations relevant to the Group's service providers

The aforementioned laws and regulations also apply to the Group's main service provider, the joint venture Avandis, save for the STIVA-code, the Media Act 2008 and the Alcohol Licensing and Catering Act 2013. The Group further outsources ancillary services such as logistics and warehousing to third parties in Europe and in other regions of the world.

In Europe and in certain other countries where the Group and Avandis outsource such services, these third party service providers and/or suppliers are subject to laws and regulations regulating, among other activities, the storage of explosive substances, transport of hazardous substances, storage and handling of substances hazardous to waters (water pollutants), ground water contamination, and soil contamination. The Group and Avandis have instituted procedures in order to confirm with third party service providers that they comply with applicable health, safety and environmental legal requirements.

Taxation of alcoholic beverages in the Netherlands

Taxation of production and wholesale sales of alcoholic beverages consists primarily of obligations relating to excise taxes, although other generally applicable taxes, such as VAT, are also imposed on alcoholic beverages. However, since those other taxes are not only specific to alcoholic beverages, they are not described in this section. Excise taxes are indirect taxes on the consumption of certain products and generally expressed as a monetary amount per quantity of the product. The Dutch Excise Tax Act (*Wet op de accijns*) is based on European directives, which specify how excisable products should be stored, transported and inspected. These European directives also set minimum rates and establish exemptions for certain products.

The Dutch Excise Tax Act defines (i) the structure of excise taxes on alcohol and alcoholic beverages, (ii) the categories of alcohol and alcoholic beverages, which are subject to excise taxes and (iii) the basis on which excise tax is calculated. Pursuant to the Dutch Excise Tax Act, excise tax is imposed on the following alcoholic beverages: beer, wine, intermediate products and other alcoholic beverages.

The Group's subsidiary, Pijlsteeg B.V., produces distillates for its genevers and some of its liqueurs and gins as well as certain finished products. The Group delivers the distillates to the joint venture Avandis in Zoetermeer, the Netherlands. The blending and bottling, packaging and labelling of the Group's global brands and most of its regional brands is done by Avandis. For excise tax purposes these products are to be regarded as other alcoholic beverages.

The excise tax base for these alcoholic beverages is per volume per cent per hectolitre of the finished product. The excise rates for all alcoholic products were raised by 5.98% on 1 January 2013 and 5.77% on 1 January 2014. Currently the excise tax rate for other alcoholic beverages, such as whiskey, cognac and the like, amounts to €16.86 per volume per cent per hectolitre.

In principle, the production of excise goods including alcoholic beverages may only take place in a tax warehouse (with the exception of the production of small quantities of alcoholic beverages). Following the production, excise goods may be stored under excise tax suspension in such tax warehouses. Both Pijlsteeg B.V. and Avandis operate as tax warehouse for the Group.

Authorised tax warehouses

Tax warehouses are places where excise goods (including alcoholic beverages) are manufactured, stored and handled and received or from which they are sent under suspension of excise tax, and are regulated by the Dutch Excise Tax Act and other regulations promulgated thereunder.

In principle, the excise tax becomes due by the tax warehouse at the time of release of excise goods for consumption, which is usually the moment when the excise goods leave a tax warehouse unless the excise goods are transferred under an excise taxes-suspension. Within the EU, products subject to excise tax can be distributed under excise tax duty-suspension from one tax warehouse to another tax warehouse. Pursuant to the production agreement between Avandis and the Group, Avandis may pass on to the Group any excise tax charged with respect to the products it has produced and distributed for the Group. Pijlsteeg B.V. must pay the excise tax due and payable following the release of excise goods that leave its tax warehouse.

In order to manage and operate a tax warehouse in the Netherlands one must apply for a license with the competent customs inspector who will grant the license under the condition that:

- an adequate and accepted warehouse administration is kept which is accessible for audits by customs. The administration must especially show the amounts of produced, stored and discharged excise products;
- location and construction of the premises are physically secure and in line with the demands of customs;
- the implemented measures and procedures with regard to the general organisation and internal management of the warehouse must be described and approved; and
- a guarantee has been set for the excises that could become due for the excise goods produced and discharged during a certain period of time. The guarantee in the Netherlands is set at minimum 5% and maximum 100% of the excise liability, but not more than €9 million.

The warehouse keeper is under an obligation to inform the competent customs office of any changes to the data included in the original permit application. A change in the location of the tax warehouse or to the goods that are manufactured, stored or reloaded at the tax warehouse requires a new permit. If one fails to comply with any provision of the legislation concerning the holding and movement of excise goods or any condition attached to the approval, the customs office may withdraw the authorisation to act as an excise tax warehouse keeper.

Excise tax will also be due and payable on losses and deficiencies of excise goods in a tax warehouse, unless it can be shown that such losses and deficiencies result from the ordinary course of business or from accidents. Pursuant to the Avandis JVA, the Group is liable for any amount of excise tax due and payable by Avandis which relates to losses and deficiencies of excise goods produced and distributed for the Group, unless such amount is covered by an insurance or can be reclaimed by Avandis from a third party. Pijlsteeg B.V. is liable for any amount of excise tax due and payable relating to losses and deficiencies of excise goods produced and distributed by itself.

Within the EU products can be distributed under duty-suspension from one tax warehouse to another tax warehouse. For the transport of excisable goods under duty-suspension between European Member States a transport document (electronic administrative document (e-AD)) must be filed by the distributing party via the Excise Movement and Control System (EMCS).

In order to be allowed to file a transport document, the tax warehouse keeper must register for access to EMCS and establish a guarantee. The guarantee serves as security for the excise tax that may become due and payable for the goods shipped under the EMCS system. The warehouse keeper which filed the transport document is, in principle, liable for any irregularity that takes place during the transport. It will for instance be held liable for the excise tax that will be due and payable for goods which have not arrived at their destination (missing or stolen goods).

Both Pijlsteeg B.V. and Avandis are registered for access to EMCS and are therefore allowed to file transport documents. They can be held liable for excise tax which becomes due and payable

following any irregularity taking place during the transport of excise goods. Pursuant to the Avandis JVA, the Group is liable for any amount of excise tax due and payable by Avandis in relation to the above, for goods produced and distributed for the Group, unless such amount is covered by an insurance or can be reclaimed by Avandis from a third party.

Customs legislation

Upon the import of products into the European Union import duties may be due. Import duties will depend on the classification in the Combined Nomenclature (CN), the origin and the customs value (or other taxable amount) of the imported products.

The Group imports goods, such as empty wooden casks from outside the European Union. Pursuant to applicable customs legislation the Group is considered declarant of the goods and is therefore liable for the import duties and any other import levies that become due and payable upon the import of goods. In case a logistic service provider files import documents on behalf of the Group, in its own name and for its own account, the logistic service provider is in principle liable for the payment of all import duties and other import levies, provided that, however, on the basis of applicable legislation or supply agreements it may pass on any such liability to the Group.

Wooden casks are classified in CN heading 4416. Goods classified in CN heading 4416 attract a 0% import duty.

The Group imports the well-known porcelain KLM-houses from China. The porcelain houses are bottled by Avandis with jenever and transported to the KLM customs warehouse, following which a large part of the porcelain houses are re-exported to destinations outside the EU. This process takes place under suspension of import duty in accordance with the Inward Processing (IP) regime (included in Regulation (EEC) No. 2913/92, the Community Customs Code). In order to comply with the IP regime, the bottled porcelain houses must be timely re-exported. In case the Group fails to timely deliver the finished goods to the KLM customs warehouse, for example as a consequence of any irregularities during the bottling process, import duty can become due for which the Group is liable. The import duty rate for the porcelain houses of KLM ranges between 3 and 10% of the customs value of these houses. In addition, the Group is liable for the excise tax payable in connection with the jenever in the porcelain houses in case the jenever is not exported out of the EU.

In case import duty is due, it will generally be calculated over the customs value of goods. The customs value is normally determined on basis of the price paid or to be paid for the goods. Some additional costs are added to this price, such as transport and insurance costs.

Pursuant to the Avandis JVA, the Group is liable for any amount of import duty and excise tax due and payable by Avandis in relation to the above, unless such amount is covered by an insurance or can be reclaimed by Avandis from a third party.

12 MANAGEMENT, SUPERVISORY BOARD AND SENIOR MANAGEMENT

This Chapter summarises certain information concerning the Management Board, the Supervisory Board and the Company's Senior Management. Among other things, it summarises, but does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association, the Management Board Regulations (as defined below) and the Supervisory Board Regulations (as defined below) as they will read after the Conversion (as defined in Chapter 13 "Description of Share Capital and Corporate Governance"), in conjunction with the relevant provisions under Dutch corporate law.

Management structure

The Company has a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board is the statutory executive body (*bestuur*) and is responsible for the day-to-day management of the Company, which includes, among other things, formulating the Company's strategies and policies and setting and achieving the Company's objectives. The Management Board currently consists of two members, Mr. H.L.M.P. van Doorne (CEO) and Mr. J.K. de Vries (CFO). The Supervisory Board (*raad van commissarissen*) supervises and advises the Management Board.

Management Board

Powers, responsibilities and function

The Management Board is responsible for the management of the Company's operations, as well as the operations of the Group, subject to the supervision of the Supervisory Board. The Management Board's responsibilities include, among other things, the day-to-day management of the Company's operations.

The Management Board must provide the Supervisory Board with the necessary information for the performance of its duties. At least once a year the Management Board is required to notify the Supervisory Board in writing about the outline of the strategic policy, the general and financial risks and the management and control systems of the Company. The Management Board may perform all acts necessary or useful for achieving the Company's objectives, with the exception of those acts that are prohibited by law or by the Articles of Association. In performing its duties, the Management Board is required to be guided by the interests of the Company and the Group, taking into consideration the interests of the Company's stakeholders (which includes but is not limited to the Shareholders) as well as the corporate social responsibility issues that are relevant to the business. The Management Board must submit certain important decisions to the Supervisory Board or the General Meeting for approval, as more fully described below. The lack of such approval, however, does not affect the authority of the Management Board or its members to represent the Company.

Subject to certain statutory exceptions, the Management Board as a whole is authorised to represent the Company. In addition, each member of the Management Board may solely represent the Company. The members of the Management Board may mutually divide their duties. Pursuant to the Articles of Association, the Management Board is authorised to appoint attorneys (*procuratiehouders*) who are authorised to represent the Company within the limits of their delegation.

Management Board Regulations

Pursuant to the Articles of Association, the Management Board may, subject to the approval of the Supervisory Board, establish regulations regarding its internal organisation and decision making process, in addition to the relevant provisions of the Articles of Association (the **Management Board Regulations**), which will be in effect at the latest on the Settlement Date.

Composition, appointment and removal

The Articles of Association provide that the number of members in the Management Board is determined by the Supervisory Board, provided that the Management Board shall consist of at least two members. The Supervisory Board may appoint one of the members of the Management Board as chairman. As of the date of this Prospectus, the Management Board consists of two members.

The General Meeting appoints the members of the Management Board. The Supervisory Board may make a non-binding nomination in case a member of the Management Board is to be appointed. The Management Board invites the Supervisory Board to nominate at least one person for each prospective appointment. In addition, the parties to the Relationship Agreement have agreed that AAC will have the right to nominate, and propose replacement for, one Supervisory Board member. See for more information Chapter 20 "General Information", section "Material contracts", under "Relationship Agreement" - "Composition of the Supervisory Board".

In the event the Supervisory Board has made a nomination, the resolution of the General Meeting to appoint the nominee shall be adopted by an absolute majority of the votes cast. If the Supervisory Board has not made a nomination, a resolution of the General Meeting to appoint a person as member of the Management Board shall require a two-thirds majority of the votes cast representing more than 50% of the issued share capital.

The General Meeting may at any time suspend or dismiss a member of the Management Board. The Supervisory Board may at all times suspend a member of the Management Board. The General Meeting may only adopt a resolution to suspend or dismiss a member of the Management Board by absolute majority at the proposal of the Supervisory Board. Without such proposal, the resolution shall require a two-thirds majority of the votes cast, representing more than 50% of the issued share capital.

If either the General Meeting or the Supervisory Board has suspended a member of the Management Board, the General Meeting is required within three months after the suspension has taken effect to resolve either to dismiss such member, or to terminate or continue the suspension, failing which the suspension shall lapse. A resolution to continue the suspension may be adopted only once and in such event the suspension may be continued for a maximum period of three months.

A member of the Management Board shall in principle be appointed for a period to be determined by the Supervisory Board.

Board meetings and decisions

Pursuant to the Articles of Association, the Management Board can adopt resolutions by an absolute majority of votes cast. In the event of a tie vote, the decision shall be referred to the Supervisory Board. Resolutions can also be adopted without holding a meeting, if none of the members of the Management Board object to adopting such resolutions in writing, by telefax or in any other electronic means that can be reproduced on paper.

Pursuant to Dutch law and the Articles of Association, the Management Board must obtain the approval of the General Meeting for resolutions regarding an important change of identity or character of the Company or its business. This includes in any event: (i) the transfer of all or substantially all business activities of the Company to a third party; (ii) the entering into or termination of a continuing cooperation of the Company or a subsidiary with another legal entity or company, or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination thereof is of a far-reaching significance for the Company; and (iii) the Company or a subsidiary taking or divesting a participating interest in the capital of a company with a value of at least one-third of the amount of the Company's assets according to its consolidated balance sheet of its most recently adopted financial statements.

Resolutions of the Management Board identified in the Supervisory Board Regulations (as defined below) or identified pursuant to a resolution of the Supervisory Board from time to time on the basis of the relevant provisions in the Articles of Association require the prior approval of the Supervisory Board. See below, section "Supervisory Board" and "Meetings and decisions" for a description of the Supervisory Board decision-making process and section "Supervisory

Board” under “Members of the Supervisory Board” for the composition of the current Supervisory Board.

Conflict of interest

Dutch law provides that a member of the Management Board of a Dutch public limited liability company, such as the Company, may not participate in the adoption of resolutions (including any deliberations) if he or she has a direct or indirect personal interest conflicting with the interests of the Company and the enterprise connected therewith. If all of the members of the Management Board have a conflicting personal interest, the resolution concerned will be adopted by the Supervisory Board. In addition, if a member of the Management Board does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be held liable towards the Company.

Pursuant to the Management Board Regulations, each member of the Management Board is required to immediately report any (potential) conflict of interest to the chairman of the Supervisory Board and the other members of the Management Board. Each member of the Management Board with a (potential) conflict of interest must provide all information relevant thereto to the chairman of the Supervisory Board and the other members of the Management Board. The chairman of the Supervisory Board must determine whether a reported (potential) conflict of interest within the meaning of Section 2:129 DCC qualifies as a conflict interest, in which case a member of the Management Board is not permitted to take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a direct or indirect personal conflict of interest. All transactions in which there are conflicts of interest with members of the Management Board must be agreed on terms that are customary for arm’s-length transactions in the branch of business in which the Company and its Subsidiaries operate and must be approved by the Supervisory Board.

Members of the Management Board

At the date of this Prospectus, the Management Board is composed of the following two members:

Name	Date of birth	Position	Member as of	Scheduled for re-election
Mr. H.L.M.P. van Doorne	22 February 1958	CEO	9 March 2006	At the general meeting in 2019
Mr. J.K. de Vries	31 January 1963	CFO	9 March 2006	At the general meeting in 2019

The Company’s registered address (Paulus Potterstraat 14, 1071 CZ Amsterdam, the Netherlands, see Chapter 13 “Description of Share Capital and Corporate Governance”, section “General”) serves as the business address for all members of the Management Board.

Mr. H.L.M.P. van Doorne

Mr. Van Doorne, the Chief Executive Officer (CEO) of the Company, is a Dutch national who was born in Waalre, the Netherlands. He obtained a Master’s degree in Business Economics from the Erasmus University in Rotterdam, the Netherlands in 1983. Mr. Van Doorne started his career as a marketer and brand builder with Procter & Gamble. Between 1989 and 2000 he worked within the Rémy Cointreau group in several functions, such as managing director of the local distribution company in the Netherlands, managing director of Rémy de Mexico and member of the board of directors and managing director of the cognac, liqueurs and spirits division of Rémy Cointreau SA Group. In 2000 Mr. Van Doorne became responsible for the global marketing, sales and distribution, as the executive board director of Rémy Cointreau and director of Rémy Amerique. Under his management an innovative rejuvenation strategy for Lucas Bols was introduced and in 2006 a management buy-out took place pursuant to which Lucas Bols became independent and returned its organisation to Amsterdam.

Ancillary positions: Mr. Van Doorne is a member of the management board of LB2 B.V. and DreamSpirit B.V., board member of Stichting Administratiekantoor Bols and Stichting Administratiekantoor DreamSpirit, and vice chairman of Spirits NL, which is the industry

organisation for the Dutch spirits industry and a board member of STIVA (*Stichting Verantwoord Alcoholgebruik*), the Dutch industry board, responsible for setting guidelines for social responsible communication and marketing of alcoholic beverages. In addition, Mr. van Doorne is a member of the supervisory board of Avandis and chairman of the supervisory board of Maxxium and a member of the board of Bols Kyndal. Mr. Van Doorne is also chairman of the supervisory board of Het Aambeeld N.V., a company established in the Netherlands Antilles.

Mr. J.K. de Vries

Mr. de Vries, the Chief Financial Officer (CFO) of the Company, is a Dutch national who was born in Leiden, the Netherlands. He has been trained as an auditor and finalised his CPA education in 1989 with the NIVRA in Amsterdam, the Netherlands. Mr. de Vries started his career with KPMG where he worked between 1981 and 1998, first within the banking and finance group as business unit manager in the Amsterdam offices of KPMG and from 1996 as a partner and member of Management Team International Audit 2000 project at KPMG International in New Jersey, US. Between 1998 and 2005 Mr. de Vries was a management board member of Mid Ocean Group B.V., a pan-European importer and wholesaler of business gifts and premiums. In 2005 Mr. de Vries joined Mr. Van Doorne in the preparation of the management buy-out of Lucas Bols, that took place in 2006. Mr. de Vries was a member of the supervisory board of Mid Ocean Group B.V. between November 2009 and June 2013.

Ancillary positions: Mr. de Vries is currently a board member of Stichting Administratiekantoor Bols and LB2 B.V. In addition, Mr. de Vries is chairman of the supervisory board of Avandis, member of the supervisory board of Maxxium and member of the board of Bols Kyndal. He is also the chairman of the supervisory board of Stichting voor Protestants-Christelijk Primair Onderwijs in de Duin- en Bollenstreek.

Supervisory Board

Powers, responsibilities and function

The Supervisory Board supervises the policy of the Management Board and the general course of business in the Company and the enterprise connected therewith. The Supervisory Board also provides advice to the Management Board. In performing their duties, the members of the Supervisory Board are required to be guided by the interests of the Company and the enterprise connected therewith and to take into account the relevant interests of all those involved in the Company (including the Company's shareholders) as well as the corporate social responsibility issues that are relevant to the business. The Supervisory Board is responsible for the quality of its own performance. The Supervisory Board may, at the Company's expense, seek the advice which it deems desirable for the correct performance of its duties.

If the General Meeting has not already done so, the Supervisory Board is obliged to appoint a chartered accountant to audit and report on and issue a statement concerning the annual accounts prepared by the Management Board and other financial accounting documents, at the Company's expense. If the Supervisory Board fails to make such an appointment, due to absence or otherwise, the Management Board is authorised to do so.

Supervisory Board Regulations

Pursuant to the Articles of Association, the Supervisory Board may establish regulations regarding its internal organisation and decision making process (and that of its committees, if and to the extent applicable), in addition to the relevant provisions of the Articles of Association (the **Supervisory Board Regulations**), which will be in effect at the latest on the Settlement Date.

Composition, appointment and removal

The Supervisory Board must consist of at least three members. Only natural persons (not legal entities) may be appointed as members of the Supervisory Board.

The members of the Supervisory Board are appointed by the General Meeting. The Supervisory Board may make a non-binding nomination in case a member of the Supervisory Board is to be appointed. This nomination is notified to the General Meeting. In the event the Supervisory Board has made a nomination in time, the resolution of the General Meeting to appoint the

nominee shall be adopted by an absolute majority of the votes cast. If the Supervisory Board has not made a nomination in time, a resolution of the General Meeting to appoint a person as member of the Supervisory Board shall require a two-thirds majority of the votes cast, representing more than 50% of the issued share capital.

The Supervisory Board appoints a chairman from among its members. The Supervisory Board may appoint a vice-chairman.

The Supervisory Board will adopt a profile for its size and composition, which will be in effect at the latest on the Settlement Date. The Supervisory Board's scope and composition (and division of duties) shall take into account the nature of the Company's business and its activities. The composition of the Supervisory Board is required to be such that the combined experience, expertise and independence of its members enables the Supervisory Board to best carry out the variety of the Supervisory Board's responsibilities.

The General Meeting may suspend or dismiss a member of the Supervisory Board at all times. In the event the Supervisory Board has proposed a dismissal of a member of the Supervisory Board, the resolution of the General Meeting to dismiss such member shall be adopted by an absolute majority of the votes cast. If the Supervisory Board has not made a proposal to dismiss a member of the Supervisory Board, a resolution of the General Meeting to dismiss such a person as member of the Supervisory Board shall require a two-thirds majority of the votes cast representing more than 50% of the issued share capital.

Members of the Supervisory Board are appointed for a maximum term of four years, provided that, unless a member of the Supervisory Board resigns at an earlier date, his or her term of office lapses on the conclusion of the first annual General Meeting to be held after expiration of four years after his or her last appointment. A retiring member of the Supervisory Board can be re-appointed. Following the Conversion, a member of the Supervisory Board serves for a maximum period of 12 years.

Meetings and decisions

Pursuant to the Articles of Association, the Supervisory Board may only pass resolutions by an absolute majority in a meeting at which at least one-half of the Supervisory Board members are present, provided that members who have a conflict of interest shall not be taken into account when calculating this number. The Supervisory Board must meet whenever a member so requires.

Resolutions may also be passed without a meeting provided that all members of the Supervisory Board had the opportunity to voice their opinion in respect of the proposal concerned and no members objected to this form of decision-taking.

Conflict of interest

Similar to the regulations that apply to the members of the Management Board described above, Dutch law also provides that a member of the supervisory board of a Dutch public company with limited liability, such as the Company, may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the Company and the enterprise connected therewith. If all members of the Supervisory Board have such a conflicting interest, the resolution concerned shall nevertheless be adopted by the Supervisory Board, subject to the provisions in the Supervisory Board Regulations. If a member of the Supervisory Board does not comply with the provisions on conflicts of interest in the Supervisory Board Regulations, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be held liable towards the Company.

Members of the Supervisory Board

At the Settlement Date, the Supervisory Board will be composed of the following four members:

Name	Date of birth	Position	Member as of	Scheduled for re-election
Mr. D.C. Doijer	9 October 1949	Chairman	21 July 2006	At the general meeting in 2019
Mr. M.W. Staal	25 November 1959	Member	14 June 2006	At the general meeting in 2019 ⁽¹⁾
Ms. M.M. Wyatt	31 January 1964	Member	Settlement Date	At the general meeting in 2019
Mr. A. Meerstadt	13 October 1961	Vice-chairman	21 July 2006	At the general meeting in 2019

(1) This is a maximum term. See for more information Chapter 20 "General Information", section "Material contracts", under "Relationship Agreement" - "Composition of the Supervisory Board".

The Company's registered address (Paulus Potterstraat 14, 1071 CZ Amsterdam, the Netherlands, see Chapter 13 "Description of Share Capital and Corporate Governance", section "General") serves as the business address for all members of the Supervisory Board.

Mr. D.C. (Derk) Doijer

Mr. Doijer, chairman of the Supervisory Board, is a Dutch national who was born in De Bilt, the Netherlands. He obtained a Master's degree in Dutch Law from the Erasmus University of Rotterdam, the Netherlands in 1974. He started his career in 1974 with SHV Holdings N.V. where he worked in several executive positions in the Netherlands and South America, such as CEO Makro Holland, CEO of Makro Argentina and Brazil and President of Makro South America. From 2001 to 2004 Mr. Doijer was a member of the executive board of directors of SHV Holdings N.V.

Current ancillary positions: Mr. Doijer currently holds positions as member of the supervisory board of Koninklijke Ahold N.V. and chairman of the supervisory board of Corio N.V. and a member of the advisory board of Stihl Groep B.V.

Mr. M.W. (Marc) Staal

Mr. Staal, member of the Supervisory Board, is a Dutch national who was born in Amsterdam, the Netherlands. He obtained a Master's degree in Economics from the University of Amsterdam, the Netherlands in 1984, holds qualifications of the International Consortium Program in the US, Japan and the Netherlands, had an education in Corporate Finance and Risk Management at INSEAD in France. Mr. Staal started his career in 1986 on the Swaps and Derivatives Instruments department of ABN AMRO Bank in Amsterdam. In 1988 he worked in London for a year on the Capital Markets origination of ECB AMRO and after that on the Capital Markets Group of ABN AMRO Bank in Amsterdam. In 1990 he worked in San Francisco with the Amsterdam Pacific Corporation. From 1991 onwards he held several positions within ABN AMRO Bank, such as Director Corporate Finance in London, Director Corporate Finance ABN AMRO Hoare Govett in London, Head of ABN AMRO Capital Asia and Australia in Hong Kong, and Managing Director ABN AMRO Capital in Amsterdam.

Current ancillary positions: Mr. Staal currently is a managing partner of AAC Capital Partners Holding B.V. and chairman and managing partner of AAC Benelux Holding B.V. and holds a supervisory position at OFT Finco B.V.

Former ancillary supervisory board or non-executive positions: Wilhelmina Finco B.V., Roompot Holding B.V. and BMF Holding B.V.

Ms. M.M. (Marina) Wyatt

Ms. Wyatt, member of the Supervisory Board, is a British national who was born in London, UK. She obtained a Master's degree in Geography from Cambridge University, UK in 1985, obtained the title Chartered Accountant with the Institute of Chartered Accountants in England and Wales in 1988 and has been designated Fellow of the Institute of Chartered Accountants in England and Wales. Ms. Wyatt started her career in 1985 as an auditor with Arthur Andersen LLP in the

UK and in the US from 1988 to 1990. She joined Psion Plc as Group Controller in 1994, where she became Chief Financial Officer two years later. From 2002 to 2005 Ms. Wyatt was Chief Financial Officer of Colt Telecom Plc.

Current ancillary positions: Ms. Wyatt currently holds a position as CFO of TomTom N.V. and is an independent non-executive director and member of the audit committee of Shanks Group plc.

Former ancillary supervisory board or non-executive positions: Symbian Ltd., Blackwell Science Ltd.

Mr. A. (Bert) Meerstadt

Mr. Meerstadt, member of the Supervisory Board, is a Dutch national who was born in The Hague, the Netherlands. He obtained a Master's degree in Architectural Engineering from Delft University of Technology, the Netherlands in 1986, received an MBA from INSEAD France in 1988 and is an INSEAD Certified Board Director since 2013. Mr. Meerstadt started his career in 1986 as management consultant with McKinsey & Company and was co-founder and managing partner of CONSULT Marketing and Brand Strategies in 1992. In 1995 he was appointed as chairman of Young & Rubicam Groep Nederland and in 1998 he became Chief Executive Officer of the Y&R Europe, Middle-East and Africa in London and joined the partnership board of Young & Rubicam Inc. in New York. In 2001 Mr. Meerstadt joined the board of N.V. Nederlandse Spoorwegen (Dutch Railways) where he served as CEO from 2009 to 2013.

Current ancillary positions: Mr. Meerstadt is currently CEO of Baarsma Wine Group Holding B.V., holds a supervisory board position at ABN AMRO Bank N.V. and a non-executive position at Talgo S.A. He is also chairman of the Friends of Concertgebouw and Royal Concertgebouw Orchestra, chairman of Stichting Blinden-Penning, and board member of Maatschappij tot Redding van Drenkelingen.

Senior Management

The Group's current Senior Management is as follows:

Name	Date of birth	Position
Mr. A.T. van Dam	15 March 1974	Finance Director
Mrs. A.B. van Doorne	15 April 1968	Creative and Communications Director
Mr. G.L.M. Fily	31 May 1970	Commercial Director
Mr. R. Jedrzejczak	19 August 1971	Commercial Director
Mr. J.J.M. Koppers	20 July 1976	Supply Chain Director
Mr. P.P. van Leijenhorst	17 December 1945	Master Distiller
Mr. T. Nadari	31 May 1976	Managing Director LB U.S.A.
Mr. T. van der Schoot	26 May 1968	Marketing Director
Mr. J.C. van Vliet	1 April 1972	Commercial Director

The Company's registered address (Paulus Potterstraat 14, 1071 CZ Amsterdam, the Netherlands, see Chapter 13 "Description of Share Capital and Corporate Governance", section "General") serves as the business address for all members of the Senior Management.

Mr. A.T. (Alexander) van Dam

Mr. Van Dam, member of the Senior Management in the position of Finance Director, is a Dutch national who was born in Rotterdam, the Netherlands. He obtained a Master's degree in Economics from the Erasmus University in Rotterdam, the Netherlands in 1999 and a Postgraduate Executive Master of Finance and Control Programme from the Nyenrode Business University in 2009. From 1999 to 2002 Mr. Van Dam worked as a business controller with Koninklijke KPN N.V. In 2002 he started as a business analyst for Bols Royal Distilleries, at that time a subsidiary of the Rémy Cointreau group and between 2003 and 2006 he worked as a senior controller within the Bols brands division of the Rémy Cointreau group. Since July 2006 Mr. Van Dam holds the position of Finance Director, which means that he is responsible for the Group's business control department, administration, the providing of information to the Supervisory Board and the Group's stakeholders, the driving budget, forecast and medium term planning processes and pricing towards distributors from a commercial and tax perspective.

Mrs. A.B. (Sandie) van Doorne

Mrs. Van Doorne, member of the Senior Management in the position of Creative and Communications Director, is a Dutch national who was born in Dielsdorf, Switzerland. She obtained a Master's degree in Business Economics from the Erasmus University in Rotterdam, the Netherlands in 1992. Mrs. Van Doorne started her career in 1993 as a product manager for Honig, a producer of among others soups, pasta's and baking products. In 1999 and 2000 she worked as area manager Southern Europe for Bols Royal Distilleries, between 2000 and 2002 as international marketing director Pisang Ambon liqueur for the Rémy Cointreau group and in 2002 and 2003 as international marketing director Rémy Martin, new product development for the Rémy Cointreau group. Mrs. Van Doorne has been Creative and Communications Director since 2006 and her function includes responsibility for the Bols Bartending Academy, the Bols Around The World bartender competition and the House of Bols Cocktail & Genever Experience.

Ancillary positions: Mrs. Van Doorne is also a board member of Stichting Administratiekantoor DreamSpirit.

Mr. G.L.M. (Guenael) Fily

Mr. Fily, member of the Senior Management in the position of Commercial Director, is a French national who was born in Auray, France. He obtained a Baccalauréat Economy in 1990, a degree in Economics and Statistics from the Faculté des Sciences Economiques Rennes France in 1992 and a Master Senior Executive & Corporate Strategy from the ESCP Europe Business School Paris in 2014. He worked as an export brand manager assistant and on-trade promoter for the Bacardi-Martini Group in 1994 and 1995, as a sales representative for the on-trade channel of Rothschild France Distribution in 1995 and 1996 and as a white spirits brand manager and key account manager in charge of the on-trade channel for Seagram France Distribution from 1996 to 2001. Between 2001 and 2006 Mr. Fily held several positions within the Rémy Cointreau group, such as international brand manager Bols Vodka and international white spirits brand director. He joined the Group in 2006 as global brand director and from 2010 until July 2014 he worked as a commercial director with responsibility for the Bols brands portfolio in the United Kingdom, Ireland, Southern Europe, Africa, the Middle East and Oceania. Mr. Fily has been a Commercial Director based in Dubai since August 2014. He is responsible for the Bols brands portfolio in India, Africa, the Middle East and Oceania, the development of the sales strategy in these regions and the selection and management of local partners.

Ancillary positions: Mr. Fily is also a board member of Bols Kyndal.

Mr. R. (Rafal) Jedrzejczak

Mr. Jedrzejczak, member of the Senior Management in the position of Commercial Director, is a Polish national who was born in Poznan, Poland. He obtained a Master's degree in Management and Marketing from the University of Economics in Cracow in 2000, did a course International Management with INSEAD in France in 2008 and did a programme Driving Strategic Innovation with the Massachusetts Institute of Technology in the US in 2011. Prior to joining the Group he has several functions within the group of Heineken N.V., including area

sales manager, global business analyst and commercial manager of the Amstel brand. Mr. Jedrzejczak has been a Commercial Director since September 2012. Mr. Jedrzejczak works in Warsaw where he is primarily responsible for the commercial part of the Bols brands portfolio in Central Eastern Europe, Scandinavia, Italy and the European travel retail markets.

Mr. J.J.M. (Joep) Koppers

Mr. Koppers, member of the Senior Management in the position of Supply Chain and & IT Director, is a Dutch national who was born in Tegelen, the Netherlands. He obtained a degree in Technical Physics from Hogeschool Fontys in 2001 and a Master's degree in General Management from the Nyenrode Business University in 2006. Between May 2002 and October 2007 Mr. Koppers has fulfilled several positions at Vrumona, a subsidiary of Heineken N.V. Between May 2012 and January 2013 Mr. Koppers also held a position as Supply Chain Manager at Maxxium. Mr. Koppers has been a Supply Chain and & IT Director since November 2007. Mr. Koppers is responsible for the global logistics and production operations as well as all IT systems of the Group. Mr. Koppers reports directly to the CFO.

Mr. P.P. (Piet) van Leijenhorst

Mr. Van Leijenhorst, member of the Senior Management in the position of Master Distiller, is a Dutch national who was born in Utrecht, the Netherlands. He followed an education in chemical analysis and obtained an HBO-B degree in Analytical Chemistry from Utrecht University, the Netherlands in 1974. Mr. Van Leijenhorst started his career within the Coop group and from the early seventies he worked in several functions within the Dutch Food and Consumer Product Safety Authority, where he eventually became head of the department automatical analysis. In 1985 he started working in the distilling industry with Gedistilleerd en Wijngroep Nederland B.V., which was then part of the group of Heineken N.V. In 1989 the Heineken group and the Group (through its predecessor) formed the joint venture Bols Benelux B.V. Mr. Van Leijenhorst was made responsible for the technology services of the departments quality control, product development and packaging development within Bols Benelux B.V. In 1993 Heineken sold off its stake in Bols Benelux B.V. In the same year N.V. Koninklijke Distilleerderijen Erven Lucas Bols merged with Koninklijke Wessanen N.V. to form Koninklijke BolsWessanen N.V. under which Mr. Van Leijenhorst continued his function. Following the management buy-out in 2006, Mr. Van Leijenhorst continued his activities within the Group in the function of Master Distiller and director Product Development and Quality. As a director Product Development and Quality Mr. Van Leijenhorst was responsible for all product development projects and for the quality of all products of the Group. On 15 September 2014 he has been succeeded in his function of director Product Development and Quality. In his position of Master Distiller, Mr. Van Leijenhorst is responsible for the Lucas Bols Distillery and the recipes. This means that he works on the development of new recipes and is in control over the total quality of the Group's products. Part of his job as a Master Distiller is to explain to distributors, bartenders, press and consumers how the Group's products are made and why they are of a high quality.

Mr. T. (Tal) Nadari

Mr. Nadari, member of the Senior Management in the position of Managing Director in North America (US and Canada), is a Dutch national who was born in Haderah, Israel. He obtained a Master's degree in Communications from the University of Amsterdam, the Netherlands in 2004. Between 2002 and 2007 he fulfilled several positions with The Fabulous Shaker Boys in Amsterdam, the Netherlands. In 2008 he started as a Market Manager U.S.A. within the Group and he became a Managing Director U.S.A. in 2013. Mr. Nadari started his current position within the Group in April 2014. As a Managing Director in North America he is responsible for the operations in the US and leads a team of twenty three employees in sales and marketing of the Bols brands in the US. Next to that he functions as the Group's country manager in Canada.

Mr. A.G.J. (Toine) van der Schoot

Mr. Van der Schoot, member of the Senior Management in the position of Marketing Director, is a Dutch national who was born in Best, the Netherlands. He obtained a degree in Economics at the Hogeschool in Haarlem, the Netherlands in 1994 and completed an MBA Retail Program via INHOLLAND Haarlem, liaised with Kutztown University in the US in 2001. Between 1999 and 2007 Mr. Van der Schoot has fulfilled several positions at British American Tobacco in the

Netherlands and Hungary. Between May 2007 and December 2009 he held a position as marketing manager foods at the baby foods division of Groupe Danone, Nutricia Netherlands. Mr. Van der Schoot has been a Marketing Director of the Group since May 2010 and is responsible for the Lucas Bols portfolio in the Benelux and the UK and the development and implementation of a global marketing strategy.

Mr. J.C. (Jacco) van Vliet

Mr. Van Vliet, member of the Senior Management in the position of Commercial Director, is a Dutch national who was born in Alphen aan den Rijn, the Netherlands. He obtained a Master's degree in Business Economics from the Erasmus University in Rotterdam, the Netherlands in 1996. Between 1996 and 2003 Mr. Van Vliet has fulfilled several positions at Grolsch Breweries. Between February and June 2003 Mr. Van Vliet held a position as international brand manager for the Bols brands within the Rémy Cointreau group and from July 2003 until March 2006 he was a brand director for the Bols brands at Rémy Cointreau in Paris, France. Mr. Van Vliet has been a Commercial Director of the Group since April 2006 and is responsible for the commercial activities of Group in the Group's key export markets.

Maximum number of positions of members of the Management Board and Supervisory Board

Since 1 January 2013, restrictions apply with respect to the overall number of supervisory board positions that a member of the management board or supervisory board (including a one-tier board) of a Dutch public company, a Dutch private limited liability company or qualifying Dutch foundations may hold. A foundation qualifies for this purpose if it is required by law to publish financial information equal or similar to annual accounts referred to in book 2 title 9 DCC and meets the other criteria. The restrictions only apply with regard to executive and supervisory positions in Dutch public companies, Dutch private limited liability companies and qualifying Dutch foundations that, on two successive balance sheet dates without subsequent interruption on two successive balance sheet dates, meet at least two of the three criteria referred to Section 2:397 paragraphs 1 and 2 DCC, which criteria are: (1) the value of the company's/foundation's assets according to its balance sheet with explanatory notes, on the basis of the purchase price or manufacturing costs exceeds €17.5 million; (2) the net turnover exceeds €35.0 million; and (3) the average number of employees is 250 or more (such a company or foundation, a **Large Company**). Based on the Company's assets and net turnover, this rule also applies to the Company.

Pursuant to the DCC, a person may not be appointed as a member of the management board if (A) he or she holds more than two supervisory positions with other Large Companies, or (B) if he or she acts as chairman of the supervisory board or, in the case of a one-tier board, serves as chairman of the management board of a Large Company. The term "supervisory position" refers to the position of supervisory board member, non-executive board member in case of a one-tier board, or member of a supervisory body established by the articles of association. A person may not be appointed as member of the supervisory board if he or she holds more than four supervisory positions with Large Companies. Acting as a chairman of a supervisory board or a supervisory body established by the articles of association or, in case of a one-tier board, chairman of the management board, of a Large Company counts twice.

A position as supervisory or non-executive board member of other companies within the group of the company does not count for this purpose.

An appointment in violation of the aforementioned restrictions will result in the last appointment being void. Earlier appointments at other entities are not affected. The fact that an appointment is thus void does not affect the validity of decision-making. All members of the Management Board and Supervisory Board comply with these rules because, among other things, they have all been (re-)appointed before 1 January 2013 and/or they do not exceed the maximum number of positions held at other Large Companies.

Diversity

Dutch law requires Dutch public limited liability companies and Dutch private limited liability companies that qualify as a Large Company (as the Company does), to pursue a policy of

having at least 30% of the seats on the Management Board and Supervisory Board held by men and at least 30% of the seats on the Management Board and Supervisory Board held by women, each to the extent these seats are held by natural persons. The Company is required to take this policy into account in connection with the (nomination for the) appointment of members of the Management Board and Supervisory Board.

Pursuant to Dutch law, if a Large Company does not comply with the gender diversity rules, it will be required to explain in its annual report (i) why the seats are not allocated in a well-balanced manner; (ii) how it has attempted to achieve a well-balanced allocation; and (iii) how it aims to achieve a well-balanced allocation in the future. Although these rules are temporary and will cease to have effect on 1 January 2016, the legislature will evaluate the impact of these rules. This may result in new legislation on this topic.

Potential conflicts of interest and other information

The Company is aware of the fact that (1) Mr. H.L.M.P. van Doorne (CEO) and Mrs. A.B. van Doorne (Senior Manager) indirectly hold Shares and Preference Shares B through DreamSpirit B.V. and Mr. J.K. de Vries indirectly holds Shares through LB2 B.V., which entities are both Shareholders, (2) Mr. H.L.M.P. van Doorne and Mr. J.K. de Vries hold board positions at Stichting Administratiekantoor Bols, (3) Mr. M.W. Staal holds (individually) a minority stake in AAC and has been nominated as member of the Supervisory Board by AAC and continues to hold a position within the corporate group of AAC, (4) Mr. Meerstadt is also CEO of Baarsma Wine Group Holding B.V., which is indirectly controlled by an investment fund under management by AAC Capital Partners, the firm which (indirectly) also manages AAC (in the sense that a number of the persons who are advising and/or managing that investment fund are also advising and/or managing AAC) and (5) AAC will share part of the proceeds it will receive pursuant to the Offering with Mr. D.C. Doijer and Mr. A. Meerstadt in their capacity as independent members of the Supervisory Board.

Other than these circumstances, the Company is not aware of any other circumstance that may lead to a potential conflict of interest between the private interests or other duties of members of the Management Board, private interests or other duties of members of the Supervisory Board and the private interests or other duties of members of the Senior Management vis-à-vis the Company. There is no family relationship between any members of the Management Board, the Supervisory Board or Senior Management, save for Mr. and Mrs. Van Doorne being husband and wife.

During the last five years, none of the members of the Management Board, the Supervisory Board or Senior Management (1) has been convicted of fraudulent offenses, (2) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (3) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Other than disclosed herein, the Company is not aware of any arrangement or understanding with major Shareholders, suppliers, customers or others pursuant to which any member of the Management Board or Supervisory Board was selected as a member of such management or supervisory bodies of the Company.

Management Board remuneration

The remuneration of, and other agreements with, the members of the Management Board are required to be determined by the Supervisory Board, with due observance of the remuneration policy adopted by the General Meeting. The Supervisory Board must, in respect of the arrangements of remuneration of the Management Board in the form of Shares or rights to subscribe for Shares, submit a proposal for approval to the General Meeting, which proposal shall at a minimum state how many Shares or rights to subscribe for Shares may be granted to the Management Board and which criteria apply to the granting or amendment.

The remuneration policy will be aimed at attracting, motivating and retaining highly qualified executives and rewarding members of the Management Board with a balanced and competitive

remuneration package that is focused on sustainable results and is aligned with the long-term strategy of the Company.

The remuneration of the members of the Management Board will be set around the median of remuneration levels payable within a peer group of comparable national and international companies relevant to the Company from a labour market perspective.

Pursuant to the remuneration policy, the remuneration of the members of the Management Board will consist of the following fixed and variable components which are discussed in more detail below.

Remuneration policy components

Fixed annual base salary

The base salary of the members of the Management Board is set around the median of remuneration levels payable within relevant comparable markets and a peer group of comparable companies. In this respect, following the Settlement Date the annual base salary of Mr. H.L.M.P. van Doorne shall amount to €470,000 exclusive of VAT and the annual base salary of Mr. J.K. de Vries shall amount to €320,000 exclusive of VAT. The annual base salary of the members of the Management Board shall be fixed for a period of four years following the Settlement Date, following which the members of the Management Board will consult with the Supervisory Board about whether an adjustment of the annual base salary is deemed justified and necessary. See section "Remuneration for the Management Board and the Senior Management" below for information regarding the current remuneration for the Management Board.

Annual variable remuneration in cash

The objective of the annual variable remuneration in cash is to ensure that the members of the Management Board will be focused on realising their short-term operational objectives leading to longer term value creation. The annual variable remuneration amount will be paid out when predefined targets are realised, while the maximum variable remuneration amount may be paid out in case of outperformance of the predefined targets. If realised performance is below a certain threshold level, no variable remuneration will be paid out.

On an annual basis, performance conditions will be set by the Supervisory Board at the beginning of the relevant fiscal year. These performance conditions include the Company's financial performance and may as well include qualitative criteria related to the Company's and/or individual performance.

The variable remuneration, if any, will be no more than 50% of a Management Board member's annual base salary.

Pension and fringe benefits

The members of the Management Board will receive an allowance, in the form of a gross amount or as a percentage of their base salary, to settle any contribution to a defined benefit pension scheme of the Company or arrange their pension in any other way. In this respect, the Company shall annually contribute an amount equal to 10% of the base salary of Mr. J.K. de Vries to his pension scheme. Mr. H.L.M.P. van Doorne will not receive any pension contributions.

The members of the Management Board will be entitled to customary fringe benefits, such as expense allowances (including costs for the use of a private or lease car) and reimbursement of costs. In this respect, following the Settlement Date Mr. H.L.M.P. van Doorne will be entitled to expense allowance of €95,000 and Mr. J.K. de Vries will be entitled to expense allowance of €21,000 per year. These amounts are exclusive of VAT.

Severance arrangements

Contractual severance arrangements have been agreed upon with the members of the Management Board. See below, section “Employment, service and severance agreements” for more details.

Adjustments to variable remuneration

Pursuant to Dutch law and the Code the remuneration of managing directors may be reduced or managing directors may be obliged to repay (part of) their remuneration to the company if certain circumstances apply.

Pursuant to Dutch law and the Code, the Supervisory Board may adjust the variable remuneration (to the extent subject to reaching certain targets and the occurring of certain events) to an appropriate level if payment of the variable remuneration were to be unacceptable according to the criteria of reasonableness and fairness.

In addition, the Supervisory Board will have the authority under the Code and Dutch law to recover from a member of the Management Board any variable remuneration awarded on the basis of incorrect financial or other data (claw back).

Furthermore, Dutch law prescribes that, in case the value of the Shares (including rights to subscribe for Shares) granted by the Company to the respective members of the Management Board as part of their remuneration increases during a period in which a public offer is made on the Shares in the share capital of the Company, the remuneration of that respective member of the Management Board will be reduced by the amount by which the value of the Shares granted by the Company to such member has increased. Similar provisions apply in the situation of an intended legal merger or demerger, or if the Company intends to enter into certain transactions that are of such significance to the Company that the Management Board requires the approval of the General Meeting pursuant to Dutch law (transactions that fall within the scope of Section 2:107a DCC).

Remuneration for the Management Board and the Senior Management

The total remuneration the Company paid to or for the benefit of members of the Management Board for FY 2013/14 amounted to approximately €1,073,000. The following table denotes the breakdown in remuneration of members of the Management Board for FY 2013/14.

<u>Name</u>	<u>Base salary</u>	<u>Variable remuneration</u>	<u>Other payment</u>	<u>Total remuneration⁽¹⁾</u>
Mr. H.L.M.P. van Doorne	€467,508	€160,000	€73,127	€700,635
Mr. J.K. de Vries	€230,601	€86,264	€55,768 ⁽²⁾	€372,633
Total	<u>€721,169</u>	<u>€246,264</u>	<u>€105,835</u>	<u>€1,073,268</u>

(1) Total remuneration does not include social security payments and Dutch crisis tax (the fictitious final taxation of top salaries) of 16%.

(2) Includes pension scheme arrangement equal to 10% of the base salary.

The total remuneration paid by the Company to or for the benefit of the nine members of Senior Management for FY 2013/14 amounted to approximately €1,518,000.

Supervisory Board remuneration

The General Meeting determines the remuneration of the members of the Supervisory Board. The Supervisory Board submits proposals to the General Meeting in respect of the remuneration of the chairman, the vice-chairman and the other members of the Supervisory Board. The remuneration of the Supervisory Board may not be made dependent on the Company's results.

None of the members of the Supervisory Board may receive Shares, options for Shares or similar rights to acquire Shares as part of their remuneration. None of the members of the Supervisory Board may hold Shares, options for Shares or similar securities other than as a long-term investment. The members of the Supervisory Board may also not hold such securities, other than in accordance with the rules on holding or transacting in the Company's securities. Members of the Supervisory Board may not accept personal loans or guarantees from the Company, other than in the normal course of business and subject to the prior approval of the Supervisory Board.

Remuneration for the Supervisory Board

The total remuneration paid by the Company to or for the benefit of members of the Supervisory Board for FY 2013/14 amounted to approximately €68,000. The following table denotes the breakdown in remuneration of members of the Supervisory Board for FY 2013/14.

<u>Name</u>	<u>Total remuneration</u>
Mr. D.C. Doijer	€39,531
Mr. M.W. Staal	-
Mr. P.G. Hugenholtz ⁽¹⁾	-
Mr. A. Meerstadt	€28,398
Total	<u>€67,929</u>

(1) Mr. P.G. Hugenholtz has been a member of the Supervisory Board since 14 June 2006 and will be replaced by Ms. M.M. Wyatt as of the Settlement Date.

Following the Settlement Date the annual remuneration of Mr. D.C. Doijer, in his capacity as chairman of the Supervisory Board, shall amount to €40,000, the annual remuneration of Mr. A. Meerstadt, in his capacity as vice-chairman of the Supervisory Board, shall amount to €35,000 and the annual remuneration of each of the other members of the Supervisory Board shall amount to €30,000. These amounts are exclusive of VAT.

Equity holdings

The number of shares in the capital of the Company beneficially owned by members of the Management Board as of the date of this Prospectus is set forth in the table below.

Name	Shares	Preference Shares B
Mr. H.L.M.P. van Doorne ⁽¹⁾	1,680,000 x 0.8	2
Mr. J.K. de Vries ⁽²⁾	420,000 x 0.6	-

- (1) Mr. H.L.M.P. van Doorne (CEO) and Mrs. A.B. van Doorne (Senior Manager) hold 80% and 20%, respectively, of the shares in DreamSpirit B.V. which in turns holds 1,680,000 Shares and two Preference Shares B. The Preference Shares B will be redeemed for €2.6 million upon Settlement. See Chapter 14 "Major Shareholders"
- (2) Mr. J.K. de Vries owns (indirectly) 60% of the shares in LB2 B.V., which in turn holds 420,000 Shares. See also Chapter 14 "Major Shareholders".

Stichting Administratiekantoor Bols holds 40% of the shares in LB2 B.V. and issued depositary receipts for such shares to the Senior Managers and certain other officers in the proportions as of the date of this Prospectus as set out below.

Name	Economic interest in share capital of the Company	Equivalent in Shares
Mr. A.T. van Dam	0.18%	15,001
Mr. G.L.M. Fily	0.30%	25,000
Mr. R. Jedrzejczak	0.12%	10,000
Mr. J.J.M. Koppers	0.15%	12,749
Mr. P.P. van Leijenhorst	0.30%	25,000
Mr. T Nadari	0.11%	9,500
Mr. T van der Schoot	0.03%	2,750
Mr. J.C. van Vliet	0.30%	25,000
Other employees	0.51%	43,000
	2.00%	168,000

At the date of this Prospectus, none of the current members of the Supervisory Board holds any Shares or options on Shares nor did any member of the Supervisory Board hold any Shares or options on Shares in FY 2013/14.

See below under "Extraordinary Share Award" for the number of depositary receipts for Shares to be awarded to (*inter alia*) Mr J.K. de Vries and the Senior Managers upon Settlement.

Employment, service and severance agreements

In 2006 Mr. H.L.M.P. van Doorne has (through DreamSpirit B.V.) entered into a service agreement with the Company governed by Dutch law, while Mr. J.K. de Vries entered into an employment agreement with the Company governed by Dutch employment law. Mr. H.L.M.P. van Doorne is expected to enter into an amendment agreement to its service agreement and Mr. J.K. de Vries is expected to enter into a service agreement with the Company as per the Settlement Date. The terms and conditions of these service agreements will be aligned with the provisions in the Code. The members of the Management Board are generally appointed in such capacity for a term of four years, however it is expected that their contracts will be entered into for an indefinite period of time.

The service agreement of both Mr. H.L.M.P. van Doorne and Mr. J.K. de Vries can be terminated by either party on a six months' prior notice. In the event of a termination of the service agreement, the relevant member of the Management Board is subject to a non-competition for a period of twelve months after the date of termination and a non-solicitation clause applies for a period of two years after the date of termination.

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

The members of the Supervisory Board do not have an employment, service or severance contract with the Company.

Liability of members of the Management Board and the Supervisory Board

Under Dutch law, members of the Management Board and Supervisory Board may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company for infringement of the Articles of Association or of certain provisions of the DCC. In addition, they may be liable towards third parties for infringement of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

Insurance

Members of the Management Board, Supervisory Board and certain other officers are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as members or officers.

Indemnification

The Articles of Association include provisions regarding the indemnification of current and former members of the Supervisory Board and the Management Board.

There shall, however, be no entitlement to reimbursement if and to the extent that: it has been established by a Dutch court in a final and conclusive judgment that the act or failure to act of the person concerned may be characterised as wilful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would be unacceptable in view of the standards of reasonableness and fairness (*redelijkheid en billijkheid*) when taking into account the relevant circumstances, or if the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or financial loss.

Pension schemes

The Group offers two defined benefit plans and one defined contribution plan to its employees in the Netherlands, all of them are implemented by an insurance company. Furthermore, for employees of Pijlsteeg B.V. participation in the mandatory industry-wide pension scheme for the hospitality industry (*Pensioenfonds Horeca en Catering*) is available. This industry-wide pension scheme is also a defined benefit plan.

A defined contribution plan is a pension scheme in which the employer has no legal or financial obligations besides paying pension contributions to the defined contribution plan. The other two pension schemes qualify as a defined benefit plan. As a result of the introduction of IAS19R, the Group has changed its accounting policy with respect to its defined benefit plans as per 1 April 2013. After the policy change, the Group recognises all actuarial gains and losses arising immediately in other comprehensive income (OCI). In prior years, the Group applied the corridor method.

According to IAS19R, the net liability for defined benefit plans is the difference between the present value of the defined benefit obligation and the fair value of the plan assets. Movements in net defined benefit liability such as actuarial gains and losses, the return on plan assets and the effect of asset ceiling, are recognised immediately in OCI. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain/loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

An industry-wide pension scheme is a multi-employer pension scheme in which the part of each participating employer cannot be individualised and therefore these industry-wide defined benefit schemes can be accounted for as defined contribution (DC) schemes.

Although the Group has defined benefit plans and therefore reports a net liability for these defined benefit plans in its annual accounts, the Group does, in general, not have any legal obligations to pay additional amounts, next to paying the regular pension contributions, to fulfil the defined benefit commitment. The reason for this is, that according to the (Dutch) Pension Act and related insurance legislation, by concluding an implementation agreement with a pension provider (in this case an insurance company) the pension obligations are secured outside the Company and the Group can therefore not be required to make additional payments to fulfil the defined benefit commitment.

Employee Share Purchase Plan (ESPP)

Employees of the Group and members of the Management Board will be offered the opportunity to buy depositary receipts for Shares (Investment Shares) following the publication of the Company's annual and semi-annual accounts. The Shares issued under the ESPP will be held by a trust foundation to be incorporated at Settlement. Each participant may determine at his or her own discretion the amount of money to be invested in Investment Shares. The Investment Shares will be subject to a retention period of three years during which the participant in the ESPP cannot dispose of the Investment Shares.

Extraordinary Share Award (ESA)

Mr J.K. de Vries (CFO), the Senior Managers and certain other employees have been offered a one-off remuneration component in the form of an ESA. The ESA consists of the delivery of depositary receipts for Shares. The Shares issued under the ESA will be held by the trust foundation referred to in the previous paragraph. The ESA will be granted and issued upon Settlement, based on the opening market quotation of the Shares on Euronext Amsterdam, whereby a discount of 13.5% is applied in order to reflect the value reducing effect of the retention period of three years. The (depositary receipts for) Shares granted under the ESA will be subject to a retention period of three years during which the relevant securities cannot be disposed of. The table below presents information about the ownership of depositary receipts for Shares granted pursuant to the ESA immediately after Settlement, assuming an issue price equal to the mid-point of the Offer Price Range.

Name	Depositary receipts for Shares
Mr. J.K. de Vries (CFO)	8,223
Mr. A.T. van Dam	3,386
Mrs. A.B. van Doorne	2,838
Mr. G.L.M. Fily	4,353
Mr. R. Jedrzejczak	1,102
Mr. J.J.M. Koppers	2,421
Mr. P.P. van Leijenhorst	3,173
Mr. T Nadari	3,387
Mr. T van der Schoot	2,204
Mr. J.C. van Vliet	4,743
Other employees (57 in total)	28,308
	64,138

13 DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

General

The Company was incorporated by a notarial deed as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law on 27 February 2006. Prior to Settlement, the Articles of Association will be amended and the Company will be converted to a public company with limited liability (*naamloze vennootschap*) pursuant to a notarial deed of amendment and conversion in accordance with a resolution of the General Meeting (the **Conversion**). The legal and commercial name will then become Lucas Bols N.V.

The Company is registered with the Trade Register of the Chamber of Commerce under number 34242707. Its corporate seat is in Amsterdam, the Netherlands. Its business address is Paulus Potterstraat 14, 1071 CZ Amsterdam, the Netherlands. The Company's telephone number is + 31 20 570 8557.

Summary of key provisions of the Articles of Association

Set out below is an overview of the Company's share capital, certain significant provisions of Dutch corporate law as well as a brief summary of certain provisions of the Articles of Association as if the Conversion had already taken place and a description of the Company's compliance with the Dutch corporate governance code (the **Code**).

This summary does not purport to give a complete overview and should be read in conjunction with the Articles of Association, together with relevant provisions of applicable law, and does not constitute legal advice regarding these matters and should not be considered as such.

Corporate objects

Pursuant to Article 3 of the Articles of Association, the Company's corporate objects are:

- to produce and trade in distilled beverages and other beverages and ancillary articles, which includes giving courses, guided tours and trainings as well as provide information;
- to obtain, develop and trade in patents, trademarks, licenses, know-how and other intellectual and industrial property rights in the field of distilling and of beverages;
- to incorporate, to participate in any way whatsoever in, to manage, to supervise businesses and companies;
- to finance businesses and companies;
- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities;
- to render advice and services to businesses and companies with which the Company forms a group and to third parties;
- to grant guarantees, to bind the Company and to pledge its assets for obligations of the Company, its group companies and/or third parties;
- to acquire, alienate, manage and exploit registered property and items of property in general;
- to trade in currencies, securities and items of property in general;
- to perform any and all activities of an industrial, financial or commercial nature,

and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

Share capital

The Articles of Association provide for an authorised share capital of the Company equal to €2,100,000, divided into 21,000,000 Shares with a nominal value of €0.10 each.

Since 11 April 2006 there have been no changes to the Company's issued share capital. At the date of this Prospectus, 8,400,000 Shares and 23 Preference Shares are issued and outstanding. In 2006, Warrants were issued which entitle RI Leveraged Finance B.V. (a subsidiary of Rabobank) and GSC to acquire up to a maximum of 434,000 Shares in the aggregate for a total exercise price in the amount of €434,000. On the Settlement Date, the Preference Shares will have been redeemed against cash and the Warrants will have been exercised upon payment of €434,000 against the issuance of 217,000 Shares (taking into account the number of Shares following the redemption of 50% of the Shares on Settlement).

All Shares that are outstanding as of the date of this Prospectus are fully paid up and are subject to and have been created under Dutch law.

For the number of issued and outstanding Shares upon completion of the Offering, see Chapter 14 "Major Shareholders".

Form and trading of Shares

All Shares are to be registered (*aandelen op naam*) and will be traded through the book-entry facilities of Euroclear Nederland. All Shares are eligible for inclusion in a collection deposit (*verzameldepot*) and/or giro deposit (*girodepot*) on the basis of the Securities Giro Act (*Wet giraal effectenverkeer*). The affiliated institutions (*aangesloten instellingen*), as defined in the Securities Giro Act, are responsible for the management of the collection deposit and Euroclear Nederland, being the central institute (*Centraal Instituut*) for the purposes of the Securities Giro Act, will be responsible for the management of the giro deposit. The Securities Giro Act exclude the transfer (*uitlevering*) of the Shares out of a collective depot or a giro depot (save for certain limited exceptions).

No share certificates (*aandeelbewijzen*) are issued. The Management Board is responsible for keeping a shareholders' register.

Issue of Shares and granting of rights to subscribe for Shares

Shares shall be issued pursuant to (i) a resolution of the General Meeting at the proposal of the Management Board, which proposal is subject to the prior approval of the Supervisory Board, or (ii) a resolution of the Management Board, subject to the prior approval of the Supervisory Board, if by resolution of the General Meeting the Management Board has been authorised for a specific period not exceeding eighteen (18) months to issue Shares. Unless otherwise stipulated at its grant, the authorisation cannot be withdrawn.

The General Meeting has designated the Management Board, for a period that ends on 18 months following the Conversion, as the corporate body authorised to issue Shares or grant rights to subscribe for Shares. Pursuant to this designation, the Management Board may resolve to issue Shares or grant rights to subscribe for Shares (i) up to a maximum of 10% of the total number of Shares issued and outstanding on the Settlement Date plus (ii) an additional 10% of the total number of Shares issued and outstanding on the Settlement Date in connection with or on the occasion of mergers and acquisitions and strategic alliances, subject to the approval of the Supervisory Board. Such authorisation may from time to time be extended by a resolution of the General Meeting for a period not exceeding 18 months.

The above provisions shall apply by analogy to the granting of rights to subscribe for Shares. They shall not apply to the issue of Shares to persons exercising a previously granted right to subscribe for Shares.

Pre-emptive rights

Dutch law and the Articles of Association give shareholders pre-emptive rights to subscribe on a pro rata basis for any issue of new Shares or upon a grant of rights to subscribe for Shares. Such pre-emptive rights do not apply, however, in respect of (i) Shares issued for a non-cash contribution (ii) Shares issued to the employees of the Company and (iii) Shares issued to persons exercising a previously granted right to subscribe for Shares.

The Articles of Association stipulate that pre-emptive rights may be limited or excluded by a resolution of the General Meeting at the proposal of the Management Board, which proposal is subject to the prior approval of the Supervisory Board. The General Meeting may also designate this authority to the Management Board, subject to the prior approval of the Supervisory Board, for a period not exceeding 18 months, and only if the Management Board at that time is also authorised to issue Shares. If less than one half of the issued capital is represented at the General Meeting, a majority of at least two-thirds of the votes cast shall be required for a resolution of the General Meeting to restrict or exclude a pre-emptive right or to designate this authority to the Management Board. Unless otherwise stipulated at its grant, the designation cannot be withdrawn.

The General Meeting has designated the Management Board, for a period that ends on 18 months following the Conversion, as the corporate body authorised to limit or exclude pre-emptive rights in relation to an issuance of Shares, subject to the approval of the Supervisory Board. Such authorisation may from time to time be extended by a resolution of the General Meeting for a period not exceeding 18 months.

Acquisition of Shares in the Company's capital

The Company may not subscribe for its own Shares on issue. The Company may acquire its own fully paid Shares at any time for no consideration. Furthermore, subject to certain provisions of Dutch law and the Articles of Association, the Company may acquire fully paid Shares in its own capital if (i) its shareholders' equity less the payment required to make the acquisition, does not fall below the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association (such excess, the **Distributable Equity**), and (ii) the Company and its subsidiaries would thereafter not hold Shares or hold a pledge over the Shares with an aggregate nominal value exceeding fifty per cent (50%) of the Company's issued share capital.

Other than those Shares acquired for no consideration, Shares may only be acquired if the General Meeting has authorised the Management Board thereto, and subject to the prior approval of the Supervisory Board. This authorisation shall remain valid for a maximum of 18 months. In the authorisation, the General Meeting must specify the number of Shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set.

The General Meeting has authorised the Management Board to acquire a maximum of 10% of the issued ordinary Shares for a period of 18 months following the Conversion, at a purchase price, excluding expenses, not lower than the nominal value of the shares and not higher than 10% above the average of the closing price of the Shares on Euronext Amsterdam for the five business days preceding the date on which the purchase is made.

No authorisation from the General Meeting is required for the acquisition of fully paid Shares for the purpose of transferring these Shares to employees of the Company or of a group company under a scheme applicable to such employees (share option plan), provided that such Shares are listed on a stock exchange. Any Shares the Company holds may not be voted or counted for voting quorum purposes.

Reduction of share capital

The General Meeting may resolve to reduce the Company's issued and outstanding share capital by cancelling Shares, or at the proposal of the Management Board, which proposal is subject to the approval of the Supervisory Board, by amending the Articles of Association to reduce the nominal value of the Shares. A resolution to cancel may only relate to Shares held by the Company itself.

Dividends and other distributions

The Company may only make distributions to the Shareholders in so far as its equity exceeds the Distributable Equity.

Following the adoption of the annual accounts of the Company by the General Meeting, the Management Board may, subject to the approval of the Supervisory Board, determine which part of the profits shall be reserved. The General Meeting may resolve that the part of the profits remaining after reservation shall be distributed as a dividend on the Shares; without such resolution, these profits shall also be reserved.

Subject to the approval of the Supervisory Board, the Management Board may resolve to make (i) an interim dividend on Shares, (ii) distributions on Shares from the Distributable Equity and (iii) distributions on Shares in whole or in part in Shares or in any other form, instead of cash.

According to the Articles of Association, distributions on Shares shall be made payable within 30 days after they have been declared unless the Management Board determines another date of payment .

Each of the Shares entitles its holder to equal ranking rights to dividends and other distributions.

Claims to dividends and other distributions not made within five years from the date that such dividends or distributions became payable, will lapse and any such amounts will be considered to have been forfeited to the Company.

General Meeting

An annual General Meeting shall be held once every year within six months from the end of the preceding financial year. Other General Meetings are held as often as the Management Board or the Supervisory Board deems such to be necessary.

A General Meeting shall be convened by the Management Board or the Supervisory Board. The general meetings may be held at Amsterdam or Schiphol.

Each holder of Shares shall be entitled to attend the General Meeting, to address such meeting and, to the extent applicable, to exercise his voting rights. The Management Board must be notified in writing of a shareholder's intention to attend the meeting. Such notice must be received by the Management Board no later than on the date specified in the notice of the meeting. The Management Board may determine that the voting rights may be exercised by means of electronic communication.

Shareholders may only attend the General Meeting and participate in the voting in respect of Shares which are registered in their name on the record date as specified in the notice of the meeting. The record date will be on the 28th day prior to the date of the meeting.

The notice of the meeting shall be effected no later than on the 42nd day prior to the date of the meeting and shall state the items to be dealt with, the items to be discussed and which items are to be voted on, the place and time of the meeting, the procedure for participating at the meeting by written proxy-holder, the address of the website of the Company and, if applicable, the procedure for participating at the meeting and exercising one's right to vote by electronic means of communication.

Shareholders individually or jointly representing at least 3% of the issued share capital have the right to request the Management Board or the Supervisory Board to place items on the agenda of the General Meeting. Such item shall be included in the notice or shall be notified in the same way as the other subjects for discussion, if the Company has received the request (including the reasons for such request) not later than sixty (60) days before the day of the meeting.

Each Share entitles the holder to one vote at a General Meeting. Shareholders may vote by proxy. The voting rights attached to any of the Shares held by the Company are suspended as long as they are held in treasury.

Except where the law or the Articles of Association require a qualified majority, all resolutions shall be adopted by absolute majority of the votes cast.

With respect to resolutions of the General Meeting which can only be adopted if part of the issued capital is represented, a second General Meeting at which such resolutions could otherwise be adopted irrespective of the issued capital being represented, may not be convened in accordance with Section 2:120 paragraph 3 DCC.

Amendment of the Articles of Association

The General Meeting may resolve to amend the Articles of Association, subject to a proposal by the Management Board, which requires the approval of the Supervisory Board.

The General Meeting may furthermore resolve to change the corporate form of the Company. A change of the corporate form shall require a resolution to amend the Articles of Association, subject to a proposal by the Management Board, which requires the approval of the Supervisory Board.

Dissolution and liquidation

In the event of dissolution, the business of the Company will be liquidated in accordance with Dutch law and the Articles of Association, and the members of the Management Board (unless otherwise determined by the General Meeting) will become liquidators, acting under supervision of the Supervisory Board. During liquidation, the provisions of the Articles of Association will remain in force to the extent possible.

The balance remaining after settlement of debts shall be transferred to the shareholders in proportion to the aggregate nominal value of the Shares held by each of them.

Corporate governance code

On 9 December 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, released the Code. With effect from 1 January 2009, the Code has been amended by the Frijns Committee. The Code contains principles and best practice provisions for the management board, the supervisory board, shareholders and general meetings of shareholders and audit and financial reporting.

All companies whose registered offices are in the Netherlands and whose shares or depositary receipts for shares have been admitted to listing on a stock exchange, or more specifically to trading on a regulated market or a comparable system, and to all large companies whose registered offices are in the Netherlands (balance sheet value > €500 million) and whose shares or depositary receipts for shares have been admitted to trading on a multilateral trading facility or a comparable system, are required under Dutch law to disclose in their annual reports whether or not they apply the provisions of the Code that relate to the management board or supervisory board and, if they do not apply, to explain the reasons why. The Code provides that if a company's general meeting explicitly approves the corporate governance structure and policy and endorses the explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Code.

The Company acknowledges the importance of good corporate governance and agrees with the principles of the Code and has taken and will take further steps it considers appropriate to implement the Code.

Non-compliance with the corporate governance code

The practices where the Company is not in compliance with the Code are the following:

- *Best practice provision IV.1.1. of the Code: The general meeting of shareholders of a company (other than a company subject to the Dutch large company regime (structuurregime)) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the*

resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.

The Articles of Association do not contain a binding nomination system for the appointment as set out in this best practice provision. However, the Articles of Association provide that the Supervisory Board may make non-binding nominations. In case the Supervisory Board has made a nomination for the appointment of a Management Board or a Supervisory Board member, the resolution of the General Meeting to appoint the nominee shall be adopted by an absolute majority. If the Supervisory Board has not made a nomination, a resolution of the General Meeting to appoint a Management Board or a Supervisory Board member shall require a two-thirds majority of the votes cast, representing more than 50% of the issued share capital. The Company believes that these provisions do not deviate from the Code. However, these provisions are more strict than provided for in the Dutch Civil Code.

Pursuant to the Articles of Association, the General Meeting may at any time dismiss a member of the Management Board or the Supervisory Board. The General Meeting may only adopt a resolution to dismiss such a member by an absolute majority at the proposal of the Supervisory Board. Without such proposal, the resolution shall require a two-thirds majority of the votes cast, representing more than 50% of the issued share capital. These provisions deviate from best practice provision IV.1.1. of the Code.

The purpose of these provisions is to safeguard the continuity of the Company and its group companies.

- *Best practice provision IV.3.1. of the Code: Meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the company's website and by means of press releases. Provision shall be made for all shareholders to follow these meetings and presentations in real time, for example by means of webcasting or telephone. After the meetings, the presentations shall be posted on the company's website.*

The Company shall initially not enable Shareholders to follow analyst meetings, presentations to (institutional) investors and press conferences at the same time by means of webcasting, telephone lines or otherwise. In this respect the Company does not comply with best practice provision IV.3.1. of the Code. The Company shall regularly examine whether it is desirable to provide those facilities and possibly amend its policy in this respect. In accordance with best practice provision IV.3.1. of the Code, the Company shall announce meetings with analysts, presentations to analysts, presentations to (institutional) investors and press conferences in advance on the Company's website and by means of press releases. After the meetings, the presentations shall be posted on the Company's website.

Disclosure rules

Home member state for purposes of the EU Transparency Directive

On admission of the Shares to listing on Euronext Amsterdam, the Company will be a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law. The Netherlands is the home member state of the Company for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended). As a result, the Company will be subject to financial and other reporting obligations under the FSA (*Wet op het financieel toezicht*) and the Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*), which both implement the EU Transparency Directive in the Netherlands.

Disclosure of information

The Company is required to publish its annual report (consisting of the audited annual accounts, the annual report and the responsibility statement) within four months after the end of each FY and its half-yearly figures within two months after the end of the first six months of each financial year. It is expected that from 26 November 2015 onwards, the two-month period will be extended to three months as a consequence of the implementation of Directive 2013/50/EU into the FSA. In addition, the Company is obliged to publish interim management statements (*inter alia* containing an overview of important transactions and their financial consequences and a general description of the financial position) in the period starting ten weeks after and six weeks

before the first and second half of each financial year. It is expected that from 26 November 2015 onwards, this requirement will be abolished as a consequence of the implementation of Directive 2013/50/EU into the FSA.

Financial reporting supervision act

On the basis of the Financial reporting supervision act, the AFM supervises the application of financial reporting standards by, amongst others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange.

Pursuant to the Financial reporting supervision act, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards and (ii) recommend to the Company the making available of further explanations. If the Company does not comply with such a request or recommendation, the AFM may request that the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*, the **Enterprise Chamber**) orders the Company to (i) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (ii) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

Shareholder disclosure and reporting obligations

Pursuant to the FSA, upon the Company becoming a listed company, each shareholder who holds a substantial holding in the Company should forthwith notify the AFM of such substantial holding. Substantial holding means the holding of at least 3% of the Shares or the ability to vote on at least 3% of the total voting rights. Any person who, directly or indirectly, acquires or disposes of an interest in the share capital or voting rights must without delay give notice to the AFM, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person, directly or indirectly, reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

In addition, if, as a result of such change, a person's direct or indirect interest in the share capital or voting rights passively reaches, exceeds or falls below the abovementioned thresholds, the person in question must give notice to the AFM no later than the fourth trading day after the AFM has published the change in the share capital and/or voting rights in the public register.

For the purpose of calculating the percentage of capital interest or voting rights, amongst others, the following interests must be taken into account: (i) shares or depositary receipts for shares or voting rights directly held (or acquired or disposed of) by any person, (ii) shares or depositary receipts for shares or voting rights held (or acquired or disposed of) by such person's controlled undertakings or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement (including a discretionary power of attorney), (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment, (iv) shares or depositary receipts for shares or voting rights which such person, or any controlled undertaking or third party referred to above, may acquire pursuant to any option or other right held by such person (including, but not limited to, on the basis of convertible bonds), and (v) shares which determine the value of certain cash settled instruments, whereby the increase in value of the financial instruments is dependent on the increase in value of the (underlying) shares or related dividends.

For the same purpose of calculating the percentage of capital interest or voting rights, the following instruments qualify as 'shares': (i) financial instruments of which the value depends on the increase in value of the shares or dividend rights and which will be settled other than in those shares, (ii) options for acquiring shares or depositary receipts, and (iii) negotiable instrument's which provide for an economic position similar to the economic position of a holder of shares or depositary receipts.

The notification to the AFM should indicate whether the interest is held directly or indirectly, and whether the interest is an actual or a potential interest.

A person is deemed to hold the interest in the share capital or voting rights that is held by its controlled undertakings as defined in the FSA. The controlled undertaking does not have a duty

to notify the AFM because the interest is attributed to the undertaking in control, which as a result has to notify the interest as an indirect interest. Any person, including an individual, may qualify as an undertaking in control for the purposes of the FSA. A person who has a 3% or larger interest in the share capital or voting rights and who ceases to be a controlled undertaking for purposes of the FSA must without delay notify the AFM. As of that moment, all notification obligations under the FSA will become applicable to the former controlled undertaking.

A holder of a pledge or right of usufruct in respect of shares or depositary receipts for shares can also be subject to the reporting obligations of the FSA, if such person has, or can acquire, the right to vote on the shares or, in the case of depositary receipts for shares, the underlying shares. If a pledgee or usufructuary acquires the voting rights on the shares or depositary receipts for shares, this may trigger a corresponding reporting obligation for the holder of the shares or depositary receipts for shares. Special rules apply with respect to the attribution of shares or depositary receipts for shares or voting rights which are part of the property of a partnership or other community of property.

In addition to the above described notification obligations pertaining to capital interest or voting rights, pursuant to Regulation (EU) No 236/2012, notification must be made of any net short position of 0.2% in the issued share capital of the Company, and of every subsequent 0.1% above this threshold. Notifications starting at 0.5% and every subsequent 0.1% above this threshold will be made public via the short selling register of the AFM.

Furthermore, gross short positions shall be notified in the event that a threshold is reached, exceeded or fallen below. The same subsequent disclosure thresholds as for holders of capital interests and/or voting rights apply.

Under the FSA, the Company is required to notify the AFM without delay of any changes in its share capital if its share capital has changed by 1% or more compared to the previous disclosure in respect of its share capital. The Company is also required to notify the AFM without delay of any changes in the voting rights, insofar as it has not already been notified at the same time as a related change in its share capital. Changes in its share capital and voting rights of less than 1% must also be notified; these changes can be notified at any time but at the latest within eight days after the end of each calendar quarter. The AFM will publish such notifications in a public register.

In addition, annually within four weeks after the end of the calendar year, every holder of 3% or more of the Shares or voting rights whose interest has changed in the period after his most recent notification to the AFM, which change relates to the composition of the notification as a result of certain acts (e.g., the exchange of shares (an actual interest) for depositary receipts for shares (which is a potential interest) or the exercise of a right to acquire shares (pursuant to which the potential interest becomes an actual interest) must notify the AFM of such changes. Based on a preliminary draft bill, it might be the case that from 26 November 2015 onwards every holder of 3% or more of the Shares or voting rights whose interest has changed compared to his most recent notification, and which holder knows or should know that pursuant to this change his interest reaches, exceeds or falls below a threshold as a result of certain acts (as described above and including the exchange of a financial instrument or a contract (pursuant to which the holder is deemed to have Shares or voting rights at his disposal)), must notify the AFM of this change within four trading days after the date on which he knows or should know that his interest reaches, exceeds or falls below a threshold.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes all notifications received by it. The notifications referred to in this paragraph should be made in writing by means of a standard form or electronically through the notification system of the AFM.

Identity of Shareholders

The Company may request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of its Shareholders. Such request may only be made during a period of 60 days up to the day on which the General Meeting will be held. No information will be given on

Shareholders with an interest of less than 0.5% of the issued share capital. A Shareholder who, individually or together with other Shareholders, holds an interest of at least 10% of the issued share capital may request the Company to establish the identity of the Shareholders. This request may only be made during a period of 60 days until (and not including) the 42nd day before the day on which the General Meeting will be held.

Non-compliance with disclosure obligations

Non-compliance with the disclosure obligations set out in the paragraph above is an economic offence and may lead to criminal charges. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed may be instituted by the Company and/or one or more shareholders who alone or together with others represent(s) at least 3% of the Company's issued and outstanding share capital. The measures that the civil court may impose include:

- (i) an order requiring the person violating the disclosure obligations under the FSA to make appropriate disclosure;
- (ii) suspension of voting rights in respect of such person's shares for a period of up to three years as determined by the court;
- (iii) voiding a resolution adopted by a General Meeting, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision about such voiding; and
- (iv) an order to the person violating the disclosure obligations under the FSA to refrain, during a period of up to five years as determined by the court, from acquiring the shares and/or voting rights in the shares.

Takeover regulations

European Union takeover regulations

The European Directive on Takeover Bids (2004/25/EC) (the **Takeover Directive**) has been implemented in Dutch legislation in the FSA and the Public Takeover Bids Decree (*Besluit openbare biedingen Wft*, the **Takeover Decree**).

Mandatory takeover offers

Pursuant to the FSA, a shareholder who directly or indirectly obtains control of a Dutch listed company, such as the Company after Settlement, is required to make a public offer for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights of the Company. The legislation also applies to persons acting in concert who jointly acquire 30% of the voting rights. An exemption exists if such shareholder or group of shareholders reduces its holding below 30% within 30 days of the acquisition of controlling influence provided that (i) the reduction of its holding was not effected by a transfer of shares or depositary receipts to an exempted party and (ii) during this period such shareholder or group of shareholders did not exercise its voting rights.

Squeeze out procedures

Pursuant to Section 2:92a DCC, a shareholder who for his own account contributes at least 95% of the Company's issued capital may institute proceedings before the Enterprise Chamber against the other shareholders jointly for the transfer of their shares to the claimant. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary upon advice of one or three experts.

Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he shall also publish the same in a newspaper with a national circulation.

Pursuant to Section 2:359c DCC, the offeror under a public offer is also entitled to start a squeeze out procedure, within three months after the public offer, if following the public offer he holds at least 95% of the shares and represents at least 95% of the total voting rights attached to the shares. In the event of a mandatory offer, the mandatory offer price is in principle deemed to be a reasonable price, which has to be accepted by minority shareholders. In the event of a voluntary public offer, the offered price is considered reasonable if at least 90% of the shares have been acquired.

Pursuant to Section 2:359d DCC, if the offeror has acquired at least 95% of the shares held by him, representing at least 95% of the total voting rights, each remaining minority Shareholder is entitled to demand a squeeze out. This procedure must be initiated with the Enterprise Chamber within three months after the end of the period for tendering shares in the public offer. With regard to the price per share to be paid by the majority shareholder, the same procedure as for squeeze out proceedings initiated by the offeror, as set out in the previous paragraph, applies.

Insider trading and market manipulation rules

Reporting of insider transactions

The rules on preventing market abuse set out in the FSA are applicable to the Company, the members of the Management Board and the Supervisory Board, other insiders and persons performing or conducting transactions in the securities of the Company. Certain important market abuse rules set out in the FSA that are relevant for investors are described hereunder.

The Company is required to make inside information public. Pursuant to the FSA, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not yet been made public and publication of which could significantly affect the trading price of the securities. The Company must also provide the AFM with this inside information at the time of publication. Furthermore, the Company must without delay publish the inside information on its website and keep it available on the Company's website for at least one year.

It is prohibited for any person to make use of inside information within or from the Netherlands or a non-EU member state by conducting or effecting a transaction in the shares. In addition, it is prohibited for any person to pass on inside information relating to the Company or the trade in its securities to a third party or to recommend or induce, on the basis of inside information, any person to conduct a transaction in securities of the Company. Furthermore, it is prohibited for any person to manipulate the market, for instance by conducting transactions which could lead to an incorrect or misleading signal of the supply of, the demand for or the price of the securities.

Insiders within the meaning of the FSA are obliged to notify the AFM, ultimately on the fifth trading day after the transaction date, when they carry out or cause to be carried out, for their own account, a transaction in the shares or in securities the value of which is at least in part determined by the value of the shares. Insiders within the meaning of the FSA in this respect are: (i) members of the Management Board and the Supervisory Board, (ii) other persons who have a managerial position and in that capacity are authorised to make decisions which have consequences for future development and business prospects and who, on a regular basis, can have access to inside information relating, directly or indirectly, to the Company, and (iii) certain persons closely associated with the persons mentioned under (i) and (ii) designated by the Dutch Market Abuse Decree (*Besluit marktmisbruik Wft*).

This notification obligation does not apply to transactions based on a discretionary management agreement as described in Section 8 of the Dutch Market Abuse Decree. Under certain circumstances, the notification may be delayed until the date on which the value of the transactions amounts to €5,000 or more in the calendar year in question.

If a member of the Company's Management Board or Supervisory Board has notified a transaction to the AFM under the FSA as described above under "Shareholder disclosure and reporting obligations", such notification is sufficient for purposes of the FSA as described in this paragraph.

Non-compliance with the Dutch market abuse rules

Non-compliance with the Dutch market abuse rules set out in this Chapter could constitute an economic offense and/or a crime (*misdrijf*) and could lead to the imposition of administrative fines by the AFM. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa.

The AFM keeps a public register of all notifications made pursuant to the FSA.

Pursuant to the market abuse rules set out in the FSA, the Company has adopted a code of conduct in respect of the reporting and regulation of transactions in the Company's securities by members of the Management Board and Supervisory Board and the Company's employees. Further, the Company has drawn up a list of persons working for the Company who could have access to inside information on a regular basis and the Company has informed the persons concerned of the rules against insider trading and market manipulation including the sanctions which can be imposed in the event of a violation of those rules.

14 MAJOR SHAREHOLDERS

Major Shareholders

The following table sets forth information with respect to the beneficial ownership of each Shareholder, or group of affiliated Shareholders, who owns 3% or more of the Company's issued and outstanding share capital as of the date of this Prospectus.

Shareholder	Amount of share capital Owned		Percentage of voting rights
	Number / class of shares	Percentage of share capital	
AAC ⁽¹⁾	6,300,000 Shares and 21 Preference Shares A	75.0%	75.0%
DreamSpirit B.V. ⁽²⁾	1,680,000 Shares and 2 Preference Shares B	20.0%	20.0%
LB2 B.V. ⁽³⁾	420,000 Shares	5.00%	5.0%

(1) AAC is indirectly controlled by AAC Capital Partners Holding B.V.

(2) DreamSpirit B.V. is owned by Mr. H.L.M.P. van Doorne (CEO) (80%) and Mrs. A.B. van Doorne (Senior Manager) (20%).

(3) LB2 B.V. is indirectly controlled by Mr. J.K. de Vries (CFO). Certain members of the Senior Management indirectly hold an economic interest in the share capital of the Company (through depositary receipts issued by Stichting Administratiekantoor Bols for shares in the capital of LB2 B.V. which in turn holds shares in the capital of the Company). See for more information Chapter 12 "Management, Supervisory Board and Senior Management", section "Equity holdings".

Capital Restructuring

Upon Settlement, a restructuring shall take place (the **Capital Restructuring**) following which the Selling Shareholders and AAC will hold Shares in the capital of the Company as set out in the ownership table below. The Capital Restructuring will consist of the following steps:

- Redemption of 50% of all issued and outstanding Shares for no consideration, on a pro rata basis, effective immediately prior to Settlement;
- Exercise of the Warrants against the issuance by the Company of 217,000 Shares to the holders of the Warrants for an aggregate exercise price in the amount of €434,000 (see Chapter 13 "Description of Share Capital and Corporate Governance", section "Share capital" for more information on the Warrants);
- Redemption of all issued and outstanding Preference Shares against payment of €71.4 million, which is equal to the aggregate of (i) any accrued but unpaid dividends that have accumulated with respect to the Preference Shares (including accrued but unpaid dividends with respect to the current fiscal year up to the Settlement Date), (ii) the positive balance of the share premium reserve maintained by the Company for the benefit of holders of Preference Shares, and (iii) the nominal value of the Preference Shares;
- The partial repayment of the Group's existing credit facilities (€47.4 million) and the entry into the New Senior Credit Facilities, which will replace the remaining outstanding amount of the existing credit facilities. (For the avoidance of doubt, this step does not affect the holdings of Shares.)

Holdings at and immediately after Settlement

The table below presents information about the ownership of the Shares by the Selling Shareholders and AAC at Settlement, following the redemption of 50% of the Shares and all Preference Shares, exercise of the Warrants and the issuance of (depositary receipts for) Shares in connection with the Extraordinary Share Award, assuming an issue price equal to the mid-point of the Offer Price Range (see Chapter 12 "Management, Supervisory Board and Senior Management", section "Extraordinary Share Award (ESA)"), as well as immediately after Settlement, assuming the issuance of 7,999,191 New Offer Shares at the mid-point of the Offer Price Range.

Shareholder	Shares owned at Settlement following the redemption of 50% the Shares and all the Preference Shares, exercise of the Warrants, Extraordinary Share Award		Maximum number of Shares to be sold in the Offering		Shares owned immediately after Settlement			
			Without exercise of the Over-Allotment Option	With full exercise of the Over-Allotment Option	Without exercise of the Over-Allotment Option		With full exercise of the Over-Allotment Option	
					Amount	%	Amount	%
AAC ⁽¹⁾	3,150,000	70%	n/a	1,085,429	3,150,000	25%	2,064,571	17%
DreamSpirit B.V. ⁽²⁾	840,000	19%	84,000	84,000	756,000	6%	756,000	6%
LB2 B.V. ⁽³⁾	210,000	5%	21,000	21,000	189,000	2%	189,000	2%
Trust foundation ⁽⁴⁾	64,138	1%	n/a	n/a	64,138	1%	64,138	1%
New (public) investors	n/a	n/a	n/a	n/a	8,104,191	65%	9,319,820	74%
Warrant holders (including GSC) ⁽⁵⁾	217,000	5%	n/a	130,200	217,000	2%	86,800	1%

⁽¹⁾ AAC is indirectly controlled by AAC Capital Partners Holding B.V.

⁽²⁾ DreamSpirit B.V. is owned by Mr. H.L.M.P. van Doorne (CEO) (80%) and Mrs. A.B. van Doorne (Senior Manager) (20%).

⁽³⁾ LB2 B.V. is indirectly controlled by Mr. J.K. de Vries (CFO) (60%). The remaining shares in LB2 B.V. (40%) are held by Stichting Administratiekantoor Bols, which has issued depositary receipts to certain other managers of the Company. See Chapter 12 “Management, Supervisory Board and Senior Management”, section “Equity holdings”.

⁽⁴⁾ The Shares issued under the ESA will be held by a trust foundation to be incorporated at Settlement. Depositary receipts for these Shares will be issued to Mr. J.K. de Vries (CFO) (8,223), the Senior Managers (27,607) and certain other employees (28,308).

⁽⁵⁾ Pursuant to the exercise of the Warrants for an aggregate exercise price in the amount of €434,000, RI Leveraged Finance B.V. (a subsidiary of Rabobank) and several investment funds of GSC (under the management of Black Diamond Capital Management LLC) shall acquire in total 217,000 Shares on the Settlement Date (RI Leveraged Finance B.V. shall acquire 86,800 Shares and GSC shall acquire 130,200 Shares). In case of full exercise of the Over-Allotment Option, GSC shall sell to Rabobank, as Stabilisation Agent, all Shares it acquires pursuant to the exercise of the Warrants held by it.

15 THE OFFERING

Introduction

The Company is offering up to 9,332,390 New Offer Shares to raise approximately €125 million of primary gross proceeds. The Selling Shareholders are offering up to 105,000 Existing Offer Shares. The maximum numbers of New Offer Shares and Existing Offer Shares offered vary with the Offer Price. See the table below for an illustration thereof.

The Offering consists of: (i) a public offering in the Netherlands to institutional and retail investors; (ii) a private placement in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements under the US Securities Act; and (iii) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S under the US Securities Act. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

AAC and GSC are expected to grant to Rabobank, as stabilisation agent, on behalf of the Joint Global Coordinators, the Over-Allotment Option, exercisable within 30 calendar days after the Settlement Date, pursuant to which the Joint Global Coordinators may require (i) AAC to sell at the Offer Price up to 1,285,409 Shares and (ii) GSC to sell at the Offer Price up to 130,200 Shares which it acquires pursuant to the exercise of the Warrants held by it, together comprising up to 15% of the total number of Offer Shares sold in the Offering, to cover short positions resulting from any over-allotments made in connection with the Offering or stabilisation transactions, if any.

The table below sets out the maximum number of Shares that may be allotted as part of the Offering, with and without full exercise of the Over-allotment Option, and assuming an Offer Price at the mid-point of the Offer Price Range

	Offer Price	Maximum number of Shares to be sold in the Offering, without exercise of the Over-allotment Option	Maximum number of Shares to be sold in the Offering, with full exercise of the Over-allotment Option
New Offer Shares	€15.75	7,999,191	7,999,191
Existing Offer Shares	€15.75	105,000	1,320,629
Total		8,104,191	9,319,820

Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering.

Event	Expected Date and Time
Start of Offering Period	21 January 2015
End of Offering Period	3 February 2015
Pricing and allocation	3 February 2015
Commencement of trading on 'as-if-and-when-delivered' basis on Euronext Amsterdam	4 February 2015
Settlement (payment and delivery)	6 February 2015

The Company together with the Selling Shareholders, AAC and the Joint Global Coordinators may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If the Company should decide to do so, it will make this public through a press release, which will also be posted on the Company's website. Any other material alterations will be published through a press release that will also be posted on the Company's website and (if required) in a supplement to this Prospectus (if required) that is subject to the approval of the AFM. Any extension of the timetable for the Offering will be published in a press release at least three

hours before the end of the original Offering Period, provided that any extension will be for a minimum of one full day. Any acceleration of the timetable for the Offering will be published in a press release at least three hours before the proposed end of the accelerated Offering Period. In any event, the Offering Period will be at least six business days.

Offer Price and number of Offer Shares

At the date of this Prospectus, the Offer Price is expected to be in the range of €13.50 to €18.00 (inclusive). The Offer Price, which may be higher or lower than the Offer Price Range, and the exact number of Offer Shares offered will be determined by the Company, the Selling Shareholders, AAC, in joint consultation with the Joint Global Coordinators, after the end of the Offering Period, including any acceleration or extension, on the basis of the results of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, these factors in relation to the market valuation of other companies engaged in activities similar to that of the Company, and other factors deemed appropriate. The Offer Price, the exact numbers of Offer Shares to be issued and sold and the maximum number of Over-Allotment Shares will be stated in the Pricing Statement which will be published through a press release that will also be posted on the Company's website and filed with the AFM.

The Offer Price Range is an indicative price range. The Company, the Selling Shareholders and AAC, in joint consultation with the Joint Global Coordinators, reserve the right to change the Offer Price Range and/or increase the maximum number of Existing Offer Shares before the end of the Offering Period. Any such increase will be announced in a press release (that will also be posted on the Company's website) prior to the end of the Offering Period. Any increase in the top end of the Offer Price Range on the last day of the Offering Period or the determination of an Offer Price above the Offer Price Range will result in the Offering Period being extended by at least two business days.

Offering Period

Subject to acceleration or extension of the timetable for the Offering, prospective investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 21 January 2015 and ending at 13:00 CET on 3 February 2015. In the event of an acceleration or extension of the Offering Period, pricing, allotment, admission and first trading of the Offer Shares, as well as payment (in euros) for and delivery of the Offer Shares in the Offering may be advanced or extended accordingly. If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares arises or is noted before the final closing of the Offering, a supplement to this Prospectus will be published, the Offering Period will be extended, if so required by the Prospectus Directive, the FSA or the rules promulgated thereunder, and investors who have already agreed to purchase Offer Shares may withdraw their subscriptions within two business days following the publication of the supplement, provided that the new factor, material mistake or inaccuracy, arose or was noted before the final closing of the Offering.

Subscription and allocation

Dutch retail investors can only subscribe on a market order (*bestens*) basis. This means that Dutch retail investors will be bound to purchase and pay for the Offer Shares indicated in their share application, to the extent allocated to them, at the Offer Price, even if the Offer Price is above the upper end of the Offer Price Range (if applicable, as amended). Dutch retail investors are entitled to cancel or amend their application, at the financial intermediary where their original application was submitted, at any time prior to the end of the Offering Period (if applicable, as accelerated or extended). Dutch retail investors can submit their subscriptions through their own financial intermediary. The financial intermediary will be responsible for collecting subscriptions from Dutch retail investors and for submitting their subscriptions to the Listing Agent. The Listing Agent will consolidate all subscriptions submitted by Dutch retail investors to financial intermediaries and inform the Joint Global Coordinators. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the purchase of Offer Shares and, if applicable, Over-Allotment Shares, will be determined by the financial intermediaries in accordance with their usual procedures or as otherwise notified to the retail

investors. The Company, the Selling Shareholders, AAC and GSC are not liable for any action or failure to act by a financial intermediary or the Listing Agent in connection with any purchase, or purported purchase, of Offer Shares and, if applicable, Over-Allotment Shares. No preference or priority will be given to those investors subscribing for Offer Shares in the public offering in the Netherlands.

The allocation of the Offer Shares is expected to take place after termination of the Offering Period on or about 3 February 2015, subject to acceleration or extension of the timetable for the Offering. Allocation to investors who applied to subscribe for Offer Shares will be made on a systematic basis and full discretion will be exercised as to whether or not and how to allocate the Offer Shares. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Joint Global Coordinators may, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. Allocation of the Offer Shares to investors will be determined by the Company, the Selling Shareholders and AAC in consultation with the Joint Global Coordinators. The Joint Global Coordinators will notify investors of any allocation of Offer Shares to them.

Notwithstanding the above, it is intended that eligible retail investors will benefit from preferential allocation, which may represent up to 10% of the total number of Offer Shares. See section "Preferential Retail Allocation" below.

Investors participating in the Offering will be deemed to have checked whether and to have confirmed they meet the requirements of the transfer restrictions in Chapter 17 "Transfer Restrictions". If in doubt, investors should consult their professional advisers.

Preferential Retail Allocation

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands of up to 10% of the Offering (the Preferential Retail Allocation). Each eligible retail investor in the Netherlands will be allocated the first 350 (or fewer) Offer Shares for which he/she subscribes (first allocation), provided that if the total number of Offer Shares allocated to eligible retail investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, the preferential allocation of Offer Shares to each eligible retail investor may be reduced pro rata to the first 350 (or fewer) Offer Shares for which such investor subscribes. As a result, eligible retail investors may not be allocated all of the first 350 (or fewer) Offer Shares for which they subscribe. The exact number of Offer Shares allocated to eligible retail investors will be determined after the Offering Period has ended.

If pursuant to the first allocation less than 10% of the total number of Offer Shares has been allocated, the Selling Shareholders, AAC, the Company and the Joint Global Coordinators have full discretion as to whether or not and how to allocate any Offer Shares subscribed for by eligible retail investors, but not allocated to them in the first allocation, to such eligible investors up to 10% of the total number of Offer Shares.

For the purpose of the Preferential Retail Allocation, an eligible retail investor is either:

- a. a natural person resident in the Netherlands which also includes employees of the Group resident in the Netherlands; or
- b. a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

To be eligible for the Preferential Retail Allocation, investors must place their subscriptions during the period commencing at 9:00 CET on 21 January 2015 and ending at 13:00 CET on 3 February 2015 with their own financial intermediary. See for more information section "Subscription and allocation" above.

Payment

Payment (in euros) for the Offer Shares, and payment (in euros) for any Over-Allotment Shares pursuant to the Over-Allotment Option, if such option has been exercised prior to the Settlement Date, is expected to take place on the Settlement Date. Taxes and expenses, if any, must be borne by the investor (for more information see Chapter 18 "Taxation"). Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offering Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).

Delivery, clearing and Settlement

The Offer Shares will be delivered in book-entry form through the facilities of Euroclear Nederland. Application has been made for the Offer Shares to be accepted for clearance through the book-entry facilities of Euroclear Nederland. Euroclear Nederland has its offices at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Delivery of the Offer Shares, and of Over-Allotment Shares pursuant to the Over-Allotment Option, if this option has been exercised prior to the Settlement Date, will take place on the Settlement Date, which is expected to occur on or about 6 February 2015, through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment (in euros) for the Offer Shares and the Over-Allotment Shares, if applicable, in immediately available funds.

Prior to the Offering, there has been no public market for the Shares. Application has been made to list all of the Shares on Euronext Amsterdam under the symbol "BOLS" with ISIN code NL0010998878. Subject to acceleration or extension of the timetable for the Offering, trading on an 'as-if-and-when-issued' basis in the Offer Shares is expected to commence on or about 4 February 2015.

Payment (in euros) for, and issue and delivery of, the Offer Shares (Settlement) is expected to take place, on or about 6 February 2015, which is the Settlement Date. The closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. Such conditions include (i) the Company, the Selling Shareholders and AAC agreeing on the Offer Price and the exact number of Offer Shares, (ii) the receipt of customary documentation and the satisfaction of customary conditions, (iii) confirmation that the Offer Shares have been admitted to listing on Euronext Amsterdam, and (iv) the completion of the Conversion and Capital Restructuring, and certain other conditions. See also Chapter 16 "Plan of Distribution".

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholders, AAC, GSC, the Joint Global Coordinators, the Listing Agent nor Euronext Amsterdam accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Shares on Euronext Amsterdam. If the net proceeds in the amount of €119,024 thousand are not raised, the Offering may be cancelled or the Company, together with AAC, the Selling Shareholders and the Joint Global Coordinators may decide to change the Offering in which case a supplement to this Prospectus will be published.

Publication of the results of the Offering

The results of the Offering will be disclosed through a press release published in the Netherlands, which will also be posted on the Company's website (www.lucasbols.com), on the Settlement Date.

Voting rights

Each Share confers the right to cast one vote in the General Meeting, see Chapter 13 “Description of Share Capital and Corporate Governance”, section “Form and trading of Shares” under “Articles of Association” and “General Meetings” and Chapter 15 “The Offering”, section “Voting rights”. All Shareholders have the same voting rights.

Ranking and dividends

The Offer Shares and, if the Over-Allotment Option will be exercised, any Over-Allotment Shares will, upon issue, rank equally in all respects. The Offer Shares will carry dividend rights as of the date of issue. See Chapter 5 “Dividend Policy”.

Dilution

The voting interest of the current holders of Shares will be diluted as a result of the issuance of the New Offer Shares (excluding the sale of Existing Offer Shares) and the issuance of Shares pursuant to the exercise of the Warrants and in connection with the Extraordinary Share Award. The maximum dilution for these holders of Shares pursuant to the issuance of the New Offer Shares would be 66%, assuming the issuance of 7,999,191 New Offer Shares and 64,138 Shares in connection with the Extraordinary Share Award at the mid-point of the Offer Price Range, and taking into account the issuance of 217,000 Shares pursuant to the exercise of the Warrants. See Chapter 12 “Management, Supervisory Board and Senior Management”, section “Extraordinary Share Award (ESA)” and Chapter 13 “Description of Share Capital and Corporate Governance”, section “Share capital”.

Joint Global Coordinators

Kempen & Co and Rabobank are acting the Joint Global Coordinators and joint bookrunners in the Offering.

Listing and Paying Agent

Kempen & Co is the Listing and Paying Agent with respect to the Shares on Euronext Amsterdam.

Stabilisation Agent

Rabobank is the stabilisation agent (the **Stabilisation Agent**) with respect to the Shares on Euronext Amsterdam.

Governing law and competent courts

This Prospectus and the Offering are governed by Dutch law. All disputes arising in connection with this Prospectus and the Offering shall be subject to the non-exclusive jurisdiction of the courts in Amsterdam, the Netherlands.

16 PLAN OF DISTRIBUTION

Underwriting Agreement

The Company, the Selling Shareholders, AAC and the Joint Global Coordinators will enter into an underwriting agreement on 20 January 2015 in connection with the Offering and Admission (the Underwriting Agreement).

Under the terms and subject to the conditions set forth in the Underwriting Agreement, the Joint Global Coordinators will severally, and not jointly or jointly and severally, agree to procure purchasers for or failing which, to purchase themselves, the Offer Shares (excluding any of the Over-Allotment Shares) and the Company will agree to issue and sell New Offer Shares and the Selling Shareholders will agree to sell Existing Offer Shares to purchasers procured by the Joint Global Coordinators or, failing which, to the Joint Global Coordinators themselves. Pursuant to the Underwriting Agreement, the Joint Global Coordinators will severally, and not jointly or jointly and severally, agree to subscribe and pay for any Offer Shares (excluding any of the Over-Allotment Shares) that have been subscribed but not paid for by investors at Settlement in accordance with their respective proportion. The proportion of Offer Shares which each of the Joint Global Coordinators may be required to purchase will be evidenced by the execution of a pricing agreement. The Joint Global Coordinators' respective portions are indicated below.

Joint Global Coordinators	Maximum Number of New Offer Shares to be purchased from the Company	Maximum Number of Existing Offer Shares to be purchased from DreamSpirit B.V.	Maximum Number of Existing Offer Shares to be purchased from LB2 B.V.	Maximum Total Number of Offer Shares to be purchased from Company and Selling Shareholders	Percentage of Total Offer Shares
Kempen & Co	4,666,195	42,000	10,500	4,718,695	50%
Rabobank	4,666,195	42,000	10,500	4,718,695	50%
	9,332,390	84,000	21,000	9,437,390	100%

The obligations of the Joint Global Coordinators under the Underwriting Agreement are subject to: (i) entry into a pricing agreement, which will contain the Offer Price, the Share Lending Agreement and the Relationship Agreement, (ii) the absence of any material adverse change in the Group's business or share capital, (iii) receipt on or before the Settlement Date of opinions on certain legal matters from legal counsel relating to, among others, the Company, this Prospectus and the Offer Shares, (iv) the absence of circumstances having arisen that would require a supplement to this Prospectus, (v) the execution of documents relating to the Offering and such documents being in full force and effect, (vi) the admission of the Shares to listing and trading on Euronext Amsterdam, (vii) the completion of the Conversion and Capital Restructuring, and (viii) certain other customary closing conditions, including, among others, the accuracy of the warranties provided by the Company, AAC and the Selling Shareholders pursuant to the Underwriting Agreement and the compliance by the Company with its obligations under the Underwriting Agreement. The Joint Global Coordinators will have the right to waive the satisfaction of any such conditions or part thereof.

In consideration of the agreement by the Joint Global Coordinators to procure purchasers for or, failing which, to purchase themselves the Offer Shares (excluding any of the Over-Allotment Shares) at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, the Company, the Selling Shareholders and AAC will agree to pay to the Joint Global Coordinators a base commission of 2% of the gross proceeds of the Offering (including, if applicable, any gross proceeds relating to the Over-Allotment Shares). In addition, the Underwriting Agreement will provide that the Company, AAC and the Selling Shareholders may pay a discretionary commission (the Discretionary Fee) to the Joint Global Coordinators. The Discretionary Fee, if any, will be split between the Joint Global Coordinators. Certain costs and expenses incurred by the Joint Global Coordinators in connection with the Offering will be disbursed by the Company.

The Underwriting Agreement will provide that, upon the occurrence of a certain event, such as (i) general suspension, or material limitation, of trading on any of the New York Stock Exchange, the London Stock Exchange or Euronext Amsterdam; (ii) a general moratorium on commercial banking activities in the United States, the United Kingdom or the Netherlands or a material disruption in commercial banking or securities settlement or clearance services in the United States, the United Kingdom or the Netherlands; or (iii) any outbreak or escalation of hostilities, or any change in financial markets, currency exchange rates or controls or any calamity or crisis that, in the judgment of the Joint Global Coordinators (acting in good faith), is material and adverse and which makes it, in the judgment of the Joint Global Coordinators (acting in good faith), impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated, the Joint Global Coordinators may elect to terminate the Underwriting Agreement, in which case the Offering shall be cancelled and, as a result, no Offer Shares will be delivered. All dealings in the Offer Shares prior to delivery and settlement will be at the sole risk of the parties concerned.

The Company, AAC and the Selling Shareholders have given customary representations, warranties and undertakings to the Joint Global Coordinators, and the Company, AAC and the Selling Shareholders have given certain indemnities to the Joint Global Coordinators for losses and liabilities arising out of or in connection with the Offering or the Admission.

The Offering consists of: (i) a public offering in the Netherlands to institutional and retail investors; (ii) a private placement in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements under the US Securities Act; and (iii) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S under the US Securities Act. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. Prospective purchasers are hereby notified that the Company and other sellers of the Offer Shares are relying on an exemption from the registration requirements of Section 5 of the US Securities Act, which may include Rule 144A or Regulation S thereunder.

Potential conflicts of interests

The Joint Global Coordinators are acting exclusively for the Company, the Selling Shareholders, AAC (in their selling capacity) and GSC and for no one else and will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone for giving advice in relation to the Offering and Admission and/or any other transaction or arrangement referred to in this Prospectus.

Certain of the Joint Global Coordinators and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company, the Selling Shareholders, AAC and/or GSC or any parties related to any of them, in respect of which they have and may in the future, receive customary fees and commissions.

Rabobank, one of the Joint Global Coordinators, and NIBC, which acts as advisor to the Company, are a party to the existing credit facilities of the Group, which will be partly repaid from the net proceeds of the Offering. Rabobank and NIBC will be a party to the New Senior Credit Facilities to be entered into on Settlement, which will replace the remaining outstanding amount of the existing credit facilities.

In addition, a subsidiary of Rabobank (RI Leveraged Finance B.V.) holds Warrants, entitling it to acquire 86,800 Shares for an aggregate exercise price in the amount of €173,600 on the Settlement Date.

Additionally, the Joint Global Coordinators and/or their respective affiliates may in the future hold, in the ordinary course of their business, the Company's securities for investment purposes. As a result, these parties may have interests that may not be aligned, or could

possibly conflict with the interests of investors. In respect hereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations.

In connection with the Offering, each of the Joint Global Coordinators and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Joint Global Coordinators or any of their respective affiliates acting in such capacity. None of the Joint Global Coordinators intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. In addition certain of the Joint Global Coordinators or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Joint Global Coordinators (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares.

As a result of these transactions or acting in the capacities described above, the Joint Global Coordinators may have interests that may not be aligned, or could potentially conflict, with the interests of (potential) holders of Shares, or with the interests of the Group.

Lock-up arrangements

Pursuant to the Underwriting Agreement, the Company, AAC and the Selling Shareholders shall agree with the Joint Global Coordinators that, for a period of 180 days (in respect of AAC) and 360 days (in respect of the Company and the Selling Shareholders) after the Settlement Date, they will not, except as set forth below, without the prior consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for Shares, or enter into any other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise.

The foregoing will not apply to: (i) the issue or sale of Offer Shares in the Offering; (ii) any action relating to the Capital Restructuring; (iii) transactions contemplated by or required to meet liabilities under the Underwriting Agreement, the Share Lending Agreement or the Relationship Agreement, (iv) the granting or exercise of options and issuance of Shares pursuant to the Company's employee incentive schemes, (v) any corporate action in connection with a takeover offer, capital reorganisation, legal merger, split-up or similar transaction or process; or (vi) any action at the direction of the Joint Global Coordinators (including in their capacities as Stabilisation Agent or Listing and Paying Agent).

If the consent referred in the lock-up arrangement is requested, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted.

In addition, RI Leveraged Finance B.V. (a subsidiary of Rabobank) shall agree with the Joint Global Coordinators upon a lock-up arrangement for a period of 180 days after the Settlement Date with respect to the Shares it acquires following exercise of its Warrants. GSC shall agree with Rabobank upon a lock-up arrangement with respect to the Shares it acquires following the exercise of its Warrants for a period ending on the earlier of (i) the date on which Rabobank exercises the Over-Allotment Option with respect to such Shares or (ii) 30 days after the Settlement Date. See Chapter 13 "Description of Share Capital and Corporate Governance", section "Share Capital". The terms and conditions of this lock-up arrangement will be similar to the arrangement described above.

Over-Allotment and stabilisation

In connection with the Offering, the Underwriting Agreement will provide that Rabobank, as Stabilisation Agent, or any of its agents, on behalf of the Joint Global Coordinators may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Agent will not be required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the Settlement Date and ending no later than 30 calendar days thereafter. The Stabilisation Agent or any of its agents will not be obligated to effect stabilising transactions, and there will be no assurance that stabilising transactions will be undertaken. Such stabilising transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilising Agent nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions under the Offering. The Underwriting Agreement will provide that the Stabilisation Agent may, for purposes of the stabilising transactions, over-allot Shares up to a maximum of 15% of the total number of Offer Shares sold in the Offering.

In connection with the Over-Allotment Option, up to a maximum of 15% of the total number of Offer Shares will be made available by AAC through a securities loan to be entered on or around the date of the Underwriting Agreement (the **Share Lending Agreement**) to the Stabilisation Agent for the account of the Joint Global Coordinators.

None of the Company, any of the Selling Shareholders, AAC, GSC or any of the Joint Global Coordinators makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Shares or any other securities of the Company. In addition, none of the Company, any of the Selling Shareholders, AAC, GSC or any of the Joint Global Coordinators makes any representation that the Stabilisation Agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Selling restrictions

United States

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be sold within the United States except in certain transactions exempt from the registration requirements of the US Securities Act.

The Offer Shares may only be resold: (i) in the United States only to QIBs in reliance on Rule 144A under the US Securities Act; and (ii) outside the United States of America in offshore transactions in compliance with Regulation S under the US Securities Act and in accordance with applicable law. Any offer or sale of Offer Shares in the United States will be made by broker-dealers who are registered as such under the US Exchange Act. Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the US Securities Act.

European Economic Area

In relation to each Relevant Member State of the EEA that has implemented the Prospectus Directive (with the exception of the Netherlands), no offer of the Offer Shares may be made to the public in that Relevant Member State, except that offers of the Offer Shares may be made under the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company or any Joint Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this paragraph, the expression an “offer of the Offer Shares may be made to the public” in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

United Kingdom

Any offer or sale of the Offer Shares may only be made to persons in the United Kingdom who are “qualified investors” or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to Section 85(1) of the UK Financial Services and Markets Act 2000. Any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, investment professionals falling within Section 19(5), or fall within Section 49(2)(a) to (d) (“high net worth; unincorporated associations, etc.”), of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, “relevant persons”). Persons who are not relevant persons should not take any action on the basis of this prospectus and should not act or rely on it.

Australia

This document (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (**Corporations Act**); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 6.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (**ASIC**), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors (**Exempt Investors**) who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are “wholesale clients” for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required in Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Offer Shares, each purchaser or subscriber of Offer Shares represents and warrants to the Company, the Selling Shareholders, AAC, GSC, the Joint Global Coordinators and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares each purchaser or subscriber of Offer Shares undertakes to the Company, the Selling Shareholders, AAC, GSC, the Joint Global Coordinators that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the **FIEL**). This document is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the Offer Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Offer Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**), and the offer of Offer Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (the **CISA**). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offer Shares.

General

No action has been or will be taken in any country or jurisdiction other than the Netherlands that would, or is intended to, permit a public offering of the Offer Shares, or the possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this prospectus comes are required by the Company, the Selling Shareholders, AAC, GSC and the Joint Global Coordinators to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Offer Shares or have in their possession or distribute such offering material, in all cases at their own expense. None of the Company, the Selling Shareholders, AAC, GSC or the Joint Global Coordinators accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Offer Shares, of any such restrictions.

17 TRANSFER RESTRICTIONS

The Offer Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws.

Each purchaser of the Offer Shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;
- (3) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;
- (4) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;
- (5) the Offer Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S;
- (6) the purchaser acknowledges that the Company, the Selling Shareholders, AAC and/or GSC shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions;
- (7) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (8) the purchaser acknowledges that the Company, the Selling Shareholders, AAC and GSC, the Joint Global Coordinators and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States purchasing pursuant to an exemption from, or a transaction not subject to, the registration requirements of the US Securities Act will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

- (3) the purchaser (i) is a QIB (as defined in Rule 144A under the US Securities Act), (ii) is aware that the sale to it is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the US Securities Act, and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB;
- (4) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the US Securities Act;
- (5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in compliance with Regulation S under the US Securities Act, or (iii) in accordance with Rule 144 under the US Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- (6) the purchaser acknowledges that the Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares;
- (7) the purchaser will not deposit or cause to be deposited such Offer Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act;
- (8) the purchaser acknowledges that the Company, the Selling Shareholders, AAC and GSC shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions;
- (9) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (10) the purchaser acknowledges that the Company, the Selling Shareholders, AAC and GSC, the Joint Global Coordinators and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each person in a Relevant Member State, other than persons receiving offers contemplated in this Prospectus in the Netherlands, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Joint Global Coordinators, the Selling Shareholders, AAC, GSC and the Company that:

- (1) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (2) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where Offer Shares have been

acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer” in relation to any of the Offer Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

18 TAXATION

Dutch taxation

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Offer Shares. It does not purport to describe every aspect of taxation that may be relevant to a particular Holder of Offer Shares (as defined below). Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Offer Shares in his particular circumstances.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary assumes that the Company is organised, and that its business will be conducted, in the manner outlined in this Prospectus. A change to such organisational structure or to the manner in which the Company conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Prospectus. The tax law, upon which this summary is based, is subject to changes, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

Where in this Dutch taxation paragraph reference is made to a "Holder of Offer Shares", that concept includes, without limitation:

1. an owner of one or more Offer Shares who in addition to the title to such Offer Shares, has an economic interest in such Offer Shares;
2. a person who or an entity that holds the entire economic interest in one or more Offer Shares;
3. a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Offer Shares, within the meaning of 1. or 2. above; or
4. a person who is deemed to hold an interest in Offer Shares, as referred to under 1. to 3., pursuant to the attribution rules of Section 2.14a, of the Dutch Income Tax Act 2001, with respect to property that has been segregated, for instance in a trust or a foundation.

Taxes on income and capital gains

Resident holders of Offer Shares

General

The summary set out in this section "Taxes on income and capital gains" under "Resident holders of Offer Shares" applies only to a Holder of Offer Shares who is a "Dutch Individual" or a "Dutch Corporate Entity".

For the purposes of this section a Holder of Offer Shares is a "Dutch Individual" if it satisfies the following tests:

- a. he is an individual;
- b. he is resident, or deemed to be resident, in the Netherlands for Dutch income tax purposes;
- c. his Offer Shares and any benefits derived or deemed to be derived therefrom have no connection with his past, present or future employment, if any; and
- d. his Offer Shares do not form part of a substantial interest or a deemed substantial interest in the Company within the meaning of Chapter 4 of the Dutch Income Tax Act 2001.

Generally, if a person holds an interest in the Company, such interest forms part of a substantial interest, or a deemed substantial interest, in the Company if any one or more of the following circumstances is present:

1. such person – either alone or, in the case of an individual, together with his partner, if any – owns or is deemed to own, directly or indirectly, either a number of shares representing five per cent or more of the Company's total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five per cent or more of the Company's total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or profit participating certificates relating to five per cent or more of the Company's annual profit or to five per cent or more of the Company's liquidation proceeds;
2. such person's shares, profit participating certificates or rights to acquire shares in the Company are held by him or deemed to be held by him following the application of a non-recognition provision;
3. such person's partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner has a substantial interest (as described under 1. and 2. above) in the Company.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

If a Holder of Offer Shares is an individual and if he satisfies test b., but does not satisfy test c. and/or test d., his Dutch income tax position is not discussed in this Prospectus. If a holder of Offer Shares is an individual who does not satisfy test b., please refer to Chapter 18 "Taxation", section "Dutch Taxation" under "Taxes on income and capital gains" under "Non-resident holders of Offer Shares".

For the purposes of this section a holder of Offer Shares is a "Dutch Corporate Entity" if it satisfies the following tests:

- i. it is a corporate entity, including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax in respect of benefits derived from its Offer Shares;
- ii. it is resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;
- iii. it is not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax; and
- iv. it is not an investment institution as defined in Section 28 of the Dutch Corporation Tax Act 1969.

If a holder of Offer Shares is not an individual and if it does not satisfy any one or more of these tests, with the exception of test ii., its Dutch corporation tax position is not discussed in this Prospectus. If a holder of Offer Shares is not an individual that does not satisfy test ii., please refer to Chapter 18 "Taxation", section "Dutch Taxation" under "Taxes on income and capital gains" under "Non-resident holders of Offer Shares".

Dutch Individuals deriving profits or deemed to be deriving profits from an enterprise

Any benefits derived or deemed to be derived by a Dutch Individual from Offer Shares, including any capital gain realised on the disposal of such Offer Shares, that are attributable to an enterprise from which such Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, are generally subject to Dutch income tax at progressive rates.

Dutch Individuals deriving benefits from miscellaneous activities

Any benefits derived or deemed to be derived by a Dutch Individual from Offer Shares, including any gain realised on the disposal of such Offer Shares, that constitute benefits from miscellaneous activities, are generally subject to Dutch income tax at progressive rates.

A Dutch Individual may, *inter alia*, derive, or be deemed to derive, benefits from Offer Shares that are taxable as benefits from miscellaneous activities in the following circumstances:

- a. if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge; or
- b. if any benefits to be derived from his Offer Shares, whether held directly or indirectly, are intended, in whole or in part, as remuneration for activities performed by him or by a person who is a connected person to him as meant by Section 3.92b, paragraph 5, of the Dutch Income Tax Act 2001.

Other Dutch Individuals

If a Holder of Offer Shares is a Dutch Individual whose situation has not been discussed before in this section "Taxes on income and capital gains" under "Resident holders of Offer Shares", benefits from his Offer Shares are taxed annually as a benefit from savings and investments. Such benefit is deemed to be 4 per cent per annum of his "yield basis", generally to be determined at the beginning of the year, to the extent that such yield basis exceeds the "exempt net asset amount" for the relevant year. The benefit is taxed at the rate of 30 per cent. The value of his Offer Shares forms part of his yield basis. Actual benefits derived from his Offer Shares, including any gain realised on the disposal of such Offer Shares, are not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate Entities

Any benefits derived or deemed to be derived by a Dutch Corporate Entity from Offer Shares, including any gain realised on the disposal thereof, are generally subject to Dutch corporation tax, except to the extent that the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969.

Non-resident holders of Offer Shares

The summary set out in this section "Taxes on income and capital gains" under "Non-resident holders of Offer Shares" applies only to a holder of Offer Shares who is a Non-resident holder of Offer Shares.

For the purposes of this section, a Holder of Offer Shares is a "Non-resident Holder of Offer Shares" if it satisfies the following tests:

- a. it is neither resident, nor deemed to be resident, in the Netherlands for purposes of Dutch income tax or corporation tax, as the case may be;
- b. its Offer Shares and any benefits derived or deemed to be derived from such Offer Shares have no connection with its past, present or future employment, management activities and functions or membership of a management board or a supervisory board;
- c. its Offer Shares do not form part of a substantial interest or a deemed substantial interest in the Company within the meaning of Chapter 4 of the Dutch Income Tax Act 2001, unless such interest forms part of the assets of an enterprise; and
- d. if it is not an individual, no part of the benefits derived from its Offer Shares is exempt from Dutch corporation tax under the participation exemption as laid down in the Dutch Corporation Tax Act 1969.

See Chapter 18 "Taxation", section "Dutch Taxation" under "Taxes on income and capital gains under" "Resident Holders of Offer Shares" for a description of the circumstances under which Offer Shares form part of a substantial interest or a deemed substantial interest in the Company.

If a Holder of Offer Shares satisfies test a., but does not satisfy any one or more of tests b., c., and d., its Dutch income tax position or corporation tax position, as the case may be, is not discussed in this Prospectus.

A Non-resident Holder of Offer Shares will not be subject to any Dutch taxes on income or capital gains (other than the dividend withholding tax described below) in respect of any benefits derived or deemed to be derived from its Offer Shares, including any capital gain realised on the disposal thereof, except if:

1. it derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and its Offer Shares are attributable to such enterprise; or
2. he is an individual and he derives benefits from Offer Shares that are taxable as benefits from miscellaneous activities in the Netherlands.

See Chapter 18 "Taxation", section "Dutch Taxation" under "Taxes on income and capital gains" under "Resident holders of Offer Shares" for a description of the circumstances under which the benefits derived from Offer Shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dividend withholding tax

General

The Issuer is generally required to withhold Dutch dividend withholding tax at a rate of 15% from dividends distributed by the Company.

The concept "dividends distributed by the Company" as used in this section "Dutch Taxation" includes, but is not limited to, the following:

- distributions in cash or in kind, deemed and constructive distributions and repayments of capital not recognised as paid-in for Dutch dividend withholding tax purposes;
- liquidation proceeds and proceeds of repurchase or redemption of Offer Shares in excess of the average capital recognised as paid-in for Dutch dividend withholding tax purposes;
- the par value of Offer Shares issued by the Company to a Holder of Offer Shares or an increase of the par value of Offer Shares, as the case may be, to the extent that it does not appear that a contribution, recognised for Dutch dividend withholding tax purposes, has been made or will be made; and
- partial repayment of capital, recognised as paid-in for Dutch dividend withholding tax purposes, if and to the extent that there are net profits, unless (a) the general meeting of the Company's shareholders has resolved in advance to make such repayment and (b) the par value of the Offer Shares concerned has been reduced by an equal amount by way of an amendment to the Company's articles of association.

Dutch Individuals and Dutch Corporate Entities

A Dutch Individual or a Dutch Corporate Entity, can generally credit Dutch dividend withholding tax against his Dutch income tax or its Dutch corporation tax liability, as applicable, and is generally entitled to a refund in the form of a negative assessment of Dutch income tax or Dutch corporation tax, as applicable, insofar as such dividend withholding tax, together with any other creditable domestic and/or foreign taxes, exceeds his aggregate Dutch income tax or its aggregate Dutch corporation tax liability, as applicable.

Pursuant to domestic rules to avoid dividend stripping, Dutch dividend withholding tax will only be creditable by or refundable to the beneficial owner of dividends distributed by the Company. A Holder of Offer Shares who receives proceeds therefrom shall *not* be recognised as the beneficial owner of such proceeds if, in connection with the receipt of the proceeds, it has given a consideration, in the framework of a composite transaction including, without limitation, the mere acquisition of one or more dividend coupons or the creation of short-term rights of enjoyment of shares, whereas it may be presumed that (i) such proceeds in whole or in part, directly or indirectly, inure to a person who would not have been entitled to an exemption from, reduction or refund of, or credit for, dividend withholding tax, or who would have been entitled to a smaller reduction or refund of, or credit for, dividend withholding tax than the actual recipient of the proceeds; and (ii) such person acquires or retains, directly or indirectly, an interest in Offer Shares or similar instruments, comparable to its interest in Offer Shares prior to the time the composite transaction was first initiated.

See Chapter 18 "Taxation", section "Dutch Taxation" under "Dividend withholding tax" under "General" for a description of the concept "dividends distributed by the Company".

See Chapter 18 "Taxation", section "Dutch Taxation" under "Taxes on income and capital gains" under "Resident holders of Offer Shares" for a description of the terms Dutch Individual and Dutch Corporate Entity.

Non-resident holders of Offer Shares

Relief

If a Non-resident holder of Offer Shares is resident in the non-European part of the Kingdom of the Netherlands or in a country that has concluded a double taxation treaty with the Netherlands, such holder may be eligible for a full or partial relief from the dividend withholding tax, provided such relief is timely and duly claimed. Pursuant to domestic rules to avoid dividend stripping, dividend withholding tax relief will only be available to the beneficial owner of dividends distributed by the Company.

In addition, a Non-resident holder of Offer Shares that is not an individual is entitled to an exemption from dividend withholding tax, provided that the following tests are satisfied:

1. it is, according to the tax law of a Member State of the European Union or a state designated by ministerial decree, that is a party to the Agreement regarding the European Economic Area, resident there and it is not transparent for tax purposes according to the tax law of such state;
2. any one or more of the following threshold conditions are satisfied:
 - a. at the time the dividend is distributed by the Company, it holds shares representing at least five per cent of the Company's nominal paid up capital; or
 - b. it has held shares representing at least five per cent of the Company's nominal paid up capital for a continuous period of more than one year at any time during the four years preceding the time the dividend is distributed by the Company; or
 - c. it is connected with the Company within the meaning of Section 10a, paragraph 4, of the Dutch Corporation Tax Act 1969; or
 - d. an entity connected with it within the meaning of Section 10a, paragraph 4, of the Dutch Corporation Tax Act 1969 holds at the time the dividend is distributed by the Company, Offer Shares representing at least five per cent of the Company's nominal paid up capital;
3. it is not considered to be resident outside the Member States of the European Union or the states designated by ministerial decree, that are a party to the Agreement regarding the European Economic Area, under the terms of a double taxation treaty concluded with a third State; and
4. it does not perform a similar function as an investment institution as meant by Section 6a or Section 28 of the Dutch Corporation Tax Act 1969.

The exemption from dividend withholding tax is not available if pursuant to a provision for the prevention of fraud or abuse included in a double taxation treaty between the Netherlands and the country of residence of the Non-resident holder of Offer Shares, such holder would not be entitled to the reduction of tax on dividends provided for by such treaty. Furthermore, the

exemption from dividend withholding tax will only be available to the beneficial owner of dividends distributed by the Company. If a Non-resident holder of Offer Shares is resident in a Member State of the European Union with which the Netherlands has concluded a double taxation treaty that provides for a reduction of tax on dividends based on the ownership of the number of voting rights, the test under 2.a. above is also satisfied if such holder owns five per cent of the voting rights in the Company.

Credit

If a Non-resident holder of Offer Shares is subject to Dutch income tax or Dutch corporation tax in respect of any benefits derived or deemed to be derived from its Offer Shares, including any capital gain realised on the disposal thereof, it can generally credit Dutch dividend withholding tax against his Dutch income tax or its Dutch corporation tax liability, as applicable, and is generally entitled to a refund pursuant to a negative tax assessment if and to the extent the dividend withholding tax, together with any other creditable domestic and/or foreign taxes, exceeds his aggregate Dutch income tax or its aggregate Dutch corporation tax liability, respectively.

See Chapter 18 "Taxation", section "Dutch Taxation" under "Dividend withholding tax" under "Dutch Individuals and Dutch Corporate Entities" for a description of the term beneficial owner.

See Chapter 18 "Taxation", section "Dutch Taxation" under "Dividend withholding tax" under "General" for a description of the concept "dividends distributed by the Company".

See Chapter 18 "Taxation", section "Dutch Taxation" under "Taxes on income and capital gains" under "Non-resident holders of Offer Shares" for a description of the term Non-resident Holder of Offer Shares.

See Chapter 18 "Taxation", section "Dutch Taxation" under "Taxes on income and capital gains" under "Non-resident holders of Offer Shares" for a description of the circumstances under which a Non-resident holder of Offer Shares is subject to Dutch income tax or Dutch corporation tax.

Gift and inheritance taxes

If a Holder of Offer Shares disposes of Offer Shares by way of gift, in form or in substance, or if a holder of Offer Shares who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

- (i) the donor is, or the deceased was, resident or deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or
- (ii) the donor made a gift of Offer Shares, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of Offer Shares made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

Registration taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands by the Holder of Offer Shares in respect of or in connection with (i) the subscription, issue, placement, allotment of Offer Shares, (ii) the enforcement by way of legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Offer Shares or the performance by the Company of its obligations under such documents, or (iii) the transfer of Offer Shares.

Taxation in the United States

The following discussion describes certain US federal income tax consequences to US Holders (defined below) under present law of an investment in the Offer Shares. This summary applies only to US Holders that acquire Offer Shares in the Offering, hold Offer Shares as capital assets and that have the US dollar as their functional currency. This discussion is based on the tax laws of the United States as in effect on the date of this Prospectus and on US Treasury regulations in effect or, in some cases, proposed, as of the date of this Prospectus, as well as

judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. This summary does not address any estate or gift tax consequences or any state, local, or non-US tax consequences, nor does it address the Medicare Contribution tax on net investment income.

The following discussion does not deal with the tax consequences to any particular investor and does not describe all of the tax consequences to persons in special tax situations such as: banks, certain financial institutions, regulated investment companies, insurance companies, broker dealers, traders that elect to mark to market, tax-exempt entities, persons liable for alternative minimum tax, certain US expatriates, persons holding the Offer Shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction, persons that actually or constructively own ten per cent or more of the Company's voting stock, persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the US, persons who acquired the Offer Shares pursuant to the exercise of any employee share option or otherwise as compensation or persons holding the Offer Shares through partnerships or other pass-through entities.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE US FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-US TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE OFFER SHARES.

The discussion below of the US federal income tax consequences to "US Holders" applies to a person that is a beneficial owner of the Offer Shares and is, for US federal income tax purposes,

- (a) an individual who is a citizen or resident of the United States;
- (b) a corporation (or other entity taxable as a corporation) organised under the laws of the United States, any State thereof or the District of Columbia;
- (c) an estate whose income is subject to US federal income taxation regardless of its source; or
- (d) a trust that (i) is subject to the supervision of a court within the United States and the control of one or more US persons or (ii) has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

The tax treatment of an entity taxable as a partnership for US federal income tax purposes that holds the Offer Shares generally will depend on such partner's status and the activities of the partnership.

Dividends

Subject to the passive foreign investment company (**PFIC**) rules discussed below, the gross amount of distributions made by the Company with respect to the Offer Shares (including the amount of any non-US taxes withheld therefrom) generally will be includable in a US Holder's gross income in the year received as dividend income, but only to the extent that such distributions are paid out of the Company's current or accumulated earnings and profits as determined under US federal income tax principles. The Company does not maintain calculations of its earnings and profits under US federal income tax principles, and, accordingly, a US Holder should therefore expect to treat all cash distributions as dividends for such purposes. The dividends will generally be foreign source. The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other US corporations. Dividends received by non-corporate US Holders may be "qualified dividend income", which is taxed at the lower applicable capital gains rate, provided that (a) the Company is eligible for the benefits of the tax treaty between the United States and the Netherlands (the **Treaty**), (b) the Company is not a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year, (c) the US Holder satisfies certain holding period requirements, and (d) the US Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. The Company has not made a determination whether it is eligible for the Treaty. US Holders should

consult their own tax advisors regarding the availability of the lower rate for dividends paid with respect to the Offer Shares.

Subject to certain conditions and limitations, non-US taxes withheld from a distribution may be eligible for credit against the US Holder's US federal income tax liability. If a refund of the tax withheld is available to the US Holder under the laws of the Netherlands or under the Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against the US Holder's US federal income tax liability (and will not be eligible for the deduction against the US Holder's US federal taxable income). If the dividends are qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company with respect to Offer Shares will generally constitute "passive income" but could, in the case of certain US Holders, constitute "general category income." The rules relating to the determination of the US foreign tax credit are complex and US Holders should consult their tax advisors to determine whether and to what extent a credit would be available. If a US Holder does not elect to claim a foreign tax credit with respect to any foreign taxes for a given taxable year, the US Holder may instead claim an itemised deduction for all foreign taxes paid in that taxable year.

The amount of any distribution paid in foreign currency will be equal to the US dollar value of such currency on the date such distribution is includible in income by the recipient, regardless of whether the payment is in fact converted into US dollars at that time. Any gain or loss on a subsequent conversion or other disposition of the currency for a different US dollar amount will be US source ordinary income or loss. The amount of any distribution of property other than cash (and other than certain pro rata distributions of Offer Shares or rights to acquire Offer Shares) will be the fair market value of such property on the date of distribution.

Sale or other disposition of the Offer Shares

Subject to the PFIC rules discussed below, upon a sale or other disposition of the Offer Shares, a US Holder will recognise a capital gain or loss for US federal income tax purposes in an amount equal to the difference between the amount realised and the US Holder's tax basis in such Offer Shares. Any such gain or loss generally will be US source gain or loss and will be treated as long term capital gain or loss if the US Holder's holding period in the Offer Shares exceeds one year. Non-corporate US Holders (including individuals) generally will be subject to US federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations. Gain, if any, realised by a US Holder on the sale or other disposition of the Offer Shares generally will be treated as US source income for US foreign tax credit purposes.

If the consideration received upon the sale or other disposition the Offer Shares is paid in foreign currency, the amount realised will be the US dollar value of the payment received. A US Holder may realise additional gain or loss upon the subsequent sale or disposition of such currency, which will generally be treated as US source ordinary income or loss. If the Offer Shares are treated as traded on an established securities market and the relevant holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the Internal Revenue Service), such holder will determine the US dollar value of the amount realised in a foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If a US Holder is an accrual basis taxpayer that is not eligible to or does not elect to determine the amount realised using the spot rate on the settlement date, it will recognise foreign currency gain or loss to the extent of any difference between the US dollar amount realised on the date of disposition and the US dollar value of the currency received at the spot rate on the settlement date.

A US Holder's initial tax basis in the Offer Shares generally will equal the cost of such Offer Shares. If a US Holder used foreign currency to purchase the Offer Shares, the cost of the Offer Shares will be the US dollar value of the foreign currency purchase price on the date of purchase. If the Offer Shares are treated as traded on an established securities market and the

relevant US Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, such holder will determine the US dollar value of the cost of such Offer Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive Foreign Investment Company

The Company would be classified as a PFIC for any taxable year if either: (a) at least 75 per cent of its gross income is “passive income” for purposes of the PFIC rules, or (b) at least 50 per cent of the value of its assets (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25 per cent or more (by value) of the stock.

Under the PFIC rules, if the Company was considered a PFIC at any time that a US Holder holds the Offer Shares, the Company would continue to be treated as a PFIC with respect to such holder’s Offer Shares unless (a) the Company ceased to be a PFIC and (b) the US Holder has made a “deemed sale” election under the PFIC rules.

Based on the composition of the Company’s income and assets, the manner in which the Company operates and the expected market value of the Company’s assets (as may be indicated by the expected market price of the Offer Shares following the Global Offer), the Company does not expect to be a PFIC for US federal income tax purposes for the current taxable year or in the foreseeable future. This is a factual determination, however, that must be made annually after the close of each taxable year. Therefore there can be no assurance that the Company will not be classified as a PFIC for the current taxable year or for any future taxable year.

If the Company is considered a PFIC at any time that a US Holder holds Offer Shares, any gain recognised by the US Holder on a sale or other disposition of the Offer Shares, as well as the amount of any “excess distribution” (defined below) received by the US Holder, would be allocated ratably over the US Holder’s holding period for the Offer Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For the purposes of these rules, an excess distribution is the amount by which any distribution received by a US Holder on its Offer Shares exceeds 125 per cent of the average of the annual distributions on the Offer Shares received during the preceding three years or the US Holder’s holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Offer Shares.

If the Company is treated as a PFIC with respect to a US Holder for any taxable year, the US Holder will be deemed to own shares in any of our subsidiaries that are also PFICs. However, an election for mark-to-market treatment would likely not be available with respect to any such subsidiaries. If the Company is considered a PFIC, a US Holder will also be subject to information reporting requirements, possibly on an annual basis. US Holders should consult their own tax advisors about the potential application of the PFIC rules to an investment in the Offer Shares.

US information reporting and backup withholding

Dividend payments with respect to the Offer Shares and proceeds from the sale, exchange or redemption of the Offer Shares may be subject to information reporting to the Internal Revenue Service and possible US backup withholding. Backup withholding will not apply, however, to a US Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. US Holders who are required to establish their exempt status may be required to provide such certification on Internal Revenue Service Form W-9. US Holders should consult their tax advisors regarding the application of the US information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a US Holder's US federal income tax liability, and such holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

Information with respect to foreign financial assets

Certain US Holders who are individuals (and, under proposed regulations, certain entities) may be required to report information relating to the Offer Shares, subject to certain exceptions (including an exception for Offer Shares held in accounts maintained by certain US financial institutions). US Holders should consult their tax advisors regarding their reporting obligations with respect to their ownership and disposition of the Offer Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE OFFER SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

19 INDEPENDENT AUDITORS

The FY Financial Information has been audited by KPMG, independent auditors, as stated in their report and included in Chapter 22 “Index to the Financial Statements”.

The H1 Financial Information has been reviewed by KPMG, independent auditors. This review report is included in Chapter 22 “Index to the Financial Statements”. With respect to the H1 Financial Information, the independent auditor has reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein, states that they did not audit and they do not express an opinion on those interim financial statements. Accordingly, the degree of reliance on their report on such financial statements should be restricted in light of the limited nature of the review procedures applied.

KPMG has given, and has not withdrawn, its consent to the inclusion of its reports in this Prospectus in the form and context in which they are included. As the Shares have not been and will not be registered under the US Securities Act, KPMG has not filed and will not file a consent under the US Securities Act.

In accordance with Dutch law on mandatory audit firm rotation, the Group will be required to engage a new independent auditor after the fiscal year ending 31 March 2015.

20 GENERAL INFORMATION

Corporate resolutions

Prior to the Settlement Date, the General Meeting will adopt a resolution to issue the New Offer Shares as well as the Shares in connection with the Extraordinary Share Award and the exercise of the Warrants and to exclude all pre-emptive rights relating thereto (as applicable).

Legal and arbitration proceedings

Neither the Company nor any of its Group Companies are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) that may have, or have had in the recent past, significant effects on the Company's and/or Group's financial position or profitability.

Material contracts

Set out below is a summary of (i) each material contract (other than a contract in the ordinary course of business) to which any member of the Group is a party which has been entered into within the two years immediately preceding the date of this Prospectus and that is still in force; and (ii) any other contract still in force (other than a contract in the ordinary course of business) entered into by any member of the Group which contains a provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

Joint venture agreements

Avandis

Lucas Bols Amsterdam B.V. and two other Dutch spirits companies entered into a joint venture agreement in July 2000, which agreement has been replaced by a joint venture agreement dated June 2010 and with effective date September 2009 (the **Avandis JVA**). The objective of the joint venture is to combine (in a cost centre) production and related activities, such as the purchase of commodities and warehousing, of the parties and their group companies. For the purpose of the joint venture, the parties have established Avandis. Beleggingsmaatschappij Honthorst II B.V. and the two other Dutch spirits companies are commandite partners (*commanditaire vennoten*). Avandis B.V. acts as managing partner (*beherend vennoot*). The managing partner has the sole power to represent Avandis. Each of the commandite partners holds an interest of 33.3% in Avandis. The assets and liabilities of Avandis are - as a matter of form - owned by the managing partner, but as a matter of substance - regarded as economically owned by Avandis. The assets and liabilities of Avandis form a separate property (*afgescheiden vermogen*) from the assets and liabilities of any of the partners. The management board of Avandis is formed by Avandis B.V. In turn, the board member of Avandis B.V. is De Goede Consultancy B.V. of which Mr. A. de Goede is the sole board member and 100% shareholder. Bokma Distillateurs B.V. and the two other Dutch spirits companies hold 33.3% of the issued share capital of Avandis B.V. The supervisory board of Avandis consists of six members. Each party has the right to appoint two supervisory board members.

The parties entered into the Avandis JVA for an indefinite term and agreed to review the contract provisions every five years in order to adjust the Avandis JVA for changes in the operating practices of Avandis. Termination of the Avandis JVA by mutual consent is allowed. Termination by one of the parties to the Avandis JVA is subject to several conditions, including but not limited to: a twelve month notice period, the transfer of shares of the terminating party in Avandis B.V. to Avandis B.V. or the other joint venture parties without compensation, termination of the partnership of the party in question in Avandis without compensation, and payment of a substantial fixed amount of at least €9,000,000 to the other joint venture parties, whereby these parties remain entitled to claim damages in excess of such amount. If a joint venture party decides to terminate its participation to the Avandis JVA, then such party shall

transfer its shares in Avandis B.V. to Avandis B.V. or to the other parties (as instructed by them) without compensation.

The Avandis JVA contains a change of control provision, which sets out the consequences in case two of the parties (or the groups to which they belong) to the Avandis JVA are subject to a merger or takeover as a result of which one party holds more than 50% in Avandis B.V. and/or in the commandite capital of Avandis, or in case the cooperation between two of the parties leads to circumstances where they should be considered as one party in the market. In such cases, the remaining party will (i) have the right to purchase shares in Avandis B.V. held by the merged or taken over parties, so that the two remaining parties will each hold 50% in Avandis B.V., and (ii) the number of members of the supervisory board of Avandis will be adapted taking into account the fifty-fifty distribution among the remaining parties. The change of control provision in the Avandis JVA is not triggered as a consequence of the Offering.

Any amendments to the Avandis JVA must be approved by all parties. In case one of the joint venture partners decides to withdraw one or more of its brands from the joint venture operations either by sale or a withdrawal from the market, a twelve month notice period must be taken into account and a penalty clause applies if such withdrawal concerns a brand of which during the preceding three years more than 100,000 bottles were produced that year. The access of new parties to the Avandis JVA activities or replacement of any of the existing parties requires the full cooperation of all parties under the Avandis JVA.

In principle, the blending and bottling of the parties' products will be carried out jointly at the facilities of Avandis, except for the production of emulsion beverages and a few other exceptions. The Avandis JVA contains exclusivity and non-compete provisions defining the scope of the production activities under the Avandis JVA and preventing that the production by Avandis for third parties interferes with the activities covered by the Avandis JVA. Avandis will not undertake to develop and produce products under its own brands unless all parties to the Avandis JVA agree thereto.

The formal involvement of the parties to the Avandis JVA with the strategy, policies and procedures of Avandis are effected through the supervisory board of Avandis. Each commandite partner has the right to appoint two members of the supervisory board, consisting of six members in total. The managing partner, Avandis B.V. shall require prior written approval from the supervisory board for decisions regarding several reserved matters with respect to Avandis, including but not limited to: funding or granting a loan exceeding an amount equal to €50,000, the participation of Avandis in any other company or partnership or the termination thereof, initiating legal procedures involving a value of more than €50,000, entering into any cooperation or production agreement, the adoption of changes in the business plan or yearly budget, entering into obligations not following the business plan or yearly budget, the production and/or introduction of any new product or label for the risk or account of Avandis itself and the amendment of agreements between Avandis and any of the commandite partners.

In addition to the contributions made upon establishment of Avandis, further contributions in cash or in kind may be made with consent of all commandite partners. Avandis operates on a zero-base result, as cost prices are charged by the commandite partners on a full actual cost basis. Avandis has a product liability insurance, a contamination insurance as well as an excess product contamination insurance in place in order to cover the costs for product recalls up to €10,000,000 in the aggregate. However, in case in any year the total damages exceed the amount of the insurance cover, excess damages not covered by the insurance will be for account of the commandite partner who is responsible for the recalled products.

The Avandis partnership agreement has been entered into for an indefinite term and may be terminated in accordance with the Avandis JVA or shall be terminated automatically with respect to any commandite partner that has been declared bankrupt, provided no recourse against such bankruptcy is available. Rights and obligations under the Avandis partnership agreement may not be sold or transferred to third parties without prior approval of each of the other commandite partners. However, approval may not be withheld without objective ground that cooperation

between the partners in Avandis will be affected. Each of the partners of Avandis will be entitled to one vote in the partners' meeting of Avandis.

The above mentioned agreements are governed by the laws of the Netherlands and any disputes shall be resolved in accordance with the Arbitration Rules of the Netherlands Arbitration Institute.

Maxxium

In May 2009, Lucas Bols Amsterdam B.V. and Highland Distribution Netherlands Ltd., currently known as The Edrington Group Ltd. (**TEG**), purchased all issued shares in Maxxium following the dissolution of the joint venture Maxxium World Wide in 2009. They also entered into a shareholders' agreement setting forth their respective rights and obligations in connection with Maxxium (the **Maxxium SHA**). Lucas Bols Amsterdam B.V. and TEG each hold 50% of the shares in Maxxium. The principal activity of Maxxium is the distribution of wine, spirits and other beverages in the Netherlands.

The parties entered into the Maxxium SHA for an indefinite term. Termination of the Maxxium SHA is connected to the distribution agreements entered into between Maxxium and Lucas Bols Amsterdam B.V. and TEG, respectively. If one of the distribution agreements is terminated by either Lucas Bols Amsterdam B.V. or TEG in accordance with its terms, the non-terminating party shall have the option to acquire the terminating shareholder's shares in Maxxium at a price equal to 50% of the net asset value of Maxxium as at 31 March immediately prior to the effective termination date of such distribution agreement. If the termination of one of the two distribution agreements by either Lucas Bols Amsterdam B.V. or TEG is not in accordance with its terms, the non-terminating party shall receive compensation, in addition to the aforementioned option to acquire the terminating shareholder's shares. The joint venture partners may sell or transfer their shares in Maxxium to a third party, taking into account the share transfer restrictions described in the Maxxium SHA (including a right of first refusal).

The management board of Maxxium shall require prior written approval from the supervisory board of Maxxium for decisions regarding several reserved matters with respect to Maxxium, including but not limited to the adoption of the budget, material decisions on strategy, major investments and divestments involving a value exceeding an amount of €50,000, material amendments to commercial agreements outside the ordinary course of business and the acceptance of certain products for distribution.

The Maxxium SHA is governed by the laws of the Netherlands and contains a deadlock provision which may eventually result in the appointment of three arbitrators settling the deadlock in accordance with the Arbitration Rules of the Netherlands Arbitration Institute. In all other cases, disputes in connection with the Maxxium SHA shall be settled by the competent court in Amsterdam, the Netherlands.

In March 2009 Lucas Bols Amsterdam B.V. and Maxxium entered into a distribution agreement in relation to the exclusive distribution of (certain of) the Group's products in the Netherlands (the **Maxxium Distribution Agreement**). The Maxxium Distribution Agreement continues unless and until terminated by either of the parties in accordance with its terms. The grounds for termination of the Maxxium Distribution Agreement are as follows: Lucas Bols Amsterdam B.V. may terminate the agreement for any reason on giving 12 months prior notice to Maxxium. Additionally, Lucas Bols Amsterdam B.V. has the right to immediately terminate the Maxxium Distribution Agreement: (i) upon insolvency of Maxxium, (ii) if Maxxium defaults on any of its material obligations under the agreement and fails to remedy such default within 30 days after receipt of written notice from Lucas Bols to this effect, (iii) if Maxxium ceases to carry on (a major part of) its business, (iv) if Maxxium undergoes a change of control, or (v) if Maxxium assigns any of its rights and obligations under the Maxxium Distribution Agreement other than as specifically allowed thereunder. Maxxium, in its turn, may immediately terminate the Maxxium Distribution Agreement: (i) if Lucas Bols Amsterdam B.V. defaults on any of its material obligations under the agreement and fails to remedy such default within 30 days after

receipt of written notice from Maxxium to this effect, or (ii) if Lucas Bols Amsterdam B.V. assigns any of its rights and obligations under the Maxxium Distribution Agreement.

Bols Kyndal

In April 2011, Lucas Bols Amsterdam B.V. entered into a joint venture agreement with Kyndal India Private Limited (**Kyndal**) on a 50%-50% shareholder basis regarding the production and distribution of distilled drinks under the brand names of Lucas Bols (the **Kyndal JVA**). The name of the joint venture company is Bols Kyndal India Private Limited (**Bols Kyndal**).

The blending and bottling under the Kyndal JVA takes place in India and the distilled drinks of Bols Kyndal are at the moment only distributed in India. The board of directors of Bols Kyndal consists of six members. Each party has the right to appoint three members. The board of directors shall require prior written approval from the shareholders meeting for decisions regarding several reserved matters, including but not limited to (i) investment proposals involving an investment of INR 2,000,000 or more in fixed assets or financial investments, (ii) entering into contracts with substantial impact on the business of the Kyndal JVA and/or with a duration of more than one year and (iii) changes to the dividend policy of Kyndal JVA or any changes to the same.

The Kyndal JVA has been entered into for an indefinite term and can be terminated by mutual consent or by the aggrieved party in case of an event of default by the other joint venture partner, such as a material breach of the Kyndal JVA or the confidentiality obligations set forth therein. The joint venture partners may sell or transfer their shares in Bols Kyndal to a third party, taking into account the share transfer restrictions described in the Kyndal JVA (including but not limited to rights of first and last refusal and tag-along rights) and provided that such third party is not a competitor and certain other conditions have been taken into account. The Kyndal JVA contains a change of control provision, pursuant to which Lucas Bols Amsterdam B.V. is obliged to offer its shares in the event of a change of ownership of Lucas Bols Amsterdam B.V. and/or its indirect parent company as at the date of the Kyndal JVA, consisting of both (i) a sale of all shares held by the majority shareholder of Lucas Bols Amsterdam B.V. as per the date of the Kyndal JVA and (ii) a change in the board of directors of LUCAS BOLS which comprises H. van Doorne and J. de Vries. In relation to Kyndal the Kyndal JVA contains a comparable change of control provision. The change of control provision in the Kyndal JVA is not triggered as a consequence of the Offering.

The Kyndal JVA contains a deadlock provision that may result in the appointment of an expert panel issuing a binding decision to Bols Kyndal. However, in case there is a deadlock in the shareholders meeting relating to statutory compliance by Bols Kyndal such deadlock is to be decided as per the directions of Kyndal.

Lucas Bols Amsterdam B.V. has granted an exclusive license to use the trademark "Bols" to the Kyndal JVA for the period Lucas Bols Amsterdam B.V. holds shares in Bols Kyndal and for a period of five years after Lucas Bols Amsterdam B.V. ceases to hold shares.

The Kyndal JVA is governed by the laws of India. Disputes between the joint venture partners that cannot be settled by amicable consultation may be resolved by a sole arbitrator in accordance with the rules of the Indian Arbitration and Conciliation Act 1996.

Lease agreements

Paulus Potterstraat 12, 14, 16, Amsterdam

This lease agreement relates to the property of approximately 1,623 m² located at Paulus Potterstraat 12, 14 and 16 in (1071 DA) Amsterdam to be used as office space with archive, training space and/or museum, with Stichting Administratiekantoor Evemax and Stichting Administratiekantoor B Vastgoed (jointly) as landlord and Lucas Bols Amsterdam B.V. as tenant. The lease agreement runs until 31 March 2021 and will be extended until 31 March

2026 unless the tenant terminates the lease agreement taking into account a termination period of 12 months. The rental is €462,555 excl. VAT per year (price level 2006, to be indexed in accordance with Consumer Price Index (CPI) each year). On 30 June 2014, parties have agreed upon a rent-free period of six months. In accordance with the lease agreement, Lucas Bols Amsterdam B.V. has provided the landlord with a bank guarantee for the amount of €137,610.11.

Pijlsteeg 33-43, Amsterdam

This lease agreement relates to the lease of the space at Pijlsteeg 33-43 in (1012 HH) Amsterdam, to be used as (museum) distillery with NH Grand Hotel Krasnapolsky B.V. as landlord and Pijlsteeg B.V. as tenant, to be used as distillery. The lease agreement runs until 31 December 2018, after which it will be extended until 31 December 2023. The rental is €38,700 excl. VAT per year (price level January 2013, to be indexed in accordance with CPI each year).

Pijlsteeg 31, Amsterdam

This lease agreement relates to the lease of the space at Pijlsteeg 31 (and part of the backside space on the ground floor of 33) in (1012 HH) Amsterdam with NH Grand Hotel Krasnapolsky B.V. as landlord and Pijlsteeg B.V. as tenant, to be used as café and tasting room open for public. The lease agreement runs until 31 December 2018, after which it will be extended until 31 December 2023. The rental is €23,600 excl. VAT per year (price level January 2013, to be indexed in accordance with CPI each year).

227 West 29th Street, New York

This lease agreement relates to the lease of the 2nd floor in the building on the frontside, located at 227 West 29th Street, New York, to be used as sales & marketing space for Lucas Bols USA Inc., between Kew Management Corporation as landlord and Lucas Bols USA, Inc. as tenant. The lease agreement runs from 1 March 2013 until 28 February 2015. Tenant may terminate the lease taking into account a notice period of 30 days before the last rent payment is due. The rental is USD 74,160 for the second lease year exclusive of sprinkler and water charges (each USD 30 per month) and tax escalation charge.

Wattstraat 61/63, Zoetermeer

This lease agreement relates to the lease of approximately 400 m² space located at the Wattstraat 61/63, Zoetermeer, to be used as commercial space for the storage of barrels of distilled drinks, a museum and office space, between Ketel 301 Invest B.V. as landlord and Lucas Bols Amsterdam B.V. as tenant. The lease agreement runs from 1 November 2006 and is annually extended in March for consecutive one year periods, unless terminated by the tenant, with respect to the space for the storage of barrels and runs from 1 April 2008 until 31 March 2020 with respect to the museum and the office space. The rent is EUR 25,200 per year exclusive of VAT

Share purchase agreement

In August 2013, Lucas Bols Amsterdam B.V. entered into a share purchase agreement with Galesloot Beheer B.V. and Mr P. Wanrooij for the purchase of 100% of the shares in the share capital of Pijlsteeg B.V. (formerly named Wynand Fockink Experience B.V.). For more information regarding the acquisition of Pijlsteeg B.V. reference is made to Chapter 10 "Business", section "Principal investments".

As set forth in the share purchase agreement, Galesloot Beheer B.V. issued a vendor loan to Lucas Bols Amsterdam B.V. for an amount equal to €150 thousand for a duration of five years with an annual interest rate of 5%. The loan is to be repaid in sixty equal monthly instalments including interest, of which €120 thousand is still due at the date of this Prospectus. In the event that during this five year period, both statutory directors of Lucas Bols Amsterdam B.V. (Mr. H.L.M.P. van Doorne and Mr. J.K. de Vries) sell all the shares (indirectly) held by them (through

the Company) in Lucas Bols Amsterdam B.V., the then outstanding amount becomes immediately due.

Finance agreements

Advance to Avandis

The Group has granted a permanent advance to Avandis. In 2013, the relevant parties agreed to decrease the amount of the permanent advance, as a result of which the amount currently outstanding equals €599,163. Avandis pays interest on the outstanding amount of the permanent advance at a rate of 4% per annum. Further, Avandis is obliged to pay the accrued interest at the end of each fiscal year (being ultimo at the end of March).

Guarantee

At the request of Lucas Bols Amsterdam B.V., as per 8 November 2011, Rabobank has established an irrevocable standby letter of credit for the working capital of Bols Kyndal for an original amount of INR 150 million (an equivalent in euros of approximately €1,950 thousand (INR = 0.013 Euro)) to guarantee payment of the sums sanctioned by Lucas Bols Amsterdam B.V. to Bols Kyndal. The amount was decreased to the current amount of INR 132 million (an equivalent in euros of approximately €1,700 thousand (INR = 0.013 Euro)). The standby line of credit shall be deemed automatically extended without amendment for one year after 31 October 2014 or any future expiration date, unless Rabobank notifies Lucas Bols Amsterdam B.V. at least 30 days prior to such expiration date that it does not elect to renew the letter of credit for another year. Lucas Bols Amsterdam B.V. has provided Rabobank with a guarantee to secure any obligations of Rabobank under the standby letter of credit.

New Senior Credit Facilities

On or about the Settlement Date, the Company will enter into a senior facilities agreement between, amongst others, the Company as parent, Rabobank and NIBC as mandated lead arrangers and lenders and Rabobank as agent and security agent (the New Senior Credit Facilities).

The New Senior Credit Facilities governs the new facilities, which consist of the Term Facility (as defined below) and the Revolving Facility (as defined below) (together, the New Facilities). The New Facilities will be capable of being drawn down on or about the Settlement Date upon completion of the Offering and Admission.

The Term Facility consist of a term loan facility denominated in euros of which the total commitment is €24,000,000, which will be available at the time of initial utilisation to the Company and certain of its subsidiaries (the **Term Facility**). The Term Facility is repayable in semi-annual instalments of €2,000,000 on 30 September and 31 March of each calendar year, and for the first time on 30 September 2015, with the final instalment of €6,000,000 to be paid on the date which falls five years after the Settlement Date (the Final Maturity Date).

Prior to the first or second anniversary of the New Senior Credit Facilities and provided that no default is outstanding, the Company may request the lenders to extend the Final Maturity Date for a period of one year, which request each lender may honour in its absolute discretion. If the extension request has been honoured by the lenders, the abovementioned final instalment of €6,000,000 shall be divided in three instalments of €2,000,000, payable on 31 March 2020, 30 September 2020 and the Final Maturity Date (as extended).

The Revolving Facility, of which the total commitment is €56,000,000 and of which up to €46,000,000 can be drawn upon Settlement, is available to the Company and its wholly-owned subsidiaries permitted to borrow under the New Senior Credit Facilities (the **Revolving Facility**). The Revolving Facility loans must be repaid or renewed by each borrower on the last day of its interest period, and is available until one month prior to the Final Maturity Date.

The interest rate on each borrowing under the New Senior Credit Facilities is a rate per annum equal to the aggregate of (i) the applicable margin (as described below); (ii) mandatory costs (if any) and (iii) EURIBOR in relation to any loan in euro. EURIBOR rates are set at the beginning of an interest period. Interest periods can be for a period of one month (with respect to Revolving Facility loans of no more than €10,000,000), three or six months for a Revolving Facility loan or three or six months for a Term Facility loan (although, in each case, the relevant borrower and the agent may agree to any other period between them).

Provided that no event of default is continuing, the margin for each loan under the New Facilities shall range between 1.75% and 3.25% dependent on the leverage ratio (the initial margin will be 2.60% per annum).

The commitment fee for the Revolving Facility is 40% of the applicable margin, payable for the period from and excluding the closing date to and including the last day of the Revolving Facility's availability period. Other than the commitment fee, an upfront fee, agency fees and a ticking fee, no other fees are payable.

Mandatory prepayments are required to be made under the New Senior Credit Facilities upon (i) the occurrence of a change of control or (ii) the sale of all or substantially all of the assets of the Group to third parties who are non-obligors.

A "change of control" occurs under the New Senior Credit Facilities if any person or group of persons acting in concert who do not control the Company gain control of the Company. Under the New Senior Credit Facilities, "acting in concert" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition and/or ownership of voting shares in the Company, to obtain or consolidate control (directly or indirectly) of the Company, provided that persons voting in the same or consistent manner at any general meeting of the Company will not be considered to be acting in concert by virtue only of exercising their votes in such manner. "Control" means holding more than 50% of the voting shares or equivalent voting interests in the Company and having the ability to appoint directors who control a majority of the votes which may be cast at a meeting of the board of directors or analogous governing body of the Company. If all or substantially all of the assets of the Group are sold or transferred to one or more non-obligors the New Facilities will be cancelled, unless such non-obligors shall immediately on completion of such sale or transfer accede to the New Senior Credit Facilities as additional guarantors.

The New Senior Credit Facilities will be guaranteed by the wholly-owned subsidiaries of the Company that will accede as guarantors on or about the Settlement Date (with the ability for further entities to accede as guarantors in the future in certain circumstances).

As security for the New Facilities, the Company and its wholly-owned subsidiaries shall grant first priority security rights of pledge over bank accounts, intercompany loans, receivables, rights under distribution agreements, inventory and moveable assets, insurance claims, shares in the wholly-owned subsidiaries of the Company, and material intellectual property of the Group, which security over intellectual property is to be registered with the relevant intellectual property registers. In addition, the Company shall use its best efforts to arrange for a first priority right of pledge over the shares in DELB by Remy Cointreau Nederland Holding B.V. as sole shareholder of DELB.

The New Senior Credit Facilities contain a number of customary positive and negative undertakings. The undertakings include (*inter alia*) a positive pledge undertaking in case an event of default has occurred and is continuing and a negative pledge undertaking over the assets of the obligors (subject to certain baskets, restrictions and exceptions for as long as the Release Conditions (as defined below) are not met), including a permission for payment of dividends, repayment of equity or any share buyback or other payment or distribution by the Company, *provided* that no default is continuing or would occur as a result of the making of such payment or distribution and, where the Group's leverage ratio as at the immediately

preceding financial half year date (on a pro forma basis, taking into account such payment) is equal to or greater than 2.50:1, such payment or distribution does not exceed 60% of the net profits of the Group for any fiscal year of the Company when aggregated with all other such payments or distributions made by the Company in respect of that fiscal year. Also, there are restrictions on the obligors' ability to offer loans or credit, engage in mergers, acquisitions or joint ventures, or incur additional debt (each subject to certain baskets and exceptions, and for as long as the Release Conditions are not met). The "Release Conditions" are as follows, in form and substance satisfactory to the lenders: (a) the Group's leverage ratio for the two most recently ended relevant periods is equal to or less than 2.00:1, (b) to the extent legally permitted, projections which confirm that the Group's leverage ratio for the next 12 months will be equal to or less than 2.00:1 and (c) no default is continuing. However, if at any time after the Release Conditions have been satisfied and the Release Conditions subsequently cease to be satisfied, various baskets, restrictions and exceptions will again be applicable.

The New Senior Credit Facilities require the Group to maintain specified financial ratios of leverage and interest cover. The Company expects its financial leverage ratio (consolidated total net debt to consolidated EBITDA) to be approximately 3.00:1 following the Settlement Date. Pursuant to the New Senior Credit Facilities, the leverage ratio may not exceed 4.00:1 at the Settlement Date and must be de-escalated to 3.00:1 on 31 March 2017 and may not exceed this level going forward.

Interest cover (consolidated EBITDA to consolidated net finance charges) in respect of the relevant period shall be at least 4.00:1.

The New Senior Credit Facilities also contains customary information undertakings, representations and events of default, including, but not limited to: non-payment of amounts due; breach of financial covenants and other obligations under the finance documents; inaccuracy of a representation or statement when made or deemed to be made; cross defaults; insolvency; commencement or threat of certain litigation; and material adverse change.

Hire Purchase Agreement

On 11 April 2006 DELB, a wholly owned (indirect) subsidiary of Rémy Cointreau S.A., sold the Bols IP Rights and the Bols Recipes to Lucas Bols Amsterdam B.V. and Lucas Bols Amsterdam B.V. hire purchased those Bols IP Rights and the Bols Recipes against a total purchase price of €135,525,907 which hire purchase price will be paid in ten annual instalments. The terms and conditions of the sale of the Bols IP Rights and the Bols Recipes are laid down in a hire purchase agreement dated 11 April 2006 (the **Hire Purchase Agreement**). The entering into the Hire Purchase Agreement was a condition of Rémy Cointreau S.A. in connection with the management buy-out in 2006. Pursuant to the Hire Purchase Agreement, the ownership of the Bols IP Rights and the Bols Recipes shall automatically (subject to possible registration requirements) transfer to Lucas Bols Amsterdam B.V. at the moment that the final instalment of the purchase price has been paid.

De Bron, a wholly-owned (indirect) subsidiary of Rémy Cointreau S.A., has assumed the payment obligations of Lucas Bols Amsterdam B.V. under the Hire Purchase Agreement under the terms and conditions of a payment undertaking agreement (the Payment Undertaking Agreement) against payment of an amount of €110,000,000 (representing the market value of the purchase price at that moment in time). Part of that payment remained due and was converted into a vendor loan which was repaid by Lucas Bols Amsterdam B.V. on 30 March 2011. As a consequence, Lucas Bols Amsterdam B.V. has fulfilled all its payment obligations under the Payment Undertaking Agreement. Rémy Cointreau S.A. has guaranteed the payment obligations of De Bron under the Payment Undertaking Agreement.

De Bron has subsequently lent certain amounts to DELB pursuant to a loan agreement (the DELB Loan Agreement). On the basis of the Hire Purchase Agreement, the Payment Undertaking Agreement and the DELB Loan Agreement, the payment obligations of De Bron

under the Payment Undertaking Agreement with respect to the hire purchase price instalments will automatically be set-off against the repayments due by DELB under the DELB Loan Agreement. The Hire Purchase Agreement continues until the moment that the tenth and final instalment of the hire purchase price instalments has been paid by De Bron in March 2016. As a consequence of payment of the final instalment by De Bron, the Bols IP Rights and the Bols Recipes will automatically transfer to Lucas Bols Amsterdam B.V.

Prior termination of the Hire Purchase Agreement can occur in the event of a default of Lucas Bols Amsterdam B.V., which includes (i) a suspension of payments, bankruptcy, or dissolution of Lucas Bols Amsterdam B.V. and (ii) a breach by Lucas Bols Amsterdam B.V. of its material obligations under the Hire Purchase Agreement which breach has a material adverse effect on the Bols IP Rights or the Bols Recipes.

In the event of a default of DELB (a DELB Event of Default) all outstanding hire purchase price instalments will immediately become due and payable and will be set-off against the obligations under the DELB Loan Agreement. A DELB Event of Default includes (i) a suspension of payments, bankruptcy, or dissolution of DELB, (ii) the assignment, transfer or pledging of the Bols IP Rights or the Bols Recipes without the prior consent of Lucas Bols Amsterdam B.V. and (iii) actions of DELB which have a material adverse effect on the Bols IP Rights or the Bols Recipes. As a consequence of a DELB Event of Default, all payment obligations under the Hire Purchase Agreement, the Payment Undertaking Agreement and the DELB Loan Agreement will have been fulfilled and the Bols IP Rights and the Bols Recipes will in principle automatically transfer to Lucas Bols Amsterdam B.V. See also Chapter 2 “Risk Factors”, under “The Group may be affected by litigation directed at the spirits industry in general and other litigation including product liability claims or claims relating to the Bols IP Rights and the Bols Recipes”.

Relationship Agreement

On the Settlement Date, the Company, AAC and the Selling Shareholders expect to enter into a relationship agreement (the **Relationship Agreement**). The Relationship Agreement will contain certain arrangements regarding the relationship between the Company and AAC after the Admission. Below is a summary of the main elements of the Relationship Agreement.

Composition of the Supervisory Board

The parties to the Relationship Agreement have agreed that AAC will have the right to nominate, and propose replacement for, one Supervisory Board member, not being the chairman (an AAC Representative). AAC’s right to nominate and propose replacement for the AAC Representative will lapse after a period of three years after the date of the Relationship Agreement, or the occurrence of any of the following events prior to the end of such three-year period, whichever is the earlier: (i) AAC ceases to be the legal and beneficial owner of at least 10% of the issued and outstanding share capital of the Company (whereby a remedy period of 30 business days applies), (ii) AAC fails to be in material compliance with the Relationship Agreement or (iii) a change of control with respect of AAC (*i.e.* the acquisition by any person or persons acting in concert of ownership or control (directly or indirectly) of more than 50% of the ownership interests of AAC, or the right to appoint or remove (or the ability, whether in law or fact, to direct the appointment or removal of) the members of the governing body of AAC holding a majority of the voting rights at meetings of the governing body on all, or substantially all, matters).

As long as AAC is the legal and beneficial owner of at least 10% of the issued and outstanding share capital of the Company, it shall vote all of its Shares in respect to the appointment and dismissal of members of the Supervisory Board (other than the AAC Representative) in such a manner that the Supervisory Board is composed in accordance with the Supervisory Board profile (as set forth in the Supervisory Board Regulations).

Orderly market arrangements

After expiry of the lock-up period to which AAC is bound pursuant to the Underwriting Agreement, and subject to any waiver from the Joint Global Coordinators, AAC will be

authorised to sell and transfer all or part of its Shares in an orderly market manner, provided that it is not allowed to effect a block trade representing at least 20% of the total number of Shares following the Offering to one party or to more than one party who are acting in concert in one transaction or a series of transactions. AAC may require the Company to provide reasonable assistance to enable AAC to sell its Shares.

All fees and expenses in connection with a sale and transfer of Shares by AAC, after expiry or waiver of the lock-up to which AAC is bound pursuant to the Underwriting Agreement, will be fully borne by AAC.

Termination

The Relationship Agreement shall terminate with immediate effect upon the earlier of (i) the Admission not having occurred on or before 10 October 2015, (ii) AAC ceasing to be the legal and beneficial holder of at least 10% of the Shares, (iii) the third anniversary of this Agreement, or (iv) the Shares ceasing to be listed and traded on Euronext Amsterdam. In the event of a termination, the restrictions on a sale of Shares by AAC, as referred to above, and certain miscellaneous provisions in the Relationship Agreement will survive.

Governing law

The Relationship Agreement is governed by Dutch law and any disputes arising from the Relationship Agreement will be settled exclusively before the competent courts in Amsterdam, the Netherlands.

Underwriting Agreement

Reference is made to Chapter 16 “Plan of Distribution”, section “Underwriting Agreement”.

Related party transactions

For information regarding related party transactions, reference is made to the information set forth in note 15 of page F-17 of the H1 2014/15 Financial Information and note 28 on page F-73 to the consolidated special purpose financial statements for the year ended 31 March 2014 included in Chapter 22 “Index to the Financial Statements”. No related party transactions have occurred in the period as of 1 October 2014 until the date of this Prospectus.

Working capital statement

The Company is of the opinion that the Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of the publication of this Prospectus.

Significant change in the Company’s financial or trading position

No significant change in the financial or trading position of the Group has occurred since 30 September 2014.

Legal matters

Certain legal matters in connection with the Offering will be passed upon for the Company, the Selling Shareholders and AAC with respect to Dutch law by Loyens & Loeff N.V. and US law by Latham & Watkins (London) LLP. Certain legal matters in connection with the Offering will be passed upon for the Joint Global Coordinators with respect to Dutch law and US law by Allen & Overy LLP.

Availability of documents

Subject to applicable laws and transfer restrictions (see Chapter 17 “Transfer Restrictions”), the following documents (or copies thereof) may be obtained free of charge from the Company’s website for at least twelve months following the date of this Prospectus (www.lucasbols.com):

- this Prospectus, including the Financial Information;
- the Articles of Association (in Dutch and an unofficial English translation);

- the Management Board Regulations;
- the Supervisory Board Regulations.

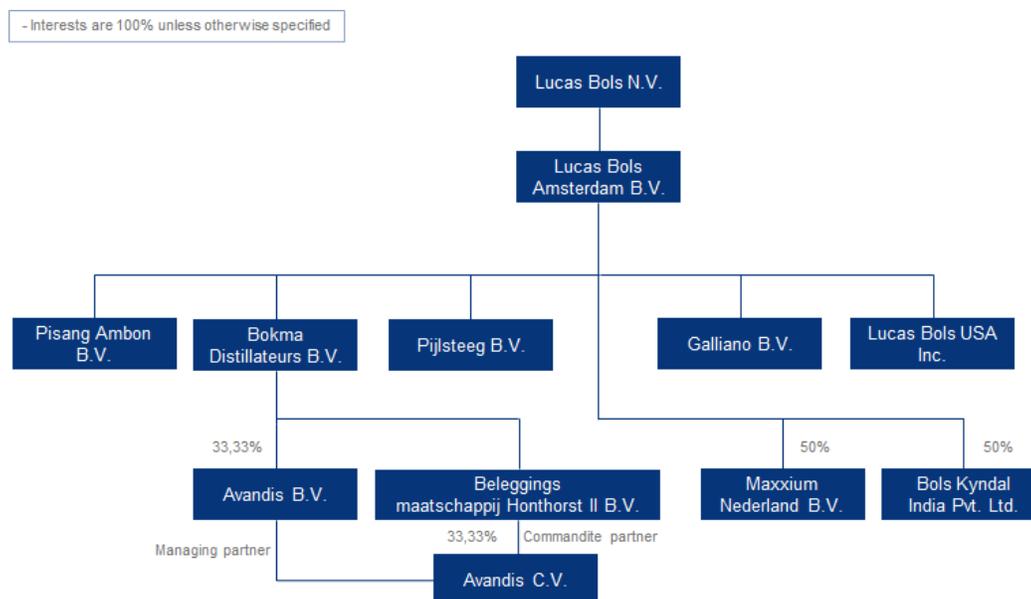
In addition, copies of these documents will be available free of charge at the Company's offices during normal business hours from the date of this Prospectus until at least the Settlement Date.

No incorporation of website

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of and are not incorporated by reference into this Prospectus.

Legal structure

The Company is the parent company of a group of operating companies. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries and its joint ventures. The chart below sets out the structure of the Group.



Subsidiaries

The following table provides an overview of the Group's subsidiaries as of the date of this Prospectus.

Subsidiaries	Country of incorporation	Percentage held by the Group
Lucas Bols Amsterdam B.V. (prior to Settlement named Lucas Bols B.V.)	The Netherlands	100.00%
Pijlsteeg B.V.	The Netherlands	100.00%
Pisang Ambon B.V.	The Netherlands	100.00%
Bokma Distillateurs B.V.	The Netherlands	100.00%
Beleggingsmaatschappij Honthorst II B.V.	The Netherlands	100.00%
Galliano B.V.	The Netherlands	100.00%
Lucas Bols USA Inc.	The United States	100.00%

Affiliates

The following table provides an overview of the Group's participation in other undertakings as of the date of this Prospectus in which it does not exercise control.

Affiliates	Registered office and country of incorporation	Percentage held by the Group
Avandis C.V.	Zoetermeer, the Netherlands	33.33%
Avandis B.V.	Zoetermeer, the Netherlands	33.33%
Maxxium Nederland B.V.	Amsterdam, the Netherlands	50.00%
Bols Kyndal India Pvt. Ltd.	Gurgaon, Haryana, India	50.00%

The participations are accounted for using the equity method. The total book value of the participations as per 30 September 2014 is €5,728 thousand. Reference is made to note 3 of the Financial Statements included in Chapter 22 "Index to the Financial Statements".

Statutory accounts

The audited consolidated statutory financial statements of the Company for FY 2013/14, FY 2012/13 and FY 2011/12 have been audited by KPMG, independent auditors, and have been filed with the Chamber of Commerce.

KPMG is an independent registered audit firm. The address of KPMG is Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands. The auditor who has signed the auditor's statements in respect of the statutory accounts of the Company on behalf of KPMG is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

21 DEFINITIONS

The following definitions are used in this Prospectus:

A&P	Advertisements and promotions
AAC	AAC NL BOF 2005 B.V.
Admission	The admission to listing and trading of the Shares on Euronext Amsterdam
AFM	The Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
ABV	Alcohol by volume
Articles of Association	The articles of association of the Company as they will read after the Capital Restructuring as of the Settlement Date
Avandis	Avandis C.V., a commandite partnership (<i>commanditaire vennootschap</i>) under Dutch law
Avandis JVA	As defined in Chapter 20 “General Information”, section “Material contracts”, under “Joint venture agreements”
BMU	Brand Market Units
Bols IP Rights	As defined in Chapter 2 “Risk Factors”
Bols Recipes	As defined in Chapter 2 “Risk Factors”
Bols Kyndal	Bols Kyndal India Pvt. Ltd.
CAGR	Compound annual growth rate
Canadean	The Canadean Group
Capital Restructuring	The restructuring of the share capital of the Company on the Settlement Date as described in Chapter 14 “Major Shareholders”, section “Capital Restructuring”
Cash Conversion	As defined in Chapter 3 “Important Information”, section “Non-IFRS financial measures”
CEDC	Central European Distribution Corporation
CET	Central European Time
Code	The Dutch corporate governance code issued on 9 December 2003 and as amended as per 1 January 2009
Company or Lucas Bols	Lucas Bols N.V. (which at the date of this prospectus is still a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) named Lucas Bols Holding B.V., to be converted into a public company with limited liability (<i>naamloze vennootschap</i>) prior to Settlement pursuant to a notarial deed of amendment of the articles of association and conversion
consumer	A consumer of spirits in the off-trade or on-trade environment
Control States	As defined in Chapter 10 “Business”, section “Distribution”

Conversion	The conversion of the Company to into a public company with limited liability (<i>naamloze vennootschap</i>) pursuant to a notarial deed of amendment and conversion to be executed prior to Settlement
customer	Any customer of the Group in the distribution chain, including distributors, the bartending community and other on-trade channels
DCC	Dutch Civil Code
De Bron	De Bron 1575 B.V.
DELB	Distilleerderijen Erven Lucas Bols B.V.
Distributable Equity	The part of the Company's equity which exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association
Dutch Corporate Entities	Entities that are subject to the Dutch Corporation Tax Act 1969 and are resident or deemed to be resident in the Netherlands for corporate income tax purposes
Dutch Individuals	Individuals who are resident or deemed to be resident in the Netherlands for Dutch income tax purposes or individuals who opt to be treated as if resident in the Netherlands for Dutch income tax purposes
EBIT	The Group's operating profit plus the share in the results of joint ventures and associates
EEA	European Economic Area
EEA State	A state which is a party to the agreement relating to the European Economic Area
Emerging Markets	Central & Eastern Europe, Central & South America (including Mexico), Middle East & Africa and India
Enterprise Chamber	The Enterprise Chamber of the Amsterdam Court of Appeal (<i>Ondernemingskamer van het Gerechtshof te Amsterdam</i>)
€ or euro	The lawful currency of the European Economic and Monetary Union
EU	European Union
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Euronext Amsterdam	Euronext Amsterdam, a regulated market of Euronext Amsterdam N.V.
Exempt Investors	Exempt investors pursuant to one or more exemptions contained in section 708 of the Corporations Act
existing credit facilities	The Mezzanine Facilities and the Senior Credit Facilities
Existing Offer Shares	The Shares that will be offered by the Selling Shareholders in the Offering
Financial Information	The consolidated financial statements contained in Chapter 22 "Index to the Financial Statements", including the notes thereto

First Trading Date	4 February 2015, the date on which trading on an “as-if-and-when-delivered” basis in the Shares on Euronext Amsterdam is expected to commence
FSA	Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>)
FTEs	Full-time equivalents of the Group’s employees
FY 2011/12	Fiscal year ended 31 March 2012
FY 2012/13	Fiscal year ended 31 March 2013
FY 2013/14	Fiscal year ended 31 March 2014
FY Financial Information	The audited consolidated financial information of the Group as at and for FY 2013/14, FY 2012/13 and FY 2011/12
General Meeting	General meeting of shareholders of the Company, being the corporate body, or where the context so requires, the physical meeting of Shareholders
Group	The Company and its subsidiaries
GSC	GSC European Mezzanine Offshore Unleveraged Parallel Fund II, L.P.; GSC European Mezzanine Offshore Parallel Fund II, L.P.; GSC European Mezzanine Offshore Fund II, L.P.; GSC European Mezzanine Fund II, L.P.; and GSC European Mezzanine Parallel Investors II, L.P.
H1 2013/14	The six-month period ended 30 September 2013
H1 2014/15	The six-month period ended 30 September 2014
H1 2013/14 Financial Information	The unaudited consolidated condensed interim financial information of the Group as at and for the six-month period ended 30 September 2013
H1 2014/15 Financial Information	The unaudited consolidated condensed interim financial information of the Group as at and for the six-month period ended 30 September 2014
H1 Financial Information	The H1 2014/15 Financial Information and H1 2013/14 Financial Information
Hire Purchase Agreement	As defined in Chapter 20 “General Information”, section “Material contracts”, under “Hire Purchase Agreement”
IFRS	International Financial Reporting Standards as adopted by the European Union
INR	The Indian Rupee, the lawful currency in India
IWSR	International Wine & Spirit Research
Joint Global Coordinators	Kempen & Co and Rabobank in their capacity as joint global coordinators and joint book runners
Kempen & Co	Kempen & Co N.V.
KPMG	KPMG Accountants N.V.
Kyndal	Kyndal India Private Limited
Kyndal JVA	As defined in Chapter 20 “General Information”, section “Material contracts”, under “Joint venture agreements”

Large Company	A Dutch public limited liability company, a Dutch private limited liability company and a Dutch foundation which, on two successive balance sheet dates, without subsequent interruption on two successive balance sheet dates, meets at least two of the three criteria referred to in Section 2:397 paragraph 1 DCC, which criteria are: (1) the value of the company's assets according to its balance sheet is, on the basis of the purchase price or manufacturing costs, more than €17.5 million; (2) the net turnover is more than €35.0 million; and (3) the average number of employees is 250 or more
Listing and Paying Agent	Kempen & Co
Management Board	The management board (<i>raad van bestuur</i>) of the Company
Management Board Regulations	The regulations regarding the Management Board functioning and internal organisation and that will be in effect at the latest on the Settlement Date
Maxxium	Maxxium Nederland B.V.
Maxxium Distribution Agreement	As defined in Chapter 20 "General Information", section "Material contracts", under "Joint venture agreements"
Maxxium SHA	As defined in Chapter 20 "General Information", section "Material contracts", under "Joint venture agreements"
Mezzanine Facilities	The mezzanine facilities agreement entered into between (<i>inter alia</i>) the Company, Lucas Bols Amsterdam B.V. and Rabobank as lender, agent and arranger, dated 10 March 2006, and amended and restated on 28 April 2006 and 23 March 2011, which will be redeemed on Settlement
New Offer Shares	The Shares that will be issued and offered by the Company in the Offering
New Senior Credit Facilities	The new senior facility agreement, consisting of (i) a Term Facility and (ii) a Revolving Facility, to be entered into between (<i>inter alia</i>) the Company, Lucas Bols Amsterdam B.V. and Rabobank and NIBC and as lenders on Settlement
NIBC	NIBC Bank N.V.
Nielsen	The Nielsen Company
Offer Price	The offer price per Offer Share
Offer Price Range	The expected price range of €13.50 to €18.00 (inclusive) per Offer Share
Offer Shares	The New Offer Shares and the Existing Offer Shares including, unless the context indicates, otherwise any of the Over-Allotment Shares
Offering	The public offering of the Offer Shares to institutional and retail investors in the Netherlands and private placement to certain institutional investors in various jurisdictions
Offering Period	The period during which the Offering will take place, commencing on 9:00 CET on 21 January 2015 and ending on 13:00 CET on 3 February 2015, subject to acceleration or extension of the timetable for the Offering

off-trade	Sales of spirits by traditional retail channels, such as local shops, or modern trade channels, such as superstores, for consumption at home
on-trade	Sales of spirits by pubs, bars, clubs, restaurants and other catering channels, for consumption outside home
Open States	As defined in Chapter 10 “Business”, section “Distribution”
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
Over-Allotment Option	The option to be granted to the Joint Global Coordinators, exercisable within 30 calendar days after the Settlement Date, pursuant to which the Joint Global Coordinators, may require AAC and GSC to sell additional Shares at the Offer Price
Over-Allotment Shares	The Shares that may be made available pursuant to the Over-Allotment Option
PFIC	Passive foreign investment company
Preference Shares	The Preference Shares A and the Preference Shares B
Preference Shares A	The preference shares A in the Company’s share capital, with a nominal value of €1.00 per share
Preference Shares B	The preference shares B in the Company’s share capital, with a nominal value of €1.00 per share
Preferential Retail Allocation	The preferential allocation of Offer Shares to eligible retail investors in the Netherlands
premium	Spirits selling at an off-trade price per 750 millilitres of more than USD 10 but less than USD 20
premiumisation	A trend of consumer demand for higher quality and higher value alcoholic drinks, including spirits
Pricing Statement	The pricing statement detailing the Offer Price, the exact numbers of the Offer Shares to be issued and sold and the maximum number of Over-Allotment Shares, which will be deposited with the AFM
Prospectus	This prospectus dated 20 January 2015
Prospectus Directive	Directive 2003/71/EC and amendments thereto, including those resulting from Directive 2010/73/EU
QIBs	Qualified institutional buyers as defined in Rule 144A of the US Securities Act
Rabobank	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Regulation S	Regulation S under the US Securities Act
Relationship Agreement	As defined in Chapter 20 “General Information”, section “Material contracts”, under “Joint venture agreements”
Relevant Member State	Each EEA State which has implemented the Prospectus Directive
Relevant Person	A relevant person within the meaning of the Order

Revolving Facility	As defined in Chapter 20 "General Information", section "Material contracts", under "Finance agreements" - "New Senior Credit Facilities"
Rule 144A	Rule 144A under the US Securities Act
Selling Shareholders	DreamSpirit B.V. and LB2 B.V.
Senior Credit Facilities	The senior credit facilities agreement entered into between (<i>inter alia</i>) the Company, Lucas Bols Amsterdam B.V. and Rabobank as lender, agent and arranger, dated 10 March 2006, and amended and restated on 28 April 2006 and 23 March 2011, which includes a facility A commitment, a facility B commitment and a facility C commitment and which will be redeemed and replaced by the New Senior Credit Facilities on Settlement
Senior Management	Employees of the Group who are relevant to establishing that the Company has the appropriate expertise and experience for the management of the Company's business
Settlement	Payment (in euro) for and issue and delivery of the Offer Shares
Settlement Date	The date on which Settlement occurs which is expected to be on or about 6 February 2015, subject to acceleration or extension of the timetable for the Offering
Shareholders	A holder of Shares
Share Lending Agreement	The share lending agreement expected to be dated 20 February 2015 between AAC and the Stabilisation Agent
Shares	The ordinary shares in the Company's share capital, with a nominal value of €0.10 per share, issued from time to time
Stabilisation Agent	Rabobank
state distributor	A distributor that has been granted a license by a US state authority for the sale distribution of alcoholic beverage and a distributor operated by a State Control Board
super-premium	Spirits selling at an off-trade price per 750 millilitres of more than USD 20 but less than USD 35
Supervisory Board	The supervisory board (<i>raad van commissarissen</i>) of the Company
Supervisory Board Regulations	The regulations regarding the Supervisory Board's functioning and internal organisation and that will be in effect at the latest on the Settlement Date
Takeover Decree	The Public Takeover Bids Decree (<i>Besluit openbare biedingen Wft</i>)
Takeover Directive	The European Directive on Takeover Bids (2004/25/EC)
Term Facility	As defined in Chapter 20 "General Information", section "Material contracts", under "Finance agreements" - "New Senior Credit Facilities"
The Netherlands	The part of the Kingdom of the Netherlands located in Europe
Transparency Directive	Directive 2004/109/EC (as amended by Directive 2013/50/EU)

UK	The United Kingdom
Underwriting Agreement	The underwriting agreement to be dated 20 January 2015 among the Company, the Selling Shareholders, AAC and the Joint Global Coordinators
US or United States	United States of America
US dollar or USD	The US Dollar, the lawful currency in the US
US Exchange Act	The United States Securities Exchange Act of 1934, as amended
US Securities Act	The United States Securities Act of 1933, as amended
US Holder	As defined in Chapter 18 “Taxation”, section “Taxation in the United States”
VAT	Value added tax
Warrants	As defined in Chapter 13 “Description of share capital and corporate governance”, section “Share capital”

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**Condensed consolidated interim financial information for the period ended 30 September 2014
(UNAUDITED)**

Condensed consolidated statement of financial position

In thousands of euro	Note	30 September 2014	31 March 2014
Assets			
Property, plant and equipment		1,564	1,664
Intangible assets	10	214,943	214,943
Investments in joint ventures		5,728	5,926
Other investments		599	599
Deferred tax assets		7,194	7,421
Non-current assets		230,028	230,553
Inventories		6,561	7,605
Trade and other receivables		17,620	15,205
Derivative financial instruments		15	109
Cash and cash equivalents		2,935	3,120
Current assets		27,131	26,039
Total assets		257,159	256,592

The notes on pages F-8 to F-17 are an integral part of this condensed consolidated interim financial information

Condensed consolidated statement of financial position (continued)

In thousands of euro	Note	30 September 2014	31 March 2014
Equity			
Share capital		8,400	8,400
Hedging Reserve		(1,300)	(78)
Translation Reserve		(139)	(171)
Retained earnings		23,633	23,410
Result for the period		1,959	223
Equity attributable to owners of the Company		32,553	31,784
Liabilities			
Subordinated loan	11	36,098	35,075
Other loans and borrowings	11	38,702	76,044
Other non-current financial liabilities – Cum. Pref. Shares	11	68,538	64,794
Other non-current financial liabilities – other		1,182	780
Employee benefits		465	465
Deferred tax liabilities		28,571	26,985
Non-current liabilities		173,556	204,143
Loans and borrowings	11	42,549	9,611
Trade and other payables		7,095	9,752
Derivative financial instruments		1,406	1,302
Current liabilities		51,050	20,665
Total liabilities		224,606	224,808
Total equity and liabilities		257,159	256,592

The notes on pages F-8 to F-17 are an integral part of this condensed consolidated interim financial information

Condensed consolidated statement of profit and loss

For the six months ended 30 September

In thousands of euro

	Note	2014	2013
Revenue	5	40,781	41,184
Cost of sales		(15,572)	(15,563)
Gross profit		25,209	25,621
Distribution and administrative expenses	7	(12,283)	(12,526)
Operating profit		12,926	13,095
Share of profit of joint ventures, net of tax		39	(51)
Finance income		—	4
Finance cost	8	(9,041)	(9,744)
Net finance costs		(9,041)	(9,740)
Profit before tax		3,924	3,304
Income tax expenses	9	(1,965)	(1,676)
Profit for the period		1,959	1,628
Earnings per share			
Basic earnings per share (euro)		0.23	0.19
Diluted earnings per share (euro)		0.22	0.18

The notes on pages F-8 to F-17 are an integral part of this condensed consolidated interim financial information

Condensed consolidated statement of other comprehensive income

For the six months ended 30 September

In thousands of euro	Note	2014	2013
Profit for the period		1,959	1,628
Foreign operations – foreign currency translation differences		32	—
Equity-accounted investees – share of other comprehensive income		—	77
Cash flow hedges – effective portion in hedge reserves		(1,629)	2,510
Income tax on other comprehensive income		407	(647)
Other comprehensive income for the period, net of tax		(1,190)	1,940
Total comprehensive income for the period		769	3,568

The notes on pages F-8 to F-17 are an integral part of this condensed consolidated interim financial information

Condensed consolidated statement of changes in equity

For six months ended 30 September 2014

In thousands of euro	Note	Attributable to the owners of the Company				Result for the period	Total equity
		Share capital	Translation reserve	Hedging reserve	Retained earnings		
Balance at 1 April 2014		8,400	(171)	(78)	23,410	223	31,784
Transfer result prior period		—	—	—	223	(223)	—
Profit for the period		—	—	—	—	1,959	1,959
Other comprehensive income		—	32	(1,222)	—	—	(1,190)
Total comprehensive income for the period		—	32	(1,222)	—	1,959	769
Balance at 30 September 2014		8,400	(139)	(1,300)	23,633	1,959	32,553
Balance at 1 April 2013		8,400	(65)	(1,576)	21,776	1,412	29,947
Transfer result prior period		—	—	—	1,412	(1,412)	—
Profit for the period		—	—	—	—	1,628	1,628
Other comprehensive income		—	—	1,882	58	—	1,940
Total comprehensive income for the period		—	—	1,882	58	1,628	3,568
Balance at 30 September 2013		8,400	(65)	306	23,246	1,628	33,515

Condensed consolidated statement of cash flows

For six months ended 30 September

In thousands of euro

	Note	2014	2013
Cash flows from operating activities			
Profit for the period		1,959	1,628
Adjustments for:			
– Depreciation		259	260
– Net finance costs	8	9,041	9,740
– Release net-realized hedging reserve		(726)	(497)
– Share of profit joint ventures		(39)	51
– Income tax expense		1,965	1,676
– Provision for employee benefits		—	34
		12,459	12,892
Change in:			
– Inventories		1,044	(5)
– Trade and other receivables		(1,314)	(2,037)
– Prepayments		(995)	(114)
– Trade and other payables		(2,922)	(366)
Net changes in working capital	12	(4,187)	(2,522)
Income tax paid		—	—
Income tax received		—	—
Dividends from joint ventures		200	125
Net cash from operating activities		8,472	10,495

Condensed consolidated statement of cash flows (continued)

In thousands of euro

	Note	2014	2013
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		—	(298)
Acquisition of property, plant and equipment		(162)	(168)
Net cash from (used in) investing activities		<u>(162)</u>	<u>(466)</u>
Cash flows from financing activities			
Transaction costs related to loans and borrowings		—	(650)
Repayment of borrowings		(4,806)	(6,625)
Interest received		—	4
Interest paid on loans and borrowings		(3,689)	(5,072)
Net cash from (used in) financing activities		<u>(8,495)</u>	<u>(12,343)</u>
Net increase (decrease) in cash and cash equivalents		<u>(185)</u>	<u>(2,314)</u>
Cash and cash equivalents at 1 April		3,120	3,822
Cash and cash equivalents at 30 September		<u>2,935</u>	<u>1,508</u>

The notes on pages F-8 to F-17 are an integral part of this condensed consolidated interim financial information

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Lucas Bols Holding B.V. (the 'Company') is a company domiciled in the Netherlands. These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ended 30 September 2014 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and a joint venture. The Group is primarily involved in managing the product development, bottling, distribution, sales and marketing of the brands Bols, Galliano, Vaccari, Pisang Ambon, Bokma, Hartevelt, Coebergh and a large group of Dutch jenever and liqueurs.

2. Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 March 2014. These interim financial statements were authorised for issue by the Company's Management Board on 19 January 2015. These condensed consolidated interim financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand.

3. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 March 2014, except for the adoption of IFRS 10, 11 and 12 that became effective for the Company as of 1 April 2014 but had no material impact on these interim financial statements.

4. Use of judgments and estimates

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2014.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the valuation techniques as outlined below.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 13 – financial instruments.

5. Operating segments

The segments defined by management have not changed since the last audited special purpose financial statements.

a. Brand information*

Amounts in EUR '000	Global brands		Regional brands		Unallocated		Total	
	H1	H1	H1	H1	H1	H1	H1	H1
Revenue	28,264	28,955	12,517	12,229	—	—	40,781	41,184
Cost of goods sold	(9,684)	(9,806)	(5,888)	(5,757)	—	—	(15,572)	(15,563)
Gross profit	18,580	19,149	6,629	6,472	—	—	25,209	25,621
A&P and distribution expenses	(6,053)	(6,727)	(884)	(954)	—	—	(6,937)	(7,681)
Personnel and other expenses	—	—	—	—	(5,346)	(4,845)	(5,346)	(4,845)
Total results for operating activities	12,527	12,422	5,745	5,518	(5,346)	(4,845)	12,926	13,095
Share of profits of joint ventures and associates	13	(21)	26	(30)	—	—	39	(51)
	12,540	12,401	5,771	5,488	(5,346)	(4,845)	12,965	13,044
Intangible assets	124,031	124,031	90,912	90,912	—	—	214,943	214,943
Inventories	5,741	4,414	820	915	—	—	6,561	5,329
Other assets	—	—	—	—	35,655	34,056	35,655	34,056
Total segment assets	129,772	128,445	91,732	91,827	35,655	34,056	257,159	254,328
Total segment liabilities	—	—	—	—	(224,606)	(224,808)	(224,606)	(224,808)

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

b. Geographical information

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

Amounts in EUR '000	Revenue by region		Gross profit	
	H1	H1	H1	H1
	2014/15	2013/14	2014/15	2013/14
Western Europe*	19,060	18,436	10,748	10,267
Asia Pacific**)	9,805	9,536	7,069	6,991
North America***)	6,541	7,544	3,838	4,283
Emerging markets	5,375	5,668	3,554	4,080
Consolidated totals	40,781	41,184	25,209	25,621

*) of which revenue attributed to The Netherlands: 8,971 (H1 2014/15) and 8,403 (H1 2013/14)

***) of which revenue attributed to Japan: 5,214 (H1 2014/15) and 4,562 (H1 2013/14)

****) of which revenue attributed to USA: 5,153 (H1 2014/15) and 5,874 (H1 2013/14)

6. Seasonality of operations

The Group's business is to a certain extent affected by seasonality. In FY 2013/14 the Group made 52% of its Revenue in the first half year (April – September 13) as distributors built up their stocks in anticipation of the year-end period. On the expense side the seasonality is reflected in higher advertising and promotional cost in the second half of the year. As a consequence of the above historically approx. 60% of the Groups Operating Profit was made in the first half year and approx. 40% in the second half.

7. Distribution and administrative expenses

Amounts in EUR `000	H1 2014/15	H1 2013/14
Advertising and promotional expenses	5,488	5,872
Distribution expenses	1,449	1,809
Personnel expenses	3,729	3,412
Other administrative expenses	1,358	1,173
Depreciation and amortisation	259	260
Total expenses	<u>12,283</u>	<u>12,526</u>

8. Finance cost

Finance cost decreased as a result of lower interest rates.

Amounts in EUR `000	Finance cost for the six month period	
	H1 2014/15	H1 2013/14
Interest on loans and borrowings	3,728	4,942
Interest paid in kind for Mezzanine facility	955	897
Interest on cum. preference shares	3,888	3,487
Amortization refinancing fees	470	365
Other interest	—	53
Total interest	<u>9,041</u>	<u>9,744</u>

9. Tax expense

Tax expense comprises deferred tax. The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 September 2014 was 50.1% (six months ended 30 September 2013: 50.7%). The percentage of the effective tax rate versus the official tax rate in the Netherlands of 25% was caused predominantly by the interest on cumulative preference shares, which is not tax-deductible (see table).

	2014		2013	
	%	EUR 1,000	%	EUR 1,000
For the six months ending 30 September				
Profit before tax		3,924		3,305
Tax using the Company's domestic tax rate	25.0	981	25.0	826
Effect of tax rates in foreign jurisdictions	1.45	57	0.6	22
Non-deductible cum. pref. interest	24.8	972	26.4	872
Effect of share of profits of equity-accounted investees	(1.0)	(40)	(1.3)	(44)
Other	(0.1)	(5)	—	—
	50.1	1,965	50.7	1,676

10. Intangible assets

Each year the Company carries out a formal impairment test at the end of its financial year. For the six month period ended 30 September 2014 no impairment test has been performed as the operations during the six month period ended 30 September 2014 are in line with assumptions as used in last year's impairment test which is performed at 31 March 2014. Management has therefore not identified any indicators at 30 September 2014, nor at 30 September 2013 for carrying out an additional impairment test.

11 Loans and borrowings

Amounts in EUR `000	Currency	Nominal interest rate	Year of maturity	Face value *)	Carrying amount *)
Secured Bank Loan – Facilities A, B and C	EUR	Euribor + 3.75 – 4.75	2015-16	39,614	38,702
Subordinated loan – Mezzanine bank loan	EUR	Euribor + 11.25	2017	36,556	36,098
Cumulative preference shares	EUR	12.0	Not determined	68,538	68,538
				144,708	143,338
Secured Bank Loan – Facilities A+B (current liabilities)	EUR	Euribor + 3.75+4.25	2015	42,549	42,549
Balance at 30 September 2014				187,257	185,887

Amounts in EUR `000	Currency	Nominal interest rate	Year of maturity	Face value *)	Carrying amount *)
Secured Bank Loan – Facilities A, B and C	EUR	Euribor + 3.75 – 4.75	2015-16	77,357	76,044
Subordinated loan – Mezzanine bank loan	EUR	Euribor + 11.25	2017	35,601	35,075
Cumulative preference shares	EUR	12.0	Not determined	64,794	64,794
				177,752	175,913
Secured Bank Loan – Facilities A (current liabilities)	EUR	Euribor + 3.75	2015	9,611	9,611
Balance at 31 March 2014				187,363	185,524

*) The difference in the amounts mentioned under respectively “face value” and “carrying amount” is caused by the recognition of transaction costs.

12. Net working capital

The increase in working capital for the six month period ended 30 September 2014 and 2013 is caused by seasonality.

13. Financial instruments

30 September 2014	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Amounts in EUR '000								
Financial assets measured at fair value								
Interest rate swaps used for hedging	—	—	—	—	—	—	—	—
Forward exchange contracts used for hedging	15	—	—	15	—	15	—	15
	15	—	—	15	—	15	—	15
Financial assets not measured at fair value								
Trade and other receivables	—	17,620	—	17,620	—	17,620	—	17,620
Cash and cash equivalents	—	2,935	—	2,935	—	2,935	—	2,935
	—	20,555	—	20,555	—	20,555	—	20,555
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(2,303)	—	—	(2,303)	—	(2,303)	—	(2,303)
Forward exchange contracts used for hedging	(152)	—	—	(152)	—	(152)	—	(152)
	(2,455)	—	—	(2,455)	—	(2,455)	—	(2,455)
Financial liabilities not measured at fair value								
Secured bank loans (long and short term)	—	—	(81,251)	(81,251)	—	(81,251)	—	(81,251)
Subordinated loan – Mezzanine bank loan	—	—	(36,098)	(36,098)	—	(36,098)	—	(36,098)
Cum. pref. shares	—	—	(68,538)	(68,538)	—	(68,538)	—	(68,538)
Trade and other payables	—	—	(7,095)	(7,095)	—	(7,095)	—	(7,095)
	—	—	(192,982)	(192,982)	—	(192,982)	—	(192,982#)

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

a. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values at 30 September 2014 and 30 September 2013, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

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

Financial instruments not measured at fair value

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

Financial assets include trade and other receivables and cash and cash equivalents. Other financial liabilities include bank loans, other short term financial liabilities, trade and other payables.

14 Commitments and operating leases

Leases as lessee

The Group leases offices under operating lease. The lease for the Headoffice at Paulus Potterstraat, Amsterdam, was renewed per 30 June 2014 for a period ending 31 March 2021.

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

Future minimum lease payments

At 30 September, the future minimum payable lease payments under non-cancellable leases were as follows:

Amounts in EUR `000	2014	2013
Less than 1 year	545	520
Between 1 and 5 years	2,113	780
More than 5 years	709	—
	<u>3,367</u>	<u>1,300</u>

For the lessor a guarantee has been issued for an amount of EUR140 thousand.

In relation to the investment in the joint venture in India a guarantee has been issued for an amount of EUR1.6 million (INR 132.0 million).

15. Related parties

a. Parent and ultimate controlling party

The majority of shares is held by AAC Capital Partners, whereas AAC NL BOF 2005 B.V. is the ultimate controlling party of the Group.

b. Other related party transactions

Amounts in EUR `000	Transaction values for the 6 months ended 30 September		Balance outstanding as at 30 September	
	2014	2013	2014	2013
Sale of goods and services				
Joint ventures	7,260	7,063	1,170	1,342
Purchase of goods				
Joint ventures	(9,654)	(10,322)	(1,060)	(812)
Others				
Joint venture dividends received	200	125		
Joint ventures loan and related interest	—	—	599	599

16. Subsequent event

No subsequent events were identified.

Review report

To: the Management Board of Lucas Bols Holding B.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information as at 30 September 2014 of Lucas Bols Holding B.V., Amsterdam, which comprises the condensed consolidated statement of financial position as at 30 September 2014, the condensed consolidated statements of profit and loss, other comprehensive income, changes in equity, and cash flows for the period of six months ended 30 September 2014, and the notes. The Management Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 September 2014 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 19 January 2015

KPMG Accountants N.V.

H.A.P.M. van Meel RA

Consolidated special purpose statement of financial position as at 31 March 2014, 2013 and 2012

(before profit appropriation)

Amounts in EUR `000		31 March 2014	31 March 2013	31 March 2012
Assets				
Property, plant and equipment	15	1,664	1,526	1,646
Intangible assets	16	214,943	214,743	214,743
Investments in joint-ventures	17	5,926	5,995	6,029
Other investments, including derivatives	18	599	664	836
Deferred tax assets	11	7,421	7,276	7,432
Non-current assets		230,553	230,204	230,686
Inventories	12	7,605	5,324	6,258
Trade and other receivables	13	15,205	14,622	13,837
Derivative financial instruments	24	109	26	—
Cash and cash equivalents	14	3,120	3,822	713
Current assets		26,039	23,794	20,808
Total assets		256,592	253,998	251,494

The notes are an integral part of these consolidated financial statements.

Amounts in EUR `000		31 March 2014	31 March 2013	31 March 2012
Equity				
Share capital		8,400	8,400	8,400
Hedging Reserve		(78)	(1,576)	(4,578)
Translation Reserve		(171)	(65)	(73)
Retained earnings		23,410	21,776	20,968
Result for the year		223	1,412	1,346
Total equity		31,784	29,947	26,063
Liabilities				
Subordinated loans	21	35,075	33,355	31,579
Other loans and borrowings	21	76,044	88,559	99,557
Other non-current fin. Liabilities – Cum. Pref. Shares	21	64,794	58,109	52,140
Other non-current fin. Liabilities – Other	22	780	1,250	3,112
Employee benefits	10	465	518	190
Deferred tax liabilities	11	26,985	23,759	20,601
Total non-current liabilities		204,143	205,550	207,179
Loans and borrowings	21	9,611	8,535	7,475
Trade and other payables	23	9,752	6,285	7,548
Derivative financial instruments	24	1,302	3,681	3,229
Total current liabilities		20,665	18,501	18,252
Total liabilities		224,808	224,051	225,431
Total equity and liabilities		256,592	253,998	251,494

The notes are an integral part of these consolidated financial statements.

Consolidated special purpose statement of profit or loss for the year ended 31 March 2014, 2013 and 2012

Amounts in EUR `000	31 March 2014	31 March 2013	31 March 2012
Revenue	78,724	79,988	78,318
Cost of sales	(31,139)	(32,366)	(32,399)
Gross profit	47,585	47,622	45,919
Distribution and administrative expenses	6 (26,089)	(25,295)	(23,660)
Operating profit	21,496	22,327	22,259
Share of profit of joint ventures	17 513	875	745
Finance income	31	51	49
Finance costs	(19,465)	(19,513)	(19,590)
Net finance costs	8 (19,434)	(19,462)	(19,541)
Profit before tax	2,575	3,740	3,463
Income tax expense	11 (2,352)	(2,328)	(2,117)
Profit	223	1,412	1,346
Profit attributable to the owners of the Company	223	1,412	1,346

The notes are an integral part of these consolidated financial statements.

Consolidated special purpose statement of other comprehensive income for the year ended 31 March 2014, 2013 and 2012

Amounts in EUR `000	31 March 2014	31 March 2013	31 March 2012
Result for the year	223	1,412	1,346
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Re-measurement of defined benefit liability (asset)	10 296	(59)	—
Related tax	(30)	15	—
	<u>266</u>	<u>(44)</u>	<u>—</u>
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences	(106)	8	9
Net change in hedge reserves	24 2,221	4,003	(4,457)
Related tax	(767)	(1,001)	1,114
	<u>1,348</u>	<u>3,010</u>	<u>(3,334)</u>
Other comprehensive income, net of tax	1,614	2,966	(3,334)
Total comprehensive income	1,837	4,378	(1,988)
Total comprehensive income attributable to the owners of the Company	1,837	4,378	(1,988)

The notes are an integral part of these consolidated financial statements.

Consolidated special purpose statement of other comprehensive income for the year ended 31 March 2014, 2013 and 2012 (continued)

Amounts in EUR `000	31 March 2014	31 March 2013	31 March 2012
Earnings per share			
Basic earnings per share (EUR)	9 0.03	0.17	0.16
Diluted earnings per share (EUR)	9 0.03	0.16	0.15

The notes are an integral part of these consolidated financial statements.

Consolidated special purpose statement of changes in equity for the year ended 31 March 2014, 2013 and 2012

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

The notes are an integral part of these consolidated financial statements.

	Share capital	Currency translation reserve	Hedging reserve	Retained earnings	Result for the year	Total equity
Amounts in EUR `000						
Balance as at 1 April 2012, as previously reported	8,400	(73)	(4,578)	20,968	1,346	26,063
Impact of changes in accounting policies	2(e) —	—	—	(494)	—	(494)
Restated balance as at 1 April 2012	8,400	(73)	(4,578)	20,474	1,346	25,569
Transfer result prior period	—	—	—	1,346	(1,346)	—
Total comprehensive income						
Profit	—	—	—	—	1,412	1,412
Other comprehensive income	—	8	3,002	(44)	—	2,966
Total comprehensive income	—	8	3,002	(44)	1,412	4,378
Balance as at 31 March 2013	8,400	(65)	(1,576)	21,776	1,412	29,947

The notes are an integral part of these consolidated financial statements.

	Share capital	Currency translation reserve	Hedging reserve	Retained earnings	Result for the year	Total equity
Amounts in EUR `000						
Balance as at 1 April 2011	8,400	(82)	(1,235)	12,320	8,648	28,051
Transfer result prior period	—	—	—	8,648	(8,648)	—
Total comprehensive income						
Profit	—	—	—	—	1,346	1,346
Other comprehensive income	—	9	(3,343)	—	—	(3,334)
Total comprehensive income	—	9	(3,343)	—	1,346	(1,988)
Balance as at 31 March 2012	8,400	(73)	(4,578)	20,968	1,346	26,063

The notes are an integral part of these consolidated financial statements.

Consolidated special purpose statement of cash flows for the year ended 31 March 2014, 2013 and 2012

Amounts in EUR `000	2014	2013	2012
Cash flows from operating activities			
Profit	223	1,412	1,346
Adjustments for:			
• Depreciation of property, plant and equipment	15	586	460
• Net finance costs	8	19,434	19,462
• Release net-realized hedging reserve		(1,948)	(139)
• Share of profit of joint ventures, net of tax		(513)	(875)
• Income tax expense	11	2,352	2,328
• Provision for employee benefits		67	63
	<u>20,201</u>	<u>22,711</u>	<u>20,431</u>
Change in:			
• Inventories		(2,281)	934
• Trade and other receivables		(376)	(818)
• Trade and other payables		3,246	(871)
Net changes in working capital		<u>589</u>	<u>(755)</u>
Income tax paid	—	—	—
Income tax received	—	—	—
Proceeds from settlement of derivatives		939	2,282
Dividends from joint ventures	28	625	600
Net cash from operating activities	<u>22,354</u>	<u>24,838</u>	<u>17,670</u>
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		(298)	—
Acquisition of property, plant and equipment		(543)	(340)
Acquisition of other investments		—	(59)
Proceeds from partly repayment loan by joint-venture		—	335
Net cash from (used in) investing activities	<u>(841)</u>	<u>(399)</u>	<u>(66)</u>

Consolidated special purpose statement of cash flows for the year ended 31 March 2014, 2013 and 2012 (continued)

Amounts in EUR `000	2014	2013	2012
Cash flows from financing activities			
Payment of transaction cost related to loans and borrowings	(682)	—	—
Repayment of borrowings	(11,702)	(10,627)	(5,850)
Interest received	31	51	49
Interest paid	(9,862)	(10,754)	(11,486)
Net cash from (used in) financing activities	(22,215)	(21,330)	(17,287)
Net increase/decrease in cash and cash equivalents	(702)	3,109	317
Cash and cash equivalents at 1 April	3,822	713	396
Cash and cash equivalents at 31 March	14	3,822	713

The notes are an integral part of these consolidated financial statements.

Notes to the consolidated special purpose financial statements for the year ended 31 March 2014, 2013 and 2012

1. Reporting entity

Lucas Bols Holding B.V. (the 'Company') is a company domiciled in the Netherlands. The address of the Company's registered office is Paulus Potterstraat 14, Amsterdam. The consolidated special purpose financial statements of the Company for the year ended 31 March 2014 comprise the Company and its subsidiaries (together referred to as 'the Group') and the Group's interest in jointly controlled entities.

A summary of the main subsidiaries and jointly controlled entities is included in note 26.

Lucas Bols Holding B.V. is primarily involved in managing the product development, bottling, distribution, sales and marketing of the brands Bols, Galliano, Vaccari, Pisang Ambon, Bokma, Hartevelt, Coebergh and a large group of Dutch jenevers and liqueurs.

Lucas Bols Holding BV was incorporated at 27 February 2006. On 11 April 2006 the Company acquired, through its subsidiary Lucas Bols B.V., 100% of the economic rights of the global brand Bols as well as the shares of Galliano BV, Pisang Ambon BV, and Bokma Distillateurs BV. Through its subsidiary Lucas Bols B.V. the Company acquired respectively 100% of the shares of Lucas Bols USA Inc. on 21 May 2008 and on 3 September 2013 100% of the shares of Pijlsteeg B.V. (i.e. the new name for Wynand Fockink Experience B.V.).

2. Basis of preparation

(a) Statement of compliance

These special purpose financial statements 2012-2014 have been prepared for inclusion in the offering circular. This report is required by and in compliance with line item 20.1 of Annex I to the prospectus Directive Regulation (EC/809/2004) and is given for the purpose of complying with that Regulation and for no other purpose.

The special purpose financial statements 2012-2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) as applicable for financial years commencing on or after 1 January 2013.

These special purpose financial statements were authorised for issue by the Management Board on 19 January 2015.

These special purpose financial statements are not the statutory financial statements of the Company. The Company has filed statutory financial statements under Dutch Law as at and for the fiscal years ended 31 March 2014, 31 March 2013 and 31 March 2012 with the Chamber of Commerce of Amsterdam.

(b) Basis of measurement

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

- derivative financial instruments are measured at fair value;
- non-derivative financial instruments at fair value through profit or loss are measured at fair value; and

- the defined benefit asset is recognised as the fair value of plan assets, less the present value of the defined benefit obligation and is limited as explained in note 3(e).

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Judgements

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

Note 17 – classification of joint arrangement;

Note 27 – lease classification.

Assumptions and estimation uncertainties

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

- Note 10 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 11 – recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used; and
- Note 16 – impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs.

Measurement of fair values

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

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

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

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included note 25 – financial instruments.

(e) Changes in accounting policies

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

Certain comparative amounts in the statement of profit or loss and OCI have been reclassified or re-represented, as a result of a change in the accounting policy regarding the presentation of items of OCI.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2013.

- IFRS 13 Fair Value Measurement;
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1); and
- IAS 19 Employee Benefits (2011).

The new standards and amendments to standards had no material impact on the Group's consolidated special purpose financial statements, except for IAS 19 Employee Benefits. The nature and effect of IAS 19 Employee Benefits is explained below. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

Post-employment defined benefit plans

As a result of IAS 19 Employee Benefits (2011), the Group has changed its accounting policy with respect to the basis for determining the income or expense related to its post-employment defined benefit plans.

After the policy change, the Company recognizes all actuarial gains and losses arising immediately in other comprehensive income (OCI). In prior years, the Company applied the

corridor method. This change means that deferral of actuarial gain and losses within the corridor are no longer applied.

The change in accounting policy was recognized retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors and the opening balance of 2012/2013 is restated'. The adjustments results in a EUR 0.5 million decline in 'Total equity' for the full year 2013.

The 2013/2014 and 2012/2013 amounts as included in Note 10 Employee Benefits of these special purpose financial statements as at and for the year ended 31 March 2014 and 2013 have been restated as a result of this policy change.

3. Significant accounting policies

Except for the changes explained in note 2(e), the Group has consistently applied the following accounting policies to all periods presented in these consolidated special purpose financial statements.

Certain comparative amounts in the statement of profit or loss and OCI have been reclassified or re-represented as a result of a change in the accounting policy regarding the presentation of items of OCI (see note 2(e)).

(a) Basis of consolidation

(i) Business combinations

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

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

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

The Group measures goodwill at the acquisition date as:

the fair value of the consideration transferred; plus

the recognised amount of any non-controlling interest in the acquiree; plus

if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less

the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated special purpose financial statements from the date that control commences until the date that control ceases.

(iii) Interests in equity-accounted investees

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

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

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

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

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

(b) Revenue

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

(i) Sale of goods

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

Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

(ii) Royalties and services rendered

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

(c) Finance income and finance costs

The Group's finance income and finance costs include:

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

(d) Foreign currency

(i) Foreign currency transactions

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

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

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

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

(ii) Foreign operations

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

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

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

(e) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

(iii) Defined benefit plans

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

(iv) Other long-term employee benefits

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

(f) Income tax

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

(i) Current tax

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

(ii) Deferred tax

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

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

temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

(g) Inventories

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

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

(h) Property, plant and equipment

(i) Recognition and measurement

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

(ii) Subsequent costs

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

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

(iii) Depreciation

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

The estimated useful lives are as follows:

- Fixtures and leasehold improvements 10 years

- Furniture 10 years
- Equipment 5 years
- Computers 3 years

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

(i) Intangible assets

(i) Brands

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

(ii) Goodwill

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

(j) Financial instruments

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

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

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

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

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

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

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

(ii) Non-derivative financial assets – measurement

Held-to-maturity financial assets

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

Loans and receivables

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

Cash and cash equivalents

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

(iii) Non-derivative financial liabilities – measurement

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

(iv) Share capital

Ordinary shares

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

Cumulative Preference shares

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

(vi) Derivative financial instruments and hedge accounting

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

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

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and

presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

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

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

(k) Impairment

(i) Non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(ii) Non-derivative financial assets

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

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- indications that a debtor or issuer will enter bankruptcy;

- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

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

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

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

Equity-accounted investees

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

(l) Leases

(i) Leased assets

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

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

(ii) Lease payments

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each

period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

4. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014. Those which may be relevant to the Company are set out below. The Company has not early adopted these new or amended standards in preparing its special purpose financial statements. Management will assess the effects during upcoming year, but currently does not expect the impact will be significant.

The following potentially relevant changes in standards will come into effect for the financial year 2014/2015:

- IFRS 10 Consolidated Financial Statements: this standard introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees.
- IFRS 11 Joint Arrangements: the new standard distinguishes between joint operations and joint ventures, whereas for joint ventures only application of the equity method will be permitted.
- IFRS 12 Disclosure of Interests in Other Entities: this standard will include the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities.

Furthermore, IFRS 9 Financial Instruments, which will eventually replace IAS 39 the current standard on financial instruments, will become effective for annual periods beginning after 1 January 2018 but we note that this standards has not yet been endorsed by the European Union.

5. Operating segments

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

Brand information *

The Group identifies Global and Regional Brands:

(i) Global brands

The Global Brands represents its Groups brands, which are in general sold on more than one continent, on which the Group makes a relatively high margin and have an on-premise characteristic.

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

(ii) Regional brands

The Regional Brands represents its Groups brands, which are in general sold on one continent and have predominantly an off-premise character.

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

	Global brands			Regional brands			Unallocated			Total		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Amounts in EUR `000												
Revenue	54,488	53,812	50,725	24,236	26,176	27,593	—	—	—	78,724	79,988	78,318
Cost of goods sold	(19,039)	(19,696)	(19,017)	(12,100)	(12,670)	(13,382)	—	—	—	(31,139)	(32,366)	(32,399)
Gross profit	35,449	34,116	31,708	12,136	13,506	14,211	—	—	—	47,585	47,622	45,919
A&P and distribution expenses	(13,731)	(13,957)	(12,509)	(2,200)	(2,793)	(3,328)	—	—	—	(15,931)	(16,750)	(15,837)
Personnel and other expenses	—	—	—	—	—	—	(10,158)	(8,545)	(7,823)	(10,158)	(8,545)	(7,823)
Total result from operating activities	21,718	20,159	19,199	9,936	10,713	10,883	(10,158)	(8,545)	(7,823)	21,496	22,327	22,259
Share of profit of joint ventures and associates	38	64	55	475	811	690	—	—	—	513	875	745
	21,756	20,223	19,254	10,411	11,524	11,573	(10,158)	(8,545)	(7,823)	22,009	23,202	23,004
Intangible assets	124,031	124,031	124,031	90,912	90,712	90,712	—	—	—	214,943	214,743	214,743
Inventories	6,208	4,148	5,117	1,397	1,176	1,141	—	—	—	7,605	5,324	6,258
Other assets	—	—	—	—	—	—	34,044	33,931	30,493	34,044	33,931	30,493
Total segment assets	130,239	128,179	129,148	92,309	91,888	91,853	34,044	33,931	30,493	256,592	253,998	251,494
Total segment liabilities	—	—	—	—	—	—	(224,808)	(224,051)	(225,431)	(224,808)	(224,051)	(225,431)

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

Geographical information

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

	Revenue by region of destination			Gross profit		
	2014	2013	2012	2014	2013	2012
Amounts in EUR `000						
Western Europe *)	36,403	39,283	40,073	19,274	21,129	21,308
Asia Pacific **)	18,271	17,808	15,459	13,396	12,736	11,012
North America ***)	14,243	12,969	13,322	8,211	6,810	6,655
Emerging markets	9,807	9,928	8,464	6,704	6,947	5,944
Other	—	—	1,000	—	—	1,000
Consolidated totals	<u>78,724</u>	<u>79,988</u>	<u>78,318</u>	<u>47,585</u>	<u>47,622</u>	<u>45,919</u>

*) of which revenue attributed to the Netherlands: 17,396 (2014), 19,335 (2013) and 20,126 (2012)

***) of which revenue attributed to Japan: 9,412 (2014), 8,443 (2013) and 7,050 (2012)

***) of which revenue attributed to the USA: 10,915 (2014), 9,490 (2013) and 9,699 (2012)

6. Distribution and administrative expenses

Amounts in EUR `000	2014	2013	2012
Advertising and promotional expenses	12,566	13,709	12,676
Distribution expenses	3,365	3,041	3,161
Personnel expenses	7 7,103	5,402	5,068
Other administrative expenses	2,469	2,683	2,368
Depreciation and amortisation	586	460	387
	<u>26,089</u>	<u>25,295</u>	<u>23,660</u>

7. Personnel expenses

Amounts in EUR `000	2014	2013	2012
Wages and salaries*)	5,784	4,412	4,221
Social security contributions	602	375	329
Contributions to defined contribution plans	74	60	68
Expenses related to post-employment defined benefit plans	262	276	178
Temporary staff	381	279	272
	<u>7,103</u>	<u>5,402</u>	<u>5,068</u>

*) The increase in personnel expenses in the financial year 2013/14 results from the expansion and strengthening of our US-organisation.

8. Net finance costs

Amounts in EUR `000	2014	2013	2012
Total interest income arising from financial assets not measured at fair value through profit or loss (loans receivable)	31	51	49
Finance income	31	51	49
Financial liabilities measured at amortised cost – interest expense	(12,492)	(13,256)	(13,973)
Interest on cumulative preference shares	(6,973)	(6,257)	(5,617)
Finance costs	<u>(19,465)</u>	<u>(19,513)</u>	<u>(19,590)</u>
Net finance costs recognised in profit or loss	<u>(19,434)</u>	<u>(19,462)</u>	<u>(19,541)</u>

9. Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Weighted-average number of ordinary shares (basic)

Amounts in EUR `000		2014	2013	2012
Issued ordinary shares at 1 April	19	8,400	8,400	8,400
Changes in ordinary shares in the financial year	19	—	—	—
Weighted average number of ordinary shares at 31 March		8,400	8,400	8,400

Weighted-average number of ordinary shares (diluted)

Amounts in EUR `000		2014	2013	2012
Weighted-average number of ordinary shares (basic)		8,400	8,400	8,400
Potential effect of conversion of warrants	19	434	434	434
Weighted-average number of ordinary shares (diluted) at 31 March		8,834	8,834	8,834

10. Employee benefits

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

Movement in net defined benefit (asset) liability

Amounts in EUR `000	Defined benefit obligation			Fair value of plan assets			Net defined benefit liability (asset)		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Balance at 1 April	1,773	1,224	967	(1,255)	(1,034)	(594)	518	190	373
Included in profit or loss									
Current service cost	195	134	102	20	103	99	215	237	201
Interest cost (income)	70	61	56	(48)	(46)	—	22	15	56
	2,038	1,419	1,125	(1,283)	(977)	(495)	755	442	630
Included in OCI									
Re-measurement ;loss (gain):									
Actuarial loss (gain)	(527)	338	83	31	94	(309)	(496)	432	(226)
Return on plan assets	—	—	—	376	(167)	(36)	376	(167)	(36)
	1,511	1,757	1,208	(876)	(1,050)	(840)	635	707	368
Other									
Contributions paid by employee	31	28	28	(31)	(28)	(28)	—	—	—
Contributions paid by the employer	—	—	—	(170)	(189)	(178)	(170)	(189)	(178)
Benefits paid	(8)	(12)	(12)	8	12	12	—	—	—
Balance at 31 March	1,534	1,773	1,224	(1,069)	(1,255)	(1,034)	465	518	190

Plan assets

Plan assets comprise of qualifying insurance policies.

Defined benefit obligation

Actuarial assumptions

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

	2014	2013	2012
Discount rate 31 March	4.10%	3.50%	4.40%
Expected return on plan assets 31 March	4.10%	3.50%	4.40%
Future salary growth	1.50%	1.50%	1.50%
Future pension growth	0.00%	0.00%	0.20%
Price inflation	1.80%	1.90%	1.90%

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

- Prognosetafel AG 2012-2062

The Company expects EUR 172 thousand in contributions to be paid to its defined benefit plan in the financial year 2014/2015.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Note: an opposite movement would lead to the equal, but opposite effect on the amount shown below

31 March 2014

	Defined benefit obligation	
	Increase	Decrease
Amounts in EUR `000		
Discount rate (+1%)	—	440
Future salary growth (+1%)	218	—
Future pension growth (+1%)	272	—
Future mortality (+1 yr)	29	—

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

11. Income taxes

Income tax recognised in profit or loss

Amounts in EUR `000	2014	2013	2012
Deferred tax expense			
Current year	874	890	1,101
Origination and reversal of temporary differences	(3,226)	(3,218)	(3,218)
Tax expense	(2,352)	(2,328)	(2,117)

Tax expense on operations excluded the Group's share of tax expense of the Group's equity-accounted investees of EUR 183 thousand (2013: EUR 314 thousand; 2012: EUR 266 thousand), which has been included in 'share of profit of equity accounted investees, net of tax'.

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

Reconciliation of effective tax rate

	2014		2013		2012	
	%	EUR 1,000	%	EUR 1,000	%	EUR 1,000
Profit before tax		2,575		3,740		3,463
Tax using the Company's domestic tax rate	25.0	644	25.0	935	25.0	866
Effect of tax rates in foreign jurisdictions	3.6	93	1.1	43	1.4	48
Non-deductible cum. pref. interest	67.7	1,743	41.8	1,564	40.5	1,404
Non-deductible expenses	0.5	13	0.3	12	0.4	12
Effect of share of profits of equity-accounted investees	(5.5)	(140)	(6.0)	(224)	(6.2)	(213)
Other	(0.0)	(1)	(0.0)	(2)	(0.0)	—
	91.3	2,352	62.2	2,328	61.1	2,117

Movement in deferred tax balances

2013/ 2014	Net balance at 1 April 2013	Recognised in profit or loss	Recognised in OCI	Acquired in business combinations	Net balance at 31 March 2014	Deferred tax assets	Deferred tax liabilities
Amounts in EUR `000							
Intangible assets	(23,759)	(3,226)	—	—	(26,985)	—	(26,985)
Derivatives	1,224	—	(767)	—	457	457	—
Employee benefits	66	—	(30)	—	36	36	—
Tax loss carry forward	5,986	874	—	68	6,928	6,928	—
Tax (assets) liabilities	<u>(16,483)</u>	<u>(2,352)</u>	<u>(797)</u>	<u>68</u>	<u>(19,564)</u>	<u>7,421</u>	<u>(26,985)</u>

2012/ 2013	Net balance at 1 April 2012	Recognised in profit or loss	Recognised in OCI	Net balance at 31 March 2013	Deferred tax assets	Deferred tax liabilities
Amounts in EUR `000						
Intangible assets	(20,541)	(3,218)	—	(23,759)	—	(23,759)
Derivatives	2,225	—	(1,001)	1,224	1,224	—
Employee benefits	51	—	15	66	66	—
Tax loss carry forward	5,096	890	—	5,986	5,986	—
Tax (assets) liabilities	<u>(13,169)</u>	<u>(2,328)</u>	<u>(986)</u>	<u>(16,483)</u>	<u>7,276</u>	<u>(23,759)</u>

2011/ 2012

Amounts in EUR `000

	Net balance at 1 April 2011	Recognised in profit or loss	Recognised in OCI	Net balance at 31 March 2012	Deferred tax assets	Deferred tax liabilities
Intangible assets	(17,323)	(3,218)	—	(20,541)	—	(20,541)
Derivatives	1,111	—	1,114	2,225	2,285	(60)
Employee benefits	51	—	—	51	51	—
Tax loss carry forward	3,995	1,101	—	5,096	5,096	—
Tax (assets) liabilities	<u>(12,166)</u>	<u>(2,117)</u>	<u>1,114</u>	<u>(13,169)</u>	<u>7,432</u>	<u>(20,601)</u>

12. Inventories

Amounts in EUR `000

	2014	2013	2012
Finished goods	<u>7,605</u>	<u>5,324</u>	<u>6,258</u>

In addition, during 2014 inventories of EUR 132 thousand were written down to net realisable value (2013: EUR 282 thousand, 2012: EUR 171 thousand). The write-down is included in 'cost of sales'.

13. Trade and other receivables

Amounts in EUR `000	2014	2013	2012
Trade receivables due from related parties	12,142	11,550	11,101
Other trade receivables	1,328	1,111	1,085
Accrued income due from joint ventures	(55)	450	309
Prepaid expenses and accrued income	1,790	1,511	1,342
	<u>15,205</u>	<u>14,622</u>	<u>13,837</u>

The entire balance of trade and other receivables is classified as current.

As per 31 March 2014, 2013 and 2012 there is no allowance for doubtful debt.

Receivables denominated in currencies other than the functional currency comprise per 31 March 2014 a total of EUR 8,429,400 of trade receivables (2013: EUR 7,364,600, 2012: EUR 7,552,700).

Information about the Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, is included in note 25.

14. Cash and cash equivalents

Amounts in EUR `000	2014	2013	2012
Bank balances	3,106	3,780	702
Cash balances	14	42	11
Cash and cash equivalents in the statement of financial position and statement of cash flows	<u>3,120</u>	<u>3,822</u>	<u>713</u>

All cash and cash equivalents are available on demand.

15. Property, plant and equipment

Amounts in EUR `000	Equipment	Fixtures and fittings	Furniture	Total
Cost				
Balance at 1 April 2011	1,109	2,140	215	3,464
Additions	205	192	4	401
Fully depreciated assets	(944)	—	—	(944)
Reclassifications	(51)	34	2	(15)
Balance at 31 March 2012	<u>319</u>	<u>2,366</u>	<u>221</u>	<u>2,906</u>
Accumulated depreciation				
Balance at 1 April 2011	(975)	(765)	(92)	(1,832)
Depreciation	(106)	(258)	(23)	(387)
Fully depreciated assets	944	—	—	944
Reclassifications	27	(12)	—	15
Balance at 31 March 2012	<u>(110)</u>	<u>(1,035)</u>	<u>(115)</u>	<u>(1,260)</u>
Cost				
Balance at 1 April 2012	319	2,366	221	2,906
Additions	255	85	—	340
Fully depreciated assets	(78)	(149)	—	(227)
Reclassifications	—	—	—	—
Balance at 31 March 2013	<u>496</u>	<u>2,302</u>	<u>221</u>	<u>3,019</u>
Accumulated depreciation				
Balance at 1 April 2012	(110)	(1,035)	(115)	(1,260)
Depreciation	(124)	(312)	(24)	(460)
Fully depreciated assets	78	149	—	227
Reclassifications	—	(2)	2	—
Balance at 31 March 2013	<u>(156)</u>	<u>(1,200)</u>	<u>(137)</u>	<u>(1,493)</u>

Amounts in EUR `000	Equipment	Fixtures and fittings	Furniture	Total
Cost				
Balance at 1 April 2013	496	2,302	221	3,019
Additions	23	147	20	190
Transfer from other investments	—	59	—	59
Investments	131	411	1	543
Balance at 31 March 2014	<u>650</u>	<u>2,919</u>	<u>242</u>	<u>3,811</u>
Accumulated depreciation				
Balance at 1 April 2013	(156)	(1,200)	(137)	(1,493)
Acquisitions	(11)	(45)	(12)	(68)
Depreciation for the year	(169)	(388)	(29)	(586)
Balance at 31 March 2014	<u>(336)</u>	<u>(1,633)</u>	<u>(178)</u>	<u>(2,147)</u>
Carrying amounts				
At 1 April 2011	134	1,375	123	1,632
At 31 March 2012	209	1,331	106	1,646
At 31 March 2013	340	1,102	84	1,526
At 31 March 2014	314	1,286	64	1,664

Security

At 31 March 2014, properties with a carrying amount of EUR 1,664 thousand (2013: EUR 1,526 thousand, 2012: EUR1,646) were subject to a registered debenture that forms security for bank loans (see note 21).

16. Intangible assets

Amounts in EUR `000	Brands	Goodwill	Total
Balance at 1 April 2011	214,743	—	214,743
Acquisitions through business combinations	—	—	—
Balance at 31 March 2012	214,743	—	214,743

Amounts in EUR `000	Brands	Goodwill	Total
Balance at 1 April 2012	214,743	—	214,743
Acquisitions through business combinations	—	—	—
Balance at 31 March 2013	214,743	—	214,743
Balance at 1 April 2013	214,743	—	214,743
Acquisitions through business combinations	—	200	200
Balance at 31 March 2014	214,743	200	214,943

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

Goodwill

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

Amounts in EUR `000	Total
Consideration paid	447
Fair value of assets and liabilities	247
Goodwill	200

Fair value of assets and liabilities comprises as

Amounts in EUR `000	Total
Tangible assets	122
Fin. assets	69
Current assets	131
Current liabilities	(75)
Total fair value at acquisition in September 2013	247

Impairment testing for cash-generating units containing brand value

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

Amounts in EUR `000	2014	2013	2012
Bols	99,184	99,184	99,184
Galliano	39,076	39,076	39,076
Dutch Brands	51,496	51,496	51,496
Others	24,987	24,987	24,987
	214,743	214,743	214,743

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

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

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

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

	2014	2013	2012
	percent	percent	percent
Discount rate	9.10	9.00	8.68
Terminal value growth rate	0.00 –	0.00 –	0.00 –
	2.00	2.00	2.00

Management has performed sensitivity analysis on (i) a revenue decrease of 5%, (ii) a discount rate increase of 1% and (iii) a terminal growth rate of 0% for each CGU. The outcome of these

individual sensitivity analysis is that for each CGU no impairment was necessary (the other assumptions remaining unchanged).

17. Joint ventures

Amounts in EUR `000	2014	2013	2012
Opening balance	5,995	6,029	6,106
Investments	—	—	—
Share in profit	513	875	745
Dividend received	(625)	(700)	(900)
Actuarial result through OCI	131	(339)	—
Adjustments from currency translation through OCI	(88)	—	—
Other adjustments	—	130	78
Balance at 31 March	<u>5,926</u>	<u>5,995</u>	<u>6,029</u>
Avandis C.V. & Avandis B.V. (33.3%)	3,630	3,630	3,630
Maxxium Nederland B.V. (50.0%)	1,819	1,887	2,073
Bols Kyndal India Pvt Ltd. (50.0%)	477	478	326
Balance at 31 March	<u>5,926</u>	<u>5,995</u>	<u>6,029</u>

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

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

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

The following table summarises the financial information of the Group's joint ventures as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in its joint ventures.

Amounts in EUR `000	2014	2013	2012
Non-current assets	15,817	16,543	17,330
Current assets	29,668	27,881	23,644
Non-current liabilities	(4,933)	(6,552)	(5,474)
Current liabilities	(26,512)	(23,890)	(22,116)
Net assets (100%)	14,040	13,982	13,384
Group's share of net assets	5,205	5,178	4,878
Elimination of unrealised result	(479)	(478)	(579)
Other adjustments	1,200	1,295	1,730
Carrying amount of interest in joint venture	5,926	5,995	6,029
Revenue	108,888	118,293	107,316
Expenses	(107,166)	(116,272)	(105,208)
Profit and loss and total comprehensive income (100%)	1,722	2,021	2,108
Group's share of Profit and loss and total comprehensive income	861	1,010	1,054
Elimination of unrealised result	(1)	101	7
Other adjustments	(304)	(445)	(238)
Group's share of profit and total comprehensive income	556	666	823

18. Other investments, including derivatives

Current investments

Amounts in EUR `000	2014	2013	2012
Loan to joint venture	599	599	599
Forward exchange contracts used for hedging	—	59	—
Other investments	—	6	237
	599	664	836

The loan with an undefined duration relates to the payment conditions as agreed with a joint venture. The loan bears an interest of 4.0 % p.a.

Derivative financial instruments consist of hedged foreign exchange contracts. Duration of these foreign exchange contracts is more than 1 year. See for disclosure on financial instruments note 25.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 25.

19. Capital and reserves

Share capital and share premium

At 31 March 2014, the authorised share capital comprised 30 million ordinary shares of EUR 1.00 each. At balance sheet date a total of 8.4 million shares were issued and fully paid.

Amounts in EUR `000	Ordinary shares		
	2014	2013	2012
In issue at 1 April	8,400	8,400	8,400
Issued for cash	—	—	—
In issue at 31 March – fully paid	<u>8,400</u>	<u>8,400</u>	<u>8,400</u>
Authorised – par value EUR	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>

Furthermore, the Company issued 23 Cumulative Preference Shares. These shares are fully paid and are recognised under the non-current financial liabilities (see note 21)

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

At 31 March 2014, the authorised share capital comprised 30 million ordinary shares of EUR 1 each. At the balance sheet date the total of 8.4 million shares were issued and fully paid.

Warrants have been issued which entitle the companies who hold the Mezzanine loan (see note 21) to acquire ordinary shares to be issued at a strike price of one euro each for a maximum of 434,000 shares (above the 8.4 million ordinary shares as mentioned above).

Nature and purpose of reserves

Currency translation reserve

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

Hedging reserve

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

20. Capital management

The Company does not have an explicit return on capital policy. There have been no changes in the capital management policies during the year. Capital is considered by the Company to be equity as shown in the statement of financial position.

	2014	2013	2012
Amounts in EUR `000			
Short term debt	9,611	8,535	7,475
Long term debt	111,119	121,914	131,136
Cum. pref. shares	64,794	58,109	52,140
Interest bearing debt	185,520	188,558	190,751
Less: cash and cash equivalents	(3,120)	(3,822)	(713)
Net debt	182,404	184,736	190,038
Total equity	31,784	29,947	26,063
Undo: hedging reserves	78	1,576	4,578
Equity adjusted for hedging reserves	31,862	31,523	30,641

21. Loans and borrowings

Non-current liabilities

	2014	2013	2012
Amounts in EUR `000			
Secured bank loans – Facility A, B and C	76,044	88,559	99,557
Subordinated loan – Mezzanine bank loan	35,075	33,355	31,579
Cumulative preference shares	64,794	58,109	52,140
	<u>175,913</u>	<u>180,023</u>	<u>183,276</u>

Current liabilities

	2014	2013	2012
Amounts in EUR `000			
Current portion of secured bank loans	9,611	8,535	7,475

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is included in note 25.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value 31 March 2014	Carrying amount 31 March 2014	Face value 31 March 2013	Carrying amount 31 March 2013	Face value 31 March 2012	Carrying amount 31 March 2012
Amounts in EUR '000									
		%							
Secured bank loan – Facilities A, B and C	EUR	Euribor + 3.75-4.75	2015-2016	86,969	85,655	98,671	97,094	109,298	107,032
Subordinate loans – Mezzanine bank loan	EUR	Euribor + 11.25	2017	35,601	35,075	33,807	33,355	32,098	31,579
Cumulative preference shares	EUR	12.00	Not determined	64,794	64,794	<u>58,109</u>	<u>58,109</u>	<u>52,140</u>	<u>52,140</u>
Total interest-bearing liabilities				<u>187,364</u>	<u>185,524</u>	<u>190,587</u>	<u>188,558</u>	<u>193,536</u>	<u>190,751</u>

Part of the interest on the Mezzanine loan (i.e. 5.25% of the total margin of 11.25% p.a. regarding the principal of EUR 35.6 million) is not paid, but accrued and added to the principal amount of the loan and becomes interest bearing itself at the start of the new financial year.

Floating rates have been hedged for a substantial part by means of interest rate swap agreements entered into.

The bank loans are secured for approx. EUR 230 million by a pledge on most non-current assets, as well as trade receivables and stock.

Cumulative preference shares

	2014	2013	2012
Amounts in EUR `000			
Proceeds from issue of Cumulative preference shares A	62,394	55,709	49,740
Proceeds from issue of Cumulative preference shares B	2,400	2,400	2,400
Carrying amount at 31 March 2014	<u>64,794</u>	<u>58,109</u>	<u>52,140</u>

During 2014, 23 cumulative preference shares were issued and fully paid with a par value of EUR 1 per share (2013: 23 cum. pref. shares).

The cumulative preference shares carry the right to a fixed cumulative preferential dividend of 12% per annum. The shares have been classified as debt.

On the cumulative preference shares A a yearly dividend is accrued. On the cumulative preference shares B a yearly cash-dividend is paid amounting to EUR 288,000.

22. Other non-current financial liabilities

	2014	2013	2012
Amounts in EUR `000			
Fair value derivatives	634	1,250	3,112
Other loans	146	—	—
	<u>780</u>	<u>1,250</u>	<u>3,112</u>

Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates and interest rates. The model used under hedge accounting is the cash flow hedge model.

The other loan bears an interest of 5% p.a. and matures in 2018.

23. Trade and other payables

	2014	2013	2012
Amounts in EUR `000			
Trade payables and due to related parties	7,205	3,352	4,999
Other payables	429	415	370
Accrued expenses	2,118	2,518	2,179
Trade payables	<u>9,752</u>	<u>6,285</u>	<u>7,548</u>

Payables denominated in currencies other than the functional currency comprise per 31 March 2014 a total of EUR 2,916,200 of trade payables (2013: EUR 1,021,700, 2012: EUR 1,899,000).

24. Derivative Financial Instruments

Derivative financial instruments consist of hedged foreign exchange contracts and interest rate swaps, both valued at 31 March. Duration of these foreign exchange and interest contracts is less than 1 year.

See for disclosure on financial instruments note 25. Information about the Group's exposure to currency and liquidity risk is included in note 25.

25. Financial instruments

Accounting classifications and fair values

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

31 March 2014

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

31 March 2013

	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Amounts in EUR `000								
Financial assets measured at fair value								
Interest rate swaps used for hedging	—	—	—	—	—	—	—	—
Forward exchange contracts used for hedging	6	—	—	6	—	6	—	6
	<u>6</u>	<u>—</u>	<u>—</u>	<u>6</u>	<u>—</u>	<u>6</u>	<u>—</u>	<u>6</u>
Financial assets not measured at fair value								
Trade and other receivables	13	14,622	—	14,622	—	14,622	—	14,622
Cash and cash equivalents	14	3,822	—	3,822	—	3,822	—	3,822
	<u>—</u>	<u>18,444</u>	<u>—</u>	<u>18,444</u>	<u>—</u>	<u>18,444</u>	<u>—</u>	<u>18,444</u>
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(3,987)	—	—	(3,987)	—	(3,987)	—	(3,987)
Forward exchange contracts used for hedging	(919)	—	—	(919)	—	(919)	—	(919)
	<u>(4,906)</u>	<u>—</u>	<u>—</u>	<u>(4,906)</u>	<u>—</u>	<u>(4,906)</u>	<u>—</u>	<u>(4,906)</u>
Financial liabilities not measured at fair value								
Secured bank loans	21	—	(97,094)	(97,094)	—	(97,094)	—	(97,094)
Subordinated loan – Mezzanine bank loan	21	—	(33,355)	(33,355)	—	(33,355)	—	(33,355)
Cum. pref. shares	21	—	(58,109)	(58,109)	—	(58,109)	—	(58,109)
Trade and other payables	23	—	(6,285)	(6,285)	—	(6,285)	—	(6,285)
	<u>—</u>	<u>—</u>	<u>(194,843)</u>	<u>(194,843)</u>	<u>—</u>	<u>(194,843)</u>	<u>—</u>	<u>(194,843)</u>

31 March 2012

	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Amounts in EUR `000								
Financial assets measured at fair value								
Interest rate swaps used for hedging	—	—	—	—	—	—	—	—
Forward exchange contracts used for hedging	237	—	—	237	—	237	—	237
	<u>237</u>	<u>—</u>	<u>—</u>	<u>237</u>	<u>—</u>	<u>237</u>	<u>—</u>	<u>237</u>
Financial assets not measured at fair value								
Trade and other receivables	13	13,837	—	13,837	—	13,837	—	13,837
Cash and cash equivalents	14	713	—	713	—	713	—	713
	<u>—</u>	<u>14,550</u>	<u>—</u>	<u>14,550</u>	<u>—</u>	<u>14,550</u>	<u>—</u>	<u>14,550</u>
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(5,878)	—	—	(5,878)	—	(5,878)	—	(5,878)
Forward exchange contracts used for hedging	(463)	—	—	(463)	—	(463)	—	(463)
	<u>(6,341)</u>	<u>—</u>	<u>—</u>	<u>(6,341)</u>	<u>—</u>	<u>(6,341)</u>	<u>—</u>	<u>(6,341)</u>
Financial liabilities not measured at fair value								
Secured bank loans	21	—	(107,032)	(107,032)	—	(107,032)	—	(107,032)
Subordinated loan – Mezzanine bank loan	21	—	(31,579)	(31,579)	—	(31,579)	—	(31,579)
Cum. pref. shares	21	—	(52,140)	(52,140)	—	(52,140)	—	(52,140)
Trade and other payables	23	—	(7,548)	(7,548)	—	(7,548)	—	(7,548)
	<u>—</u>	<u>—</u>	<u>(198,299)</u>	<u>(198,299)</u>	<u>—</u>	<u>(198,299)</u>	<u>—</u>	<u>(198,299)</u>

Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

Financial instruments not measured at fair value

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

Financial assets include trade and other receivables and cash and cash equivalents. Other financial liabilities include bank loans, other short term financial liabilities, trade and other payables.

Financial risk management

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

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

Risk management framework

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

Credit risk

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

Trade and other receivables

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

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

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

The Group is closely monitoring the economic environment in the Eurozone and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

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

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

	Carrying amount		
	2014	2013	2012
Amounts in EUR `000			
Western Europe	5,174	4,796	3,856
North America	2,168	1,282	1,238
Asia Pacific	2,814	3,529	4,588
Emerging markets	3,314	3,054	2,504
	<u>13,470</u>	<u>12,661</u>	<u>12,186</u>

At 31 March 2014, the ageing of trade and other receivables that were not impaired was as follows:

	2014	2013	2012
Amounts in EUR `000			
Neither past due nor impaired	11,501	10,943	10,034
Past due 1 – 30 days	629	440	1,365
Past due 31 – 90 days	304	448	378
Past due 90 days and more	1,036	830	409
	<u>13,470</u>	<u>12,661</u>	<u>12,186</u>

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

No impairment loss on trade and other receivables was recognised in 2013/2014 (2012/2013: nil; 2011/2012: nil).

The amounts mentioned under past due 90 days and more are mainly caused by the fact that due to government regulations, the royalty partner in Argentina, a subsidiary of a global industry player, was not able by currency restrictions, to pay its outstanding invoices in time. From the balance as per 31 March 2014 EUR 0,5 million has been received in July 2014, from the balance as per 31 March 2013 EUR 0.7 million has been received in May 2013.

Cash and cash equivalents

The Group held cash and cash equivalents of EUR 3,120 thousand at 31 March 2014 (2013: EUR 3,822 thousand; 2012: EUR 713 thousand). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency ratings.

Derivatives

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

Liquidity risk

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

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

In addition, the Group maintains the following lines of credit: There is a revolving credit facility of EUR 5 million which is used mainly for guarantees. One guarantee has been issued in relation with the investment of the Company in the Joint venture in India (EUR 1.6 million) and one guarantee has been issued for our lessor (EUR 0.14 million).

Exposure to liquidity risk

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

31 March 2014	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1 -2 years	2 -5 years	More than 5 years
Amounts in EUR `000						
Non-derivative financial liabilities						
Secured bank loans	(85,655)	(94,199)	(13,536)	(60,373)	(20,290)	—
Mezzanine bank loan	(35,075)	(49,804)	(2,220)	(2,338)	(45,246)	—
Trade payables	(11,054)	(11,054)	(11,054)	—	—	—
	<u>(131,784)</u>	<u>(155,057)</u>	<u>(26,810)</u>	<u>(62,711)</u>	<u>(65,536)</u>	<u>—</u>

Cum. Pref. shares with a carrying amount of 64,794 as per 31 March 2014 are not having a contractual maturity date and are therefore not included in the above schedule.

31 March 2013	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Amounts in EUR `000						
Non-derivative financial liabilities						
Secured bank loans	(97,094)	(109,799)	(12,873)	(33,779)	(63,147)	—
Mezzanine bank loan	(33,355)	(51,753)	(2,069)	(2,178)	(47,506)	—
Trade payables	(9,966)	(9,966)	(9,966)	—	—	—
	<u>(140,415)</u>	<u>(171,518)</u>	<u>(24,908)</u>	<u>(35,957)</u>	<u>(110,653)</u>	<u>—</u>

Cum. Pref. shares with a carrying amount of 58,109 as per 31 March 2013 are not having a contractual maturity date and are therefore not included in the above schedule.

31 March 2012	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Amounts in EUR `000						
Non-derivative financial liabilities						
Secured bank loans	(107,032)	(126,619)	(12,578)	(13,552)	(100,489)	—
Mezzanine bank loan	(31,579)	(54,472)	(2,090)	(2,170)	(28,175)	(22,037)
Trade payables	(10,777)	(10,777)	(10,777)	—	—	—
	<u>(149,388)</u>	<u>(191,868)</u>	<u>(25,445)</u>	<u>(15,722)</u>	<u>(128,664)</u>	<u>(22,037)</u>

Cum. Pref. shares with a carrying amount of 52,140 as per 31 March 2012 are not having a contractual maturity date and are therefore not included in the above schedule.

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

Market risk

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

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

Currency risk

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

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

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

Exposure to currency risk

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

Trade and other receivables	31 March 2014	31 March 2013	31 March 2012
Amounts in EUR `000			
EUR	6,885	7,283	6,284
USD	2,166	2,096	1,461
JPY	850	2,133	2,273
AUD	1,115	578	1,119
OTHER CURRENCIES	4,189	2,532	2,700
	<u>15,205</u>	<u>14,622</u>	<u>13,837</u>

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

	Average rate against the euro			Year end spot rate against the euro		
	2014	2013	2012	2014	2013	2012
USD	1.3444	1.2891	1.3780	1.3788	1.2805	1.3356
JPY	134.84	107.42	108.52	142.42	120.87	109.56
AUD	1.4581	1.2489	1.3183	1.4941	1.2308	1.2836

Sensitivity analysis

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

Amounts in EUR `000	Profit or loss, net of tax Strengthening
31 March 2014	
JPY (+1 % movement)	68
USD (+1 % movement)	44
AUD (+1 % movement)	28
31 March 2013	
JPY (+1 % movement)	59
USD (+1 % movement)	39
AUD (+1 % movement)	32
31 March 2012	
JPY (+1 % movement)	47
USD (+1 % movement)	47
AUD (+1 % movement)	25

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

Interest rate risk

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

Cash flow sensitivity analysis for variable rate instruments

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

26. List of subsidiaries

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

	Country of incorporation	Ownership interest		
		2014	2013	2012
Lucas Bols B.V.	*) Netherlands	100%	100%	100%
Galliano B.V.	*) Netherlands	100%	100%	100%
Pisang Ambon B.V.	*) Netherlands	100%	100%	100%
Bokma Distillateurs B.V.	*) Netherlands	100%	100%	100%
Beleggingsmaatschappij Honthorst II B.V.	Netherlands	100%	100%	100%
Pijlsteeg B.V.	*) Netherlands	100%	n/a	n/a
Lucas Bols USA Inc.	U.S.A.	100%	100%	100%

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

27. Commitments and operating leases

Leases as lessee

The Group leases an office under operating lease. The lease was renewed per 31 March 2011 for a period of 5 years.

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

Future minimum lease payments

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

	2014	2013	2012
Amounts in EUR `000			
Less than 1 year	530	520	500
Between 1 and 5 years	530	1,040	1,500
More than 5 years	—	—	—
	<u>1,060</u>	<u>1,560</u>	<u>2,000</u>

The amount of lease expenses recognised in the profit and loss amounts to EUR 530 thousand (2013: EUR 520 thousand; 2012: EUR 500 thousand)

For the lessor a guarantee has been issued for an amount of EUR 140 thousand.

In relation to the investment in the joint venture in India a guarantee has been issued for an amount of EUR 1.6 million (INR 132.0 million).

28. Related parties

Parent and ultimate controlling party

The majority of shares is held by AAC Capital Partners, whereas AAC NL BOF 2005 B.V. is the ultimate controlling party of the Group.

Transactions with the Management Board of the Company

Management Board's compensation comprised the following:

	2014	2013	2012
Amounts in EUR `000			
Short-term employee benefits	1,041	898	905
Post-employment benefits	32	31	31
Crisis tax	31	25	n/a
	<u>1,104</u>	<u>954</u>	<u>936</u>

Compensation of the Management Board includes salaries, short-term incentives, non-cash benefits and contributions to a post-employment defined benefit plan (see note 10).

The Management Board of the Company controls 25% of the voting shares of the Company.

Transactions with the Supervisory Board of the Company

Supervisory Board's compensation comprised the following:

	2014	2013	2012
Amounts in EUR `000			
Short-term employee benefits	68	67	65
Post-employment benefits	—	—	—
Crisis tax	—	—	—
	<u>68</u>	<u>67</u>	<u>65</u>

Total of Transactions with the Management Board and Supervisory Board of the Company

	2014	2013	2012
Amounts in EUR `000			
Short-term employee benefits	1,109	965	970
Post-employment benefits	32	31	31
Crisis tax	31	25	n/a
	<u>1,172</u>	<u>1,021</u>	<u>1,001</u>

Other related party transactions

	Transaction values for the year ended 31 March			Balance outstanding as at 31 March		
	2014	2013	2012	2014	2013	2012
Amounts in EUR `000						
Sale of goods and services						
Joint ventures	14,198	17,473	17,785	1,030	1,231	961
Purchase of goods						
Joint ventures	(22,478)	(22,192)	(22,284)	(1,374)	(493)	(892)
Others						
Joint venture dividends received	625	600	900			
Joint ventures loan and related interest	23	34	37	599	599	599

All outstanding balances with these related parties are priced on an arm's length basis and are expected to be settled in cash within two months of the end of the reporting period, except for the long term loan receivable on Avandis C.V. (undefined duration). None of the balances is secured. No expense has been recognised in the current year or prior years for doubtful debts in respect of amounts owed by related parties. In relation to the investment in the joint venture in India a guarantee has been issued for an amount of EUR 1.6 million (INR 132.0 million).

29. Subsequent events

No subsequent events were identified.

Amsterdam, 19 January 2015

Management Board:

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

Joost K. de Vries (CFO)

Supervisory Board:

Derk C. Doijer (Chairman)

Paul G. Hugenholtz

Bert Meerstadt

Marc W. Staal

Independent auditor's report

To: The Management Board of Lucas Bols Holding B.V.

We have audited the accompanying consolidated special purpose financial statements of Lucas Bols Holding B.V., which comprise the consolidated special purpose statement of financial position as at 31 March 2014, 2013 and 2012 and the consolidated special purpose statements of profit and loss, other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

The Management Board is responsible for the preparation and fair presentation of the consolidated special purpose financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the consolidated special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated special purpose financial statements.

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

Opinion

In our opinion, the consolidated special purpose financial statements give a true and fair view of the consolidated financial position of Lucas Bols Holding B.V. as at 31 March 2014, 2013 and 2012 and of its consolidated result and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis of preparation and restriction on use

Without modifying our opinion, we draw attention to note 2 (a) , which describes the special purpose of the consolidated special purpose financial statements and the notes, including the basis of accounting. The consolidated special purpose financial statements are prepared for the purpose of the offering circular. As a result, the consolidated special purpose financial statements may not be suitable for another purpose. This independent auditor's report is required by the Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that Regulation and for no other purpose.

Amstelveen, 19 January 2015

KPMG Accountants N.V.

M.G. Schönhage RA

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LB2 B.V.

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AAC NL BOF 2005 B.V.

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